

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 16, 2022

Jones Soda Co.

(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction of Incorporation)

0-28820
(Commission File Number)

52-2336602
(IRS Employer Identification No.)

66 South Hanford Street, Suite 150, Seattle, Washington
(Address of Principal Executive Offices)

98134
(Zip Code)

(206) 624-3357
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, no par value

Item 1.01 Entry Into a Material Definitive Agreement

On April 16, 2022, Jones Soda Co. (the "Company") and Simply Better Brands Corp. ("SBBC") entered into a binding offer to purchase (the "LOI") pursuant to which SBBC and the Company agreed to complete an arm's length business combination through the acquisition by SBBC of all of the issued and outstanding common shares of the Company (the "Transaction").

Pursuant to the terms of the LOI, SBBC agreed to purchase 100% of the issued and outstanding common shares of the Company ("Jones Shares") at a deemed value of \$0.75 per Jones Share, payable in fully paid and non-assessable common shares of SBBC ("SBBC Shares") based on a price per SBBC Share equal to \$3.65. In addition, SBBC will assume all outstanding debt of the Company and exchange any dilutive securities of the Company for materially similar securities of SBBC based on an implied ratio of 0.20548 SBBC Shares for each one (1) Jones Share held, with the aggregate value of the Transaction being approximately \$98,902,257 on a fully-diluted basis.

Each of the Company and SBBC agreed to conduct a due diligence investigation of the shares, share capital, prospects, business, assets, contracts, operations, records, rights, liabilities and obligations of the other, including financial, marketing, employee, legal, regulatory and environmental matters. ("Due Diligence Investigation"). Further, the Company and SBBC agreed that they will each have a 30-day, or a mutually agreed upon, period ("Due Diligence Period") commencing on the execution of the LOI within which to complete their respective Due Diligence Investigations and receive acceptable tax analysis.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement (the "Definitive Agreement") with respect to the Transaction on or before June 30, 2022 (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), mutually favorable tax and corporate structuring, the approval by shareholders of both SBBC and the Company, and the approval of the TSX Venture Exchange or such other recognized stock exchange as the SBBC Shares may become listed after completion of the Transaction, and if applicable, disinterested shareholder approval. The Company is also required to enter voting and support agreements with all officers, directors, and insiders holding in excess of 5% of the issued and outstanding Jones Shares, and SBBC is required to enter voting support agreements with any shareholder holding in excess of 15% of the issued and outstanding SBBC Shares.

Each of the Company and SBBC may terminate the LOI by written notice to the other in the following circumstances: (a) to accept an unsolicited bona fide written proposal from an arm's length third party to acquire all outstanding shares or all or substantially all assets, where such offer did not result from or involve a breach of the mutual exclusivity provisions of the LOI; (b) if the Due Diligence Investigation on the other party results in a discovery of a material fact in respect of the other party which would reasonably be expected to have a material adverse effect on such other party, or (c) if either party receives corporate, securities or tax advice which makes the completion of the Transaction undesirable, or will result in a structure which is commercially unreasonable. If the LOI is terminated pursuant to the above, the party that terminates the LOI shall reimburse the other party upon demand for all of their out-of-pocket expenses, in an amount not to exceed \$500,000, that shall have been incurred by them in connection with the proposed Transaction.

The LOI also contains customary confidentiality, mutual exclusivity and standstill provisions.

In accordance with the terms of the LOI, upon completion of the Transaction, SBBC intends to change its name to "Jones Soda" or some derivation thereof and the board of directors of the combined company is intended to consist of the members of the Company's current board of directors plus an additional director to be named by SBBC.

The foregoing description of the LOI does not purport to be complete and is qualified in its entirety by reference to the full text of the LOI, which is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

Item 8.01. Other Events.

On April 21, 2022, the Company and SBBC issued a joint press release announcing the execution of the LOI. A copy of the joint press release is attached hereto as Exhibit 99.1, and is incorporated by reference herein.

Forward-looking Statements

This current report on Form 8-K contains “forward-looking statements” that are subject to risks and uncertainties. These forward looking statements include the expected timetable for completing the Transaction, future financial and operating results, including but not limited to anticipated post acquisition annual sales and combined gross margin, benefits and synergies of the proposed Transaction and other statements about the future expectations, beliefs, goals, plans or prospects of the management of each of the Company and SBBC. These statements are based on current expectations, estimates, forecasts and projections and management assumptions about the future performance of each of the Company, SBBC and the combined corporation, as well as the businesses and markets in which they do and are expected to operate. These statements constitute forward-looking statements within the meaning of applicable United States and Canadian securities laws and include words such as “expects,” “believes,” “estimates,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “seeks,” “indicates” and variations of such words and similar expressions that are intended to identify such forward-looking statements which are not statements of historical fact. These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to assess. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The closing of the proposed Transaction is subject to regulatory approvals, the approval of the stockholders of the Company and SBBC, and other customary closing conditions. There is no assurance that such conditions will be met or that the proposed transaction will be consummated within the expected time frame, or at all. If the Transaction is consummated, factors that may cause actual outcomes to differ from what is expressed or forecasted in these forward-looking statements include, among things: difficulties and delays in integrating the Company and SBBC and achieving anticipated synergies, cost savings and other benefits from the Transaction; higher than anticipated Transaction costs; operating costs, customer loss and business disruption following the Transaction, including difficulties in maintaining relationships with employees, may be greater than expected; the strength of the U.S. and Canadian economies in general, and of the local economies in which the surviving corporation will operate, may be different than expected; changes in the U.S. or Canadian legal and regulatory framework; and adverse conditions in the stock market, the public debt market and other capital markets which would negatively affect the surviving corporation’s business and operating results. For a more complete list and description of such risks and uncertainties, refer to the Company’s Form 10-K for the year ended December 31, 2021, as well as other filings made by the Company with the SEC. Except as required under the U.S. federal securities laws and the rules and regulations of the SEC, the Company disclaims any intention or obligation to update any forward-looking statements after the distribution of this Form 8-K, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

Important Notice

This Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed Transaction, SBBC is expected to file with the United States Securities and Exchange Commission (“SEC”) a Registration Statement on Form S-4 (the “Registration Statement”) that will include a Proxy Statement of the Company (the “Proxy Statement”) and a Prospectus of SBBC (the “Prospectus”), as well as other relevant documents concerning the proposed Transaction. **Investors and security holders of both the Company and SBBC are urged to read the Registration Statement and the Proxy Statement/Prospectus regarding the Transaction when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information about the proposed Transaction.** A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about SBBC and the Company, may be obtained at the SEC’s Internet site (<http://www.sec.gov>), from SBBC by going to SBBC’s Investor Relations page on its website at <https://www.simplybetterbrands.com/investor-relations>, or from the Company by going to the Company’s Investor Relations page on its website at <https://www.jonessoda.com/pages/investor-relations>.

Participants in the Solicitation

This Form 8-K is not a solicitation of a proxy from any shareholder of SBBC or the Company. However, SBBC and the Company and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in connection with the proposed Transaction. Information about the directors and executive officers of the Company is set forth in the proxy statement for the Company’s 2022 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on April 1, 2022. Information about the directors and executive officers of SBBC is set forth in the management information circular for SBBC’s 2021 annual general and special meeting of shareholders, as filed on the System for Electronic Document Analysis and Retrieval (SEDAR) on June 11, 2021. Additional information regarding the interests of these participants and other persons who may be deemed participants in the Transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed Transaction when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
2.1	Binding Offer to Purchase dated April 16, 2022
99.1	Press release dated April 21, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JONES SODA CO.
(Registrant)

April 21, 2022

By: /s/ Mark Murray
Mark Murray
President and Chief Executive Officer

BINDING OFFER TO PURCHASE

April 16, 2022

Messrs. Alex Spiro & Mark Murray
Jones Soda Co.
66 South Hanford Street
Seattle, WA 98134

Dear Sirs:

Re: Offer from Simply Better Brands Corp. (“**SBBC**”) to undertake a business combination with Jones Soda Co. (“**JSC**”)

This letter (“**Letter**”) sets forth binding principal terms and conditions of a proposed business combination between SBBC and JSC (“**Transaction**”).

Subject to satisfaction or, where permitted, waiver of all conditions precedent in the Definitive Agreement (defined below), the Transaction will be completed as describe in broad terms herein, will be carried out on substantially the basis set out herein. Upon the execution by the parties to this Letter, the parties acknowledge they are prepared to proceed with the Transaction by, initially, setting out certain binding obligations (“**Binding Provisions**”) between and among the parties.

The Transaction will be conditional on, among other things: (i) appropriate tax advice; (ii) mutual due diligence; and (iii) the execution of a definitive agreement (“**Definitive Agreement**”) incorporating the terms set out herein and otherwise having terms and conditions customary for a transaction of the nature of the Transaction. The parties agree and acknowledge that: (i) the agreements set out by this Letter replaces and supersedes all other agreements among and between the parties; (ii) any and all prior offers related to JSC are hereby rescinded; and (iii) no offers in respect of a business combination or other agreement between JSC or its shareholders exist except under the terms and conditions hereof.

All amounts expressed are in United States dollars unless otherwise noted.

If this Letter is accepted, closing of the Transaction will be subject to the conditions set out below, and upon satisfaction of those conditions, the negotiation of the Definitive Agreement, regulatory and corporate approvals and, if necessary, shareholder approval.

1. General Structure

The Transaction will be structured as a share exchange involving all of the outstanding shares of JSC or some other form of structure whereby SBBC or a subsidiary of SBBC acquires all of the outstanding shares of JSC. The structure would be determined upon completion of the due diligence review and tax analysis by both JSC and SBBC and as reflected in the Definitive Agreement (as defined herein).

Only if required pursuant to the structure of the Transaction as determined upon the completion of applicable securities analysis as well as the tax analysis noted above, all of the securities to be issued as part of the Transaction will be registered under the United States Securities Act of 1933, as amended, on a registration statement (a "**Registration Statement**") filed with the United States Securities and Exchange Commission ("**SEC**"). In connection with the Transaction, JSC and SBBC will prepare and file a proxy statement/prospectus on a Registration Statement with the SEC and clear any comments to such Registration Statement.

2. Transaction Value

SBBC will offer to purchase 100% of the issued and outstanding common shares of JSC at a deemed value of \$0.75 per JSC common share, payable in fully paid and non-assessable common shares of SBBC based on a price per SBBC common share equal to \$3.65 ("**Share Consideration**"). In addition, SBBC will assume all outstanding debt of JSC and exchange any dilutive securities of JSC for materially similar securities of SBBC based on an implied ratio of 0.20548 SBBC common shares for each one (1) JSC share held with the aggregate value being of the Transaction being approx. \$98,902,257 on a fully-diluted basis ("**Transaction Value**"). The Transaction, Transaction Value and price of the Share Consideration will be subject all relevant policies, rules and approvals of the TSX Venture Exchange (or such other recognized stock exchange upon which the Share Consideration is listed for trading ("**TSXV**" or "**Exchange**").

3. Name

The name of SBBC will be changed to "Jones Soda", or some derivation thereof, as soon as practicable following the successful completion of the Transaction ("**Closing Date**").

4. Management and the Board of Directors

Concurrent with the closing of the Transaction:

Management of SBBC will be:

Mark Murray; Chief Executive Officer
Kathy Casey; TBD
Bohb Blair; Chief Marketing Officer
Brian Meadows; Chief Financial Officer
Eric Chastain; President and COO, Jones Soda Division

The Board of Directors of SBBC will be:

Paul Norman; Chairman
Mark Murray
Alex Spiro
Jamie Colbourne
Clive Sirkin
Chad Bronstein
Plus an additional director to be nominated by SBBC prior to closing

5. *Fairness Opinion*

The parties agree and acknowledge that each of JSC and SBBC will obtain fairness opinions related to the Transaction. It will be required and it is a condition precedent in favour of SBBC to the completion of the Transaction that JSC use good faith and all reasonable commercial efforts to provide access to management of JSC, as well as all needed documentation, in furtherance of SBBC obtaining a favourable fairness opinion in respect of the Transaction. It will be required and it is a condition precedent in favour of JSC to the completion of the Transaction that SBBC use good faith and all reasonable commercial efforts to provide access to management of SBBC, as well as all needed documentation, in furtherance of JSC obtaining a favourable fairness opinion in respect of the Transaction.

6. *Representations and Warranties*

The Definitive Agreement will contain customary representations and warranties of the parties as are customary in the context of the Transaction.

7. *Costs*

Each party is responsible for their own legal and other costs related to the Transaction.

8. *Due Diligence*

Each of JSC and SBBC intend to conduct a due diligence investigation of the shares, share capital, prospects, business, assets, contracts, operations, records, rights, liabilities and obligations of the other, including financial, marketing, employee, legal, regulatory and environmental matters (“**Due Diligence Investigation**”).

Each of the officers/directors of JSC and SBBC will cause the other to provide complete access to the parties’ facilities, assets, books and records and will cause the directors, employees, accountants and other agents and representatives (collectively, “**Representatives**”) of such party to co-operate fully with each of JSC and SBBC and their respective authorized Representatives in connection with each party’s Due Diligence Investigation. The information provided by each party pursuant to the Due Diligence Investigation will be treated as “Confidential Information”. Neither party will be under any obligation to continue with its Due Diligence Investigation or negotiations regarding the Definitive Agreement if, at any time, the results of the Due Diligence Investigation are not satisfactory to it, for any reason in its sole discretion.

Each of JSC and SBBC will have a 30-day, or a mutually agreed upon, period (“**Due Diligence Period**”) commencing on the execution of this Letter within which to complete its Due Diligence Investigation and receive acceptable tax analysis as well as satisfying itself with respect to same (hereinafter, “**Due Diligence Condition**”). In the event that such party fails to notify the other in writing (“**Due Diligence Waiver Notice**”) that it has satisfied the Due Diligence Condition on or before the expiry of the Due Diligence Period and the parties have not agreed in writing on an extension of the Due Diligence Period, then this Letter will be at an end and of no further effect.

9. Fiduciary Outs, Deal Protections and Expense Reimbursement

- (a) Each of JSC and SBBC may terminate this Letter of Intent by written notice to the other in the following circumstances:
 - (i) to accept an unsolicited bona fide written proposal from a person who is an arm's length third party made after the date of this Letter of Intent: (i) to acquire all of JSC's outstanding shares or SBBC's outstanding shares, as applicable, or all or substantially all of the assets of JSC or SBBC, as applicable; (ii) that complies with securities laws in all material respects; and (iii) did not result from or involve a breach of Section 14 hereof;
 - (ii) if either of JSC's or SBBC's, as applicable, Due Diligence Investigation on the other party results in a discovery of a material fact in respect of the other party which would reasonably be expected to have a material adverse effect on such other party, in the sole discretion of the determining party; or
 - (iii) if either JSC or SBBC, as applicable, receive corporate, securities or tax advice which makes the completion of the Transaction undesirable, or will result in a structure which is commercially unreasonable, in the sole discretion of the determining party.
- (b) If this Letter of Intent is terminated pursuant to Section 9(a), the party that terminates this Letter of Intent shall reimburse the other party upon demand for all of their out-of-pocket expenses, in an amount not to exceed \$500,000.00, that shall have been incurred by them in connection with the proposed Transaction. Notwithstanding the foregoing, no party shall have the obligation to reimburse the other party for their out-of-pocket expenses if the this Letter of Intent is terminated in accordance with Section 13.
- (c) The Definitive Agreement will also contain deal protection provisions that are customary in Canadian board-supported transactions, including non-solicitation covenants, a right to match and a break fee commensurate with a transaction of this size.

10. Conditions Precedent

The obligation of either party to complete the Transaction will be subject to the fulfilment of the following additional conditions as at the Closing Date:

- (a) the representations and warranties made by each party in the Definitive Agreement relating to:
 - (i) organization and qualification and authority will be true and correct in all respects as of the date of the Definitive Agreement and at the Closing Date;
 - (ii) capitalization will be true and correct in all material respects as of the date of the Definitive Agreement and at the Closing Date; and
 - (iii) all other matters will be true and correct in all respects (disregarding any materiality qualifier therein) as of the date of the Definitive Agreement and at the Closing Date, unless the failure of such representations and warranties to be true and correct in all respects would not have a material adverse affect on either party,and each party will have provided to the other a certificate of two senior officers thereof certifying such accuracy on the Closing Date;
- (b) each party will have complied in all material respects with its covenants in the Definitive Agreement and each party will have provided to the other a certificate of two senior officers thereof certifying that it has so complied with such covenants;

- (c) since the date of the Definitive Agreement, there will not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other changes, events, occurrences, effects or circumstances, has had or could reasonably be expected to have, a material adverse effect on either party and either party will have provided to the other a certificate of two senior officers thereof confirming same, with respect to each party;
- (d) dissent rights will not have been exercised (excluding any dissent rights that have been exercised and subsequently withdrawn) with respect to more than 5% of the issued and outstanding each parties' common shares;
- (e) such other customary conditions regarding no legal action or litigation;
- (f) each of SBBC and JSC, in their sole discretion, being satisfied with its Due Diligence Investigation;
- (g) mutual favourable tax and corporate structuring advice in relation to the Transaction;
- (h) JSC locking-up and obtaining support for the Transaction, by way of a reasonably acceptable voting and support agreement, all holders of JSC common shares individually holding in excess of 5% of the total issued and outstanding shares of JSC; and SBBC locking-up and obtaining support for the Transaction, by way of a reasonably acceptable voting and support agreement, all holders of SBBC common shares individually holding in excess of 15% of the total issued and outstanding shares of JSC;
- (i) if required, the Registration Statement being declared effective by the SEC;
- (j) approval of the Transaction by JSC shareholders;
- (k) approval of the Transaction by SBBC shareholders; and
- (l) approval of the TSXV or such other stock exchange on which the shares of the resulting issuer will be listed.

11. Public Disclosure

Other than as required by law, JSC and SBBC will not, and will cause its respective officers, directors, employees, agents, advisors, consultants, Representatives not to, issue any statement or communication to any third party (other than to its legal, financial and accounting advisors, and shareholders) regarding the Transaction, including, if applicable, its termination and the reasons therefor, without the prior written consent of the other party, which will not be unreasonably withheld, delayed or conditioned. It is acknowledged by the parties that any binding agreement between and among the parties requires public disclosure in a timely manner and that any disclosure prior to that time will require the prior written consent of the other party which consent may be unreasonably withheld.

The Definitive Agreement will govern the public disclosure obligations of the parties following the signing of the Definitive Agreement.

12. Confidentiality

Subject to the terms hereof, each of the parties hereto and its respective affiliates will maintain as confidential all information (including the terms of this Letter) ("**Confidential Information**") provided to it ("**Receiving Party**") by the other party ("**Disclosing Party**") with respect to this Letter and will use such information only for the purpose set out herein and for no competitive or other purposes whatsoever, unless such information: (a) is already in the Receiving Party's possession and not subject to any obligation of confidentiality; (b) is or becomes generally available to the public other than as a result of unauthorized disclosure by or through the Receiving Party; (c) is or becomes available to the Receiving Party on a non-confidential basis from the Disclosing Party or a source other than the Disclosing Party, provided that such source is not known to the Receiving Party to be bound by any obligation of confidentiality to the Disclosing Party; or (d) is required to be disclosed by operation of applicable law or regulatory requirement. If the Receiving Party is required by legal process or otherwise requested to disclose any such information, the Receiving Party will provide the Disclosing Party with prompt notice of such request or requirement so that the Disclosing Party may seek an appropriate protective order or waive compliance with this requirement. Notwithstanding the foregoing, either party may disclose the aforementioned information to its officers, directors, employees and professional advisors as is necessary to proceed with a review of this Letter and the Transaction contemplated by it; provided that such affiliated parties agree to maintain as confidential all such information disclosed hereunder pursuant to these terms.

13. Termination

This Letter: (a) may be terminated by the mutual written consent of JSC and SBBC, (b) will be terminated automatically if any of the SBBC and JAC fails to deliver the Due Diligence Waiver Notice prior to the expiration of the Due Diligence Period, (c) will be terminated automatically if the Definitive Agreement has not been entered into by 5:00 p.m. Toronto time on June 30, 2022 with each party in good faith working as expeditiously as possible to complete any requested or necessary tax analysis and due diligence investigations, and (d) will terminate upon the execution of the Definitive Agreement provided however, that the termination of this Letter will not affect the liability of a party for breach of any provision hereof prior to termination.

14. Mutual Exclusivity

From the date of execution of this Letter by both parties until its termination, each of the parties shall not, and shall not authorize or permit any of its respective subsidiaries, affiliates, directors, officers, employees, agents, advisors or representatives, to directly or indirectly: (a) solicit, initiate, or take any action to facilitate or encourage the submission of any proposal to purchase its respective assets or ownership interests, other than in the ordinary course of business (b) enter into any agreement, arrangement or understanding with respect to any such proposal, (c) participate in any discussions or negotiations that may reasonably be expected to lead to any such proposal, or (d) furnish any information to any person to facilitate the making of any such proposal, or permit or cause any person or entity under its control to do any of the foregoing (an "**Alternative Transaction**").

If any party, or any of its respective directors, officers, agents or advisors receive an unsolicited written proposal with respect to an Alternative Transaction from any other party that such party's board of directors is willing to accept, such receiving party will, subject to any applicable duty of confidentiality, promptly (and in any event within 24 hours), notify and provide the other party with a copy of such proposal. Notwithstanding this Section 14, the receiving party may contact such third party to clarify the terms and conditions of such Alternative Transaction. If the receiving party's board of directors determines in good faith (after consultation with its financial advisors and with its outside legal counsel) that the failure to pursue such a proposal for an Alternative Transaction would be inconsistent with its fiduciary duties (the "**Board Determination**"), then the exclusivity granted by this Section 14 shall not apply to such proposal, provided that the receiving party promptly notifies the other party in writing of the Board Determination, and provides the final proposed terms of the Alternative Transaction. The other party may, within five (5) calendar days from the date the receiving party provides the other party with notice of the Board Determination (including the final proposed terms of the Alternative Transaction), offer to amend this Letter of Intent, and the receiving party will accept such offer in the event such amended terms are, in the view of the receiving party's board of directors, acting reasonably and after consultation with its legal and financial advisors, more favourable than those of the Alternative Transaction. In the event the other party has not made an offer which the receiving party has accepted within such five (5) calendar day period, this Letter of Intent shall automatically terminate upon the expiry of such period.

Immediately upon execution of this Letter of Intent, each party shall terminate, or cause to be terminated, any and all existing discussions or negotiations with any person or group of persons, other than the other party hereto and its respective affiliates, regarding any Alternative Transaction.

15. Standstill

In order to ensure that the parties are able to engage in negotiations regarding the Transaction on terms agreeable to both parties, the parties have agreed that, for a period commencing on the date hereof and ending on the earlier of: (i) the date that is three months from the date of this Letter; and (b) the date the parties enter into the Definitive Agreement (for purposes of this paragraph, the “Standstill Period”), SBBC and its affiliates shall not, directly or indirectly, in any manner whatsoever: (i) acquire or agree to acquire or make any offer or proposal to acquire, in any manner, any securities or assets (other than an acquisition of inventory in the ordinary course of business) of JSC or any of its affiliates; (ii) assist, advise, encourage, agree with, discuss or negotiate or otherwise act in concert with any other persons to acquire or agree to acquire, in any manner, any securities or assets (other than an acquisition of inventory in the ordinary course of business) of JSC or any of its affiliates; (iii) solicit, or in any way participate in any solicitation of, proxies of the shareholders of JSC or any of its affiliates, or form, join or in any way participate in a proxy contest with respect to the securities of JSC or any of its affiliates; (iv) make any proposal for or offer of an extraordinary transaction (including, without limitation, by way of a take-over bid, tender or exchange offer, amalgamation, merger or other business combination) involving JSC or any of its affiliates or their respective securities or assets (other than an acquisition of inventory in the ordinary course of business); or (v) make any public announcement with respect to the foregoing, except as may be required by applicable law or regulatory authorities, other than with the written consent of JSC. If at any time during the Standstill Period, SBBC, its affiliates or representatives are approached by a third party concerning the participation of JSC, its affiliates or the third party in a transaction involving the assets of JSC or of its affiliates (other than an acquisition of inventory in the ordinary course of business) or businesses of, or securities issued by, JSC or any of its affiliates, SBBC shall promptly inform JSC of the nature of such transaction and the parties thereto. This Section 15 shall survive termination of this Letter (other than in the case of termination as a result of the execution of a Definitive Agreement by the parties).

16. Good faith

Each of the parties agree to perform or cause to be performed all such acts and deeds as may be required to give full force and effect to the terms and provisions set out herein and to cooperate with each other and each other’s counsel and other professional advisors in the completion of required due diligence, the preparation, execution and delivery of any and all documents or instruments necessary to give full force and effect to the terms and provisions set out herein and in the Definitive Agreement and any other documents required to give effect hereto.

17. Covenants of JSC

From the date of execution of this Letter until its termination, JSC will (a) conduct its business in the ordinary course in a manner consistent with past practice, (b) maintain its properties and other assets in good working condition (normal wear and tear excepted), (c) use its commercially reasonable efforts to maintain the business and employees, customers, assets and operations as an ongoing concern in accordance with past practice, (d) give SBBC prompt written notice of any material change in or affecting the business, affairs, operations, assets, liabilities or capital of JSC, and (e) promptly make available and/or provide to SBBC and its representatives and advisors complete access to its legal, financial and technical information and shall cause JSC’s employees, accountants and other representatives to cooperate fully with SBBC in connection with SBBC’s Due Diligence Investigation.

18. Covenants of SBBC

From the date of execution of this Letter until its termination, SBBC will (a) conduct its business in the ordinary course in a manner consistent with past practice, (b) maintain its properties and other assets in good working condition (normal wear and tear excepted), (c) use its commercially reasonable efforts to maintain the business and employees, customers, assets and operations as an ongoing concern in accordance with past practice, (d) give JSC prompt written notice of any material change in or affecting the business, affairs, operations, assets, liabilities or capital of SBBC, and (e) promptly make available and/or provide to JSC and its representatives and advisors complete access to its legal, financial and technical information and shall cause SBBC’s employees, accountants and other representatives to cooperate fully with JSC in connection with JSC Due Diligence Investigation.

19. Binding Nature of Agreement

This Letter of Intent enures to the benefit of and is binding upon the parties to this agreement and their successors and permitted assigns; provided that this agreement will not be assignable by either party without the prior written consent of the other.

20. Applicable Law

This Letter shall be governed by the laws of Ontario and the laws of Canada applicable therein.

21. Counterparts

This Letter may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Letter. Counterparts may be delivered either in original or in electronic form and the parties adopt any signature received electronically as original signatures of the parties.

Remainder of page intentionally blank; signature page follows.

If the foregoing is your understanding and you are willing to continue our negotiations on this basis, please so indicate by signing this Letter in the appropriate space below and returning a copy to SBBC at the address above. The proposal set forth in this Letter shall terminate if not accepted on or before 5:00pm on April 18, 2022.

Dated as of the date first above written.

Yours truly,

Michael Galloro

Brian Meadows

AGREED TO AND ACCEPTED BY:

JONES SODA CO.

Authorized Signatory

SIMPLY BETTER BRANDS CORP AND JONES SODA CO. SIGN BINDING LOI WITH MERGER LEADING TO ACCELERATED SCALE AND MOMENTUM IN HIGH GROWTH CATEGORIES

- *Business combination intended to enable accelerated growth in plant-based wellness, food and beverage and health and beauty growth markets*
- *Full Year post acquisition annual sales expected to be in excess of USD \$60 Million with a combined gross margin of approximately 48%*

VANCOUVER, British Columbia, April 21, 2022 (GLOBE NEWSWIRE)—Simply Better Brands Corp. (the “**Simply Better Brands**” or “**SBBC**”) (TSX Venture: SBBC) (OTCQB: PKANF) and Jones Soda Co. (“**Jones**”) (CSE: JSDA) (OTCQB: JSDA) are pleased to announce the execution of a binding letter of intent on April 16, 2022 (“**LOI**”) pursuant to which Simply Better Brands and Jones will complete an arm’s length business combination by the acquisition by Simply Better Brands of all of the issued and outstanding common shares of Jones (the “**Transaction**”), the iconic craft soda company which has recently added to their product line-up cannabis-derived food and beverages. The combination of SBBC and Jones, two rapidly growing companies, is expected to increase shareholder value through operational synergies and accelerated sales growth in three global verticals:

- Food and Beverage – Jones Soda and TRUBAR
- Plant-Based Wellness – CBD and THC – PureKana, Seventh Sense, Herve, Mirage and Mary Jones
- Health and Beauty – No B.S. Skincare

Kathy Casey, CEO of SBBC said, “Our growth model remains consistent: acquire and build emerging Gen Z and Millennial brands in the wellness space through category, channel and geographic expansion. We see joining forces with Jones as an incredible fit due to a common wellness mission, consumer cohort, and leadership approach. Our previous acquisitions of PureKana, TRUBAR and No BS brands have yielded tremendous opportunities to fuel our growth and we are thrilled to have the opportunity for the iconic Jones brand to join our expanding portfolio. We believe that in addition to solving consumer problems in the wellness place, this latest move will be fundamental to driving shareholder value.”

With this proposed business combination, it is believed that opportunities will exist for commercial, functional and financial synergies to address all three market verticals including leveraging Jones’ distribution network and SBBC’s direct to consumer strengths and its key brick and mortar customer relationships.

Mark Murray, CEO of Jones said, “We are very excited to be bringing together the two companies to further accelerate top line growth and bottom line improvements. For Jones, this combination will deliver diversification to our core business. We are bringing together not only strong consumer brands but also two strong management teams that we believe will deliver growth and operational synergies.”

Transaction Summary

Pursuant to the Transaction, SBBC will purchase 100% of the issued and outstanding common shares of Jones ("**Jones Shares**") at a deemed value of US\$0.75 per Jones Share, payable in fully paid and non-assessable common shares of SBBC ("**SBBC Shares**") based on a price per SBBC Share equal to US\$3.65 ("**Share Consideration**"). In addition, SBBC will assume all outstanding debt of Jones and exchange any dilutive securities of Jones for materially similar securities of SBBC based on an implied ratio of 0.20548 SBBC Shares for each one (1) Jones Share held, with the aggregate value being of the Transaction being approximately US\$98,902,257 on a fully-diluted basis ("**Transaction Value**"). The Transaction, Transaction Value and price of the Share Consideration will be subject all relevant policies, rules and approvals of the TSX Venture Exchange ("**TSXV**") or such other recognized stock exchange upon which the Share Consideration is listed for trading. The Share Consideration represents a premium of US\$0.39 to Jones shareholders based on the closing price of each company as of the market close on April 14, 2022.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement (the "**Definitive Agreement**") with respect to the Transaction on or before June 30, 2022 (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), mutually favourable tax and corporate structuring, the approval by shareholders in Simply Better Brands and Jones, and the approval of the TSXV or such other recognized stock exchange as the SBBC Shares may become listed after completion of the Transaction, and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Trading in the securities of SBBC and Jones should be considered highly speculative.

Name Change

Upon completion of the Transaction, Simply Better Brands intends to change its name to "Jones Soda" or some derivation thereof and a new trading symbol may be chosen by SBBC.

Board of Directors

Upon completion of the Transaction, the senior executive team and the Board of Directors of the combined company will draw from the extensive experience and expertise of both companies. It is proposed that the Board of Directors, subject to SBBC approving the proposed nominees and such nominees complying with applicable corporate laws and stock exchange rules in connection with such appointment, will be as follows:

- Paul Norman, Chairman
- Mark Murray
- Alex Spiro
- Jamie Colbourne
- Clive Sirkin
- Chad Bronstein
- Plus an additional director to be nominated by Simply Better Brands

Due Diligence

In order to advance the Transaction to the point where a Definitive Agreement can be negotiated, each of the parties will conduct customary due diligence on the other party and following completion of satisfactory due diligence reviews, the parties expect to negotiate and execute a Definitive Agreement on or before June 30, 2022.

Transaction Structure and Definitive Agreement

The proposed Transaction will be set out in mutually acceptable, negotiated, definitive transaction agreements, including the Definitive Agreement with Jones, voting and support agreements with all officers, directors and insiders of Jones, including any shareholder holding in excess of 5% of the issued and outstanding Jones Shares, and voting support agreements including any shareholder holding in excess of 15% of the issued and outstanding SBBC Shares. The Definitive Agreement will include customary provisions for a transaction of this nature including representations and warranties, covenants, deal protections and conditions to closing, including fiduciary-out provisions, covenants not to solicit other acquisition proposals and the right to match any superior proposal and a termination fee as a result of either party accepting a superior proposal.

Upon completion of the Transaction, Jones's Shares will be de-listed from the Canadian Securities Exchange and it is expected that Simply Better Brands will apply to cause Jones to cease being a reporting issuer under applicable Canadian securities laws. No finder's fee or commission will be payable in connection with the Transaction.

Shareholder Meeting

Approval for the Transaction, if necessary, will be sought from the shareholders of Simply Better Brands and Jones on a date to be determined.

About Simply Better Brands Corp.

Simply Better Brands Corp. leads an international omni-channel platform with diversified assets in the emerging plant-based and holistic wellness consumer product categories. Simply Better Brands' mission is focused on leading innovation for the informed Millennial and Generation Z generations in the rapidly growing plant-based, natural, and clean ingredient space. Simply Better Brands continues to focus on expansion into high-growth consumer product categories including CBD products, plant-based food and beverage, and the global pet care and skin care industries. For more information on Simply Better Brands Corp., please visit: <https://www.simplybetterbrands.com/investor-relations>.

Contact Information

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About Jones

Headquartered in Seattle, Washington, Jones markets and distributes premium craft beverages under the Jones® Soda and Lemoncocco® brands. A leader in the premium craft soda category, Jones is made with cane sugar and other high-quality ingredients and is known for packaging that incorporates ever-changing photos sent in from its consumers. Jones' diverse product line offers something for everyone – cane sugar soda, zero-calorie soda and Lemoncocco non-carbonated premium refreshment. Jones is sold across North America in glass bottles, cans and on fountain through traditional beverage outlets, restaurants, and alternative accounts.

For more information, visit www.jonessoda.com or www.myjones.com or www.drinklemoncocco.com. For further information, please contact Mark Murray, the Jones' President and Chief Executive Officer at (206) 624-3357

Neither the 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.

Additional Information and Where to Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed Transaction, SBBC is expected to file with the United States Securities and Exchange Commission ("SEC") a Registration Statement on Form S-4 (the "**Registration Statement**") that will include a Proxy Statement of Jones (the "**Proxy Statement**") and a Prospectus of SBBC (the "**Prospectus**"), as well as other relevant documents concerning the proposed Transaction. Shareholders are urged to read the Registration Statement and the Proxy Statement/Prospectus regarding the Transaction when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about SBBC and Jones, may be obtained at the SEC's Internet site (<http://www.sec.gov>), from SBBC by going to SBBC's Investor Relations page on its website at <https://www.simplybetterbrands.com/investor-relations>, or from Jones by going to Jones' Investor Relations page on its website at <https://www.jonessoda.com/pages/investor-relations>.

Participants in the Solicitation

This communication is not a solicitation of a proxy from any shareholder of SBBC or Jones. However, SBBC and Jones and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Jones in connection with the proposed Transaction. Information about the directors and executive officers of Jones is set forth in the proxy statement for Jones' 2022 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on April 1, 2022. Information about the directors and executive officers of SBBC is set forth in the management information circular for SBBC's 2021 annual general and special meeting of shareholders, as filed on the System for Electronic Document Analysis and Retrieval (SEDAR) on June 11, 2021. Additional information regarding the interests of these participants and other persons who may be deemed participants in the Transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed Transaction when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this news release has been prepared as at April 21, 2022. Certain statements in this news release, referred to herein as "forward-looking statements", constitute "forward-looking statements" under the provisions of Canadian provincial securities laws and the applicable securities laws of the United States of America. These statements can be identified by the use of words such as "expected", "may", "will" or similar terms. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Simply Better Brands and Jones as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Forward-looking statements in this press release relate to, among other things: anticipated benefits of the Transaction to Simply Better Brands and Jones and their respective shareholders; the timing and receipt of required shareholder, stock exchange and regulatory approvals for the Transaction; the consideration to be paid to Jones shareholders; the ability of Simply Better Brands and Jones to satisfy the conditions to, and to negotiate and execute a Definitive Agreement and to complete, the Transaction; the anticipated timing for executing a Definitive Agreement; the anticipated timing of the mailing of the information circular and Proxy Statement regarding the Transaction; the timing for closing of the Transaction; liquidity and access to capital markets of Simply Better Brands. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: satisfaction or waiver of all applicable conditions to closing of the Transaction including, without limitation, receipt of all necessary securityholder, stock exchange and regulatory approvals or consents, lack of material changes with respect to the parties and their respective businesses; the synergies expected from the Transaction not being realized; business integration risks; fluctuations in general macro-economic conditions; the loss of key directors, employees, advisors or contractors; fluctuations in securities markets and the market price of Simply Better Brands' and Jones' shares; fluctuations in the currency markets (such as the Canadian dollar versus the U.S. dollar); changes in national and local government, legislation, taxation, controls, regulations and political or economic developments; the impact of COVID-19 or other viruses and diseases on the ability to operate; risks and hazards associated with the business; litigation; competition; the failure to meet the closing conditions thereunder and the failure by counterparties to such agreements to comply with their obligations thereunder. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Many factors, known and unknown, could cause actual results to be materially different from those expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, Simply Better Brands and Jones expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in Simply Better Brands' and Jones' expectations or any change in events, conditions or circumstances on which any such statement is based.

There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with a meeting of shareholders to consider the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Neither the TSXV nor the CSE has in any way passed upon the merits of the Transaction, and has neither approved nor disapproved the contents of this news release.