

Yerbaé Brands Completes Business Combination Transaction

VANCOUVER, British Columbia--(BUSINESS WIRE)--February 14, 2023--Yerbaé Brands Corp. (formerly, Kona Bay Technologies Inc.) (“**Yerbaé**” or the “**Company**”), is pleased to announce that, further to its news releases dated May 24, 2022, November 23, 2022, December 22, 2022, and February 3, 2023, it has successfully completed its merger and business combination of the Company with Yerbaé Brands Co. (“**Yerbaé US**”), a Delaware incorporated plant-based energy beverage company operating out of Scottsdale, Arizona (the “**Transaction**”).

Todd Gibson, co-founder, CEO and Director of Yerbaé stated, “I am thrilled to announce that Yerbaé is taking the next step in its journey by going public. This is an exciting time for our company and a testament to the hard work and dedication of our employees. Going public will provide us with the capital and resources to accelerate our growth, enhance our brand, and expand our reach. It will also give us the opportunity to bring in new investors who share our vision and mission.”

“I have seen firsthand the hard work, dedication, and passion that has gone into building this business, and I am truly grateful for the support of our employees, customers, and partners along the way. This marks a significant milestone in our journey, and I couldn’t be more excited for what the future holds for Yerbaé as a public company,” said Karrie Gibson, co-founder, COO and Director of Yerbaé.

Yerbaé Corporate Update

*Yerbaé has experienced significant growth, fueled by some of its largest retailers such as Sprouts Farmers Market, Costco, Albertson’s, Safeway, Shaws, Acme, Jewel, Stop N Shop, Winco and many more.

*Vistar (NYSE: PFGC), the industry leading vending and pantry service provider, has successfully capitalized on the reopening of the workplace across the country. Vistar is Yerbaé’s distribution partner and investor, and they have assisted the brand in connecting with consumers in the workplace through its relations with major pantry outlets in office retailers, schools, and vending.

*In Q3 2022, Yerbaé launched the world’s first Pumpkin Spice energy drink as seen on Fox News nationally, and local CBS, NBC and ABC affiliates around the country. Pumpkin Spice season is one of the most beloved times of the year and Yerbaé has captured the essence of fall in a can. The first of its kind innovation of Pumpkin Spice Energy was made with seasonal spices and delivered a unique experience to consumers with zero sugar, calories, carbohydrates or fat.

*The company added William Finn, an accomplished public company finance professional, as its Chief Financial Officer. His most recent public company role was CFO for Legacy Acquisition Corp, a Special Purpose Acquisition Corp that listed on the NYSE in the 4th Quarter 2017 and raised \$300m with its IPO. Proceeds from the IPO in addition to senior secured debt was used to acquire a company in the consumer products space.

*Yerbaé is excited to welcome and work side-by-side with a newly formed board of directors. Joining Karrie Gibson and Todd Gibson as directors are Andy Dratt (Chief Commercial Officer and Partner of Imbibe), Carl Sweat (Co-Founder and Managing Partner of ThermaMDX) and Rose Zanic (President of RCF Advisors). This talented group of individuals with diverse backgrounds will help lead the strategic direction of the company. The board of directors includes individuals with a proven track record of success in fields such as finance, legal, marketing, research, and development. They bring a diverse range of perspectives and ideas, and they are committed to supporting the company and helping Yerbaé reach new heights. The brand is honored to have such a talented and dedicated group of individuals serving on our board of directors.

*In the calendar year 2022, the company made several significant investments in marketing activities designed to reach new consumers and retain existing customers. Some of these marketing activities introduced the brand to the fitness community - notably including CrossFit where Yerbaé signed one of their celebrity investors, Annie Thorisdottir, the first woman to win the CrossFit Games twice. The CrossFit space has also led them to other significant athletes that have joined with Yerbaé over the last year.

The Transaction

The Transaction was completed by way of a reverse triangular merger conducted pursuant to (i) the provisions of the Delaware *General Corporations Law* in which Kona Bay Technologies (Delaware) Inc., a wholly-owned subsidiary of the Company, merged with and into Yerbaé US, and (ii) a plan of arrangement conducted pursuant to the provisions of the *Business Corporations Act* (British Columbia), which also resulted in the amalgamation of the Company (formerly, Kona Bay Technologies Inc.) with 1362283 B.C. Ltd. (“**FinCo**”), a previous wholly-owned subsidiary of the Company.

At the time of closing of the Transaction (the “**Closing**”), an aggregate of 54,493,936 common shares (each, a “**Share**”) of Yerbaé were issued and outstanding, of which: 35,848,290 Shares were issued to the former Yerbaé US shareholders (inclusive of an aggregate of 5,631,276 Shares issued to former holders of an aggregate of US\$4,500,000 in convertible promissory notes of Yerbaé US converted immediately prior to Closing), 8,000,000 performance Shares (each, a “**Performance Share**”) were issued to certain individuals, as to 3,000,000 Performance Shares to Klutch Financial Corp. (“**Klutch**”), a former Insider of and arm’s length party to Yerbaé and Yerbaé US, and 2,500,000 Performance Shares to each of Todd Gibson and Karrie Gibson, which Performance Shares are to be held in escrow and released upon the completion of certain performance-based incentives related to the listing of the Shares on the TSXV, future equity financings, and certain trailing gross revenue targets, 3,153,746 Shares were issued to the former holders of Share purchase warrants of Company (each, a “**Warrant**”) exercised in connection with the Closing, and 2,015,163 Shares issued to former holders of subscription receipts of FinCo.

In addition, the 1,087,752 options to purchase shares of common stock (each, a “**Yerbaé US Share**”) of Yerbaé US which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of 1,087,752 options to purchase Shares (each, an

“**Option**”), 1,754,464 warrants to purchase Yerbaé US Shares which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of 1,754,464 replacement Warrants, and 2,015,163 warrants to purchase common shares of FinCo which were outstanding immediately prior to Closing were cancelled and the holders thereof were granted an aggregate of 2,015,163 replacement Warrants.

In connection with the Closing, the parties paid customary advisory fees to Roth Canada, ULC, an eligible arm’s length third party finder (the “**Finder**”), in consideration for the Finder’s services in facilitating the identification, negotiation and implementation of the Transaction which consisted of the issuance of 507,662 Shares, as well as a cash payment of US\$200,000.

Following the Closing, the Company has an aggregate of 54,493,936 Shares, 1,087,752 Options and 4,202,014 Warrants outstanding.

Change of Directors and Officers

Following the Closing, the directors and officers of Yerbaé are as follows:

Name	Proposed Position(s)
Todd Gibson	CEO and Chairman of the Board
Karrie Gibson	COO and Director
William Finn	CFO
Renata Kubicek	Corporate Secretary
Seth Smith	Vice President of Sales
Carl Sweat	Director
Andy Dratt	Director
Rose Zanic	Director

Additional information regarding each director and officer of the Company, including their respective bios, is set out in Yerbaé’s management information circular (the “**Information Circular**”) dated November 13, 2022 filed under the Company’s profile on SEDAR.

Escrowed Securities

For more information on the securities subject to a Value Security Escrow Agreement and a Surplus Security Escrow Agreement, each based on based on TSXV Form 5D – *Escrow Agreement*, see the Company’s news release dated February 3, 2023 filed under the Company’s profile on SEDAR.

Listing and Trading

Yerbaé is listed on the TSXV as a Tier 2 Industrial Issuer under the name “Yerbaé Brands Corp.” The Shares resumed trading on the TSXV under the symbol “YERB.U” on Monday, February 13, 2023.

For more information on Yerbaé and the Transaction, see the Company's news releases dated May 24, 2022, November 23, 2022, December 22, 2022 and February 3, 2023 as well as the Information Circular, each filed under the Company's profile on SEDAR. All defined terms used but otherwise not defined in this news release, shall have the meanings ascribed to such terms in the Information Circular.

Investor Relation Services

In connection with the Company's commercial introduction plans, Yerbaé Brands Corp., has engaged Native Ads Inc. to carry out a 12-month programmatic digital advertising campaign for a total cost of \$100,000.00. This comprehensive advertising program is designed to build awareness through the following services: (a) Digital advertising (b) Paid distribution, (c) Media buying and (d) Content creation.

About Yerbaé Brands Corp.

Founded in 2017 by Todd Gibson and Karrie Gibson, Yerbaé Brands Corp., (TSXV: YERB.U) is disrupting the energy beverage marketplace with great tasting, zero sugar, zero calorie beverages, while using plant-based ingredients that are designed to meet the needs of the wellness forward consumer. Harnessing the power of nature, Yerbaé's celebrity ingredient is known to produce 196 different vitamins, minerals and nutrients that also produces caffeine.

By combining Yerba Mate, a South American herb with its premium ingredients and flavors, Yerbaé provides consumers with a no compromise energy solution. All Yerbaé energy beverages are zero calorie, zero sugar, non-GMO, and gluten free.

Disclaimer for Forward-Looking Information

Certain statements in this news release are forward-looking statements, which reflect the expectations of management. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to assumptions, risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of the Company. The novel strain of coronavirus, COVID-19, and the ongoing dispute between the sovereign state of Ukraine and Russia also continue to pose risks that are currently indescribable and immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. The reader is cautioned not to place undue reliance of any forward looking statements. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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