

# Yerbaé

Yerbaé Brands Corp.

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For Immediate Release

TSX Venture: YERB.U, OTCQX® Best Market: YERBF

## **Yerbaé Provides Update on Warrant Repricing and Warrant Exercise Incentive Program and Announces Grant of Options, RSUs and PSUs**

**Scottsdale, Ariz., December 29, 2023** — Yerbaé Brands Corp. (TSXV: YERB.U) (“**Yerbaé**” or the “**Company**”), a plant-based energy beverage company, announces that, further to its news release dated December 8, 2023, it intends to reprice an additional 1,219,512 outstanding common share purchase warrants (collectively, the “**Warrants**”) and update its current warrant exercise incentive program (the “**Incentive Program**”) to include the Warrants. The Company is also pleased to announce that it has granted (the “**Grant**”) an aggregate of 531,250 stock options (each, an “**Option**”) to purchase up to 531,250 common shares (each, a “**Share**”) in the capital of the Company to certain directors and officers of the Company, an aggregate of 1,666,665 restricted share units (each, a “**RSU**”) of the Company to certain officers of the Company as well as an aggregate of 1,002,775 performance share units (each, a “**PSU**”) of the Company to certain directors and officers of the Company pursuant to its Omnibus Equity Incentive Plan.

### **Warrant Amendment and Incentive Program**

Yerbaé intends to reprice the Warrants which were issued on February 8, 2023 upon to former holders of an aggregate of US\$1,500,000 in convertible promissory notes of Yerbaé Brands Co. (“**Yerbaé USA**”) and converted immediately prior to the closing the Company’s reverse takeover transaction with Yerbaé USA. The Warrants have an exercise price of US\$1.50 per common share (each, a “**Share**”) and an expiry date of August 8, 2024. Management believes repricing these “out of the money” Warrants could encourage their earlier exercise, improving the Company’s balance sheet and helping to finance a number of business development opportunities. The Warrants will be deemed to be amended to adjust their exercise price to US\$1.20 per Share. Following the amendment to the Warrants, an aggregate of aggregate of 3,234,675 Warrants (collectively, the “**Amended Warrants**”) will seek to be amended, inclusive of the 2,015,163 Warrants seeking amendment as previously announced by Yerbaé on December 8, 2023. For more information on the transaction with Yerbaé USA, please see the Company’s news releases dated May 24, 2022, November 23, 2022, December 22, 2022, February 3, 2023, and February 9, 2023.

The Amended Warrants will also be deemed to have been amended to include an acceleration provision whereby, if for any ten (10) consecutive trading days (the “**Premium Trading Days**”) following the repricing the closing price of the Shares exceeds US\$1.44 per Share, the Amended Warrants’ expiry date will be accelerated such that holders will have thirty (30) calendar days to exercise the Amended Warrants (if they have not first expired in the normal course)(the “**Acceleration Clause**”). The activation of the

Acceleration Clause will be announced by press release and the 30-day period will commence no later than seven (7) days after the last Premium Trading Day.

The amendment of the 1,219,512 Warrants remains subject to the prior consent of the Warrant holders and the approval (the “**Warrant Amendment Approval**”) of TSX Venture Exchange (“**TSXV**”).

The Company also announces that if it obtains Warrant Amendment Approval, it will include the 1,219,512 Warrants within its warrant incentive program (the “**Incentive Program**”) previously announced on December 8, 2023 in order to encourage the early exercise of the Amended Warrants. Under the Incentive Program, the Company will offer an inducement to each Warrant holder that exercises its Amended Warrants prior to 5:00 p.m. (Vancouver time) on January 15, 2024, by the issuance of one additional Share purchase warrant (each, an “**Incentive Warrant**”) for each Warrant exercised. Each Incentive Warrant will entitle the holder to purchase one additional Share at a price of US\$1.50 per Share for a period of two (2) years from the date of the Warrant Amendment Approval and will be subject to a four month and one day hold period from their date of issuance.

The inclusion of the 1,219,512 Warrants into the Incentive Program is conditional upon receipt by Yerbaé of the Warrant Amendment Approval as well as the further approval of the TSXV. The Incentive Program shall expire on January 15, 2024 at 5:00 p.m. (Vancouver time). The Company originally received approval for the Incentive Program by the TSXV on December 14, 2023.

#### **Grant of Stock Options, Restricted Share Units and Performance Share Units**

Yerbaé is also please to announce the Grant of an aggregate of 531,250 Options to purchase up to 531,250 Shares and awarded an aggregate of 1,666,665 RSUs and 1,002,775 PSUs, each effective January 1, 2024.

The Options are exercisable for a period of 7 years from the date of Grant at a price of US\$0.96 per Share. All Options vest as to: (i) 25% 15 months following the date of Grant; (ii) 25% 18 months following the date of Grant; (iii) 25% 21 months following the date of Grant; and (iv) 25% 24 months following the date of Grant.

Each RSU represents the right to receive, once vested, one Share in the capital of the Company. The RSUs vest 12 months from the date of the RSU Award.

Each PSU represents the right to receive, once vested and the requisite performance criteria is met, one Share. Accordingly, each PSU shall vest contingent upon and at the time the Company reaches US\$18,500,000 in net sales and raises at least US\$10,000,000 in funds to support working capital needs as well as 12 months having elapsed from the date of grant.

All of the Options, the RSUs, the PSUs and the Shares underlying such Options, RSUs, and PSUs, as applicable, are subject to a hold period of four months and one day from the date of issuance.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein to, or for the account or benefit of, persons in the United States or U.S. persons (“**U.S. Persons**”), as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “**1933 Act**”). The securities described herein have not been and will not be registered under the 1933 Act or any state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available.

To learn more, join Yerbaé’s mailing list for important updates and offers: <https://investors.yerbae.com>.

## **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 (Yerba Mate) 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. Find us @DrinkYerbae on Instagram and Facebook.

## **Contacts**

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