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These securities have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

Offering Document under the Listed Issuer Financing Exemption

July 11, 2024

JONES SODA CO.
(the “Company” or “Jones Soda”)



SUMMARY OF OFFERING

What are we offering?

<p>Securities Offered:</p>	<p>Up to 9,182,399 units of the Company (collectively, the “Units”), subject to gross proceeds (to be calculated by converting the gross proceeds of the Units sold pursuant to the LIFE Offering paid in U.S. dollars into Canadian dollars at the prevailing exchange rate on the date such Units are issued and sold) (the “LIFE Offering”) not exceeding CAD\$5,000,000, are being offered under this offering document for sale to eligible investors in each of the Provinces and Territories of Canada except Quebec pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - <i>Prospectus Exemptions</i> (“NI 45-106”).</p>
<p>Concurrent Offering:</p>	<p>In addition to the Units offered pursuant to the LIFE Offering, the Company will be concurrently offering to, or for the account or benefit of, persons in the “United States” and “U.S. persons” (as such terms are defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”)) Units pursuant to available exemptions from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws (the “Concurrent Financing” and together with the LIFE Offering, the “Offering”).</p> <p>Up to an aggregate of 10,000,000 Units will be offered pursuant the Offering, including the Units offered pursuant to the LIFE Offering, for gross proceeds of between US\$1,000,000 and US\$4,000,000</p>

<p>Description of the Securities Offered</p>	<p>Each Unit will consist of: (i) one common share in the capital of the Company (each, a “Common Share”); and (ii) one-half (1/2) of one detachable share purchase warrant (each whole warrant, a “Warrant”) to purchase one Common Share.</p> <p>The Company’s authorized capital stock consists of 800,000,000 Common Shares, without par value. All outstanding Common Shares are of the same class and have equal rights and attributes. The holders of Common Shares are entitled to one vote per share on all matters submitted to a vote of shareholders of the Company and are entitled to share equally in all dividends, if any, as may be declared from time to time by our board of directors out of funds legally available. In the event of liquidation, the holders of Common Shares are entitled to share ratably in all assets remaining after payment of all liabilities. The holders of Common Shares do not have cumulative voting or preemptive rights. Our Common Shares currently trades on the OTCQB Marketplace (the “OTCQB”) under the symbol “JSDA” and on the Canadian Securities Exchange (the “CSE”) under the symbol “JSDA.”</p> <p>Each whole Warrant will be exercisable into one Common Share at a price of US\$0.50 per share for a period of 24 months from the date of issuance, subject to the Company having the right at its option to accelerate the expiry date of the Warrants to the date that is 30 days following delivery of a notice of acceleration to holders of Warrants if at any time the closing price of the Common Shares on the OTCQB or other stock exchange or over-the-counter market in the United States or on the CSE exceeds US\$0.80 (for the purposes of the CSE, the equivalent in Canadian dollars based on the daily exchange rate published by the Bank of Canada) for a period of five (5) consecutive trading days, as more particularly described in the certificate representing the Warrants (the “Warrant Exercise Period”). Each whole Warrant may be exercised during the Warrant Exercise Period upon the voluntary election to exercise by the Warrant holder.</p> <p>The foregoing description and any description in this offering document of the Common Shares and Warrants is a summary only and is subject to, as applicable, the detailed provisions of the Company’s Articles of Incorporation, Bylaws and the warrant certificate pursuant to which the Warrants will be issued. In the event of any inconsistency between the provisions hereof and the provisions of the Company’s Articles of Incorporation, Bylaws and the warrant certificates, the provisions of the Company’s Articles of Incorporation, Bylaws and the warrant certificates, as applicable, shall prevail and take precedence.</p> <p>Each subscriber of Units agrees to enter into a registration rights agreement with the Company, pursuant to which, among other things, the Company will agree to file a registration statement with the United States Securities and Exchange Commission to register under the U.S. Securities Act the resale of the Common Shares issued in the Offering as well as the Common Shares issuable upon the exercise of the Warrants.</p>
<p>Minimum and Maximum Amount of Securities Issuer May Offer</p>	<p>Up to 9,182,399 Units are being offered pursuant to the LIFE Offering, subject to gross proceeds (to be calculated by converting the gross proceeds of the Units sold pursuant to the LIFE Offering paid in U.S. dollars into Canadian dollars at the prevailing exchange rate on the date such Units are issued and sold) (the “LIFE Offering”) not exceeding CAD\$5,000,000.</p> <p>Up to an aggregate of 10,000,000 Units will be offered pursuant the Offering, including the Units offered pursuant to the LIFE Offering, for gross proceeds of between US\$1,000,000 and US\$4,000,000. There is no minimum amount of Units to be issued pursuant to the LIFE Offering but the Offering is subject to a minimum of US\$1,000,000 gross proceeds through a combination of the LIFE Offering and the Concurrent Offering.</p>
<p>Offering Price:</p>	<p>US\$0.40 per Unit.</p>

Closing Date:	Closings of the LIFE Offering are expected to occur in one or more closings with the first closing expected to occur on or about July 23, 2024 (the “ Closing Date ”) and the final closing to occur no later than August 8, 2024.
Exchange:	The Common Shares are listed on the CSE and quoted on the OTCQB each under the symbol “JSDA”.
Last Closing Price:	The last closing price of the Common Shares on the CSE on July 10, 2024, was CAD\$0.65 and the last closing price of the Common Shares on the OTCQB on July 10, 2024, was US\$0.46.

All references in this offering document to “U.S. dollars” or “US\$” are to United States dollars, and all references to “Canadian dollars” or “CAD\$” are to Canadian dollars, unless otherwise stated.

Jones Soda is conducting a listed issuer financing under section 5A.2 of NI 45-106. In connection with this LIFE Offering, the Company represents the following is true:

- **The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The Company has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this LIFE Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed CAD\$5,000,000.**
- **The Company will not close this LIFE Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The Company will not allocate the available funds from this LIFE Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

The Company desires to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 as well as similar provisions under applicable Canadian securities laws. This Offering contains a number of forward-looking statements, as defined under applicable United States and Canadian securities laws, that reflect management’s current views and expectations with respect to our business, strategies, products, future results and events, and financial performance. All statements made in this offering document other than statements of historical fact, including statements that address operating performance, the economy, events or developments that management expects or anticipates will or may occur in the future, including statements related to case sales, revenues, profitability, distributor channels, new products or markets, adequacy of funds from operations, cash flows and financing, potential strategic transactions, statements regarding future operating results and non-historical information, are forward-looking statements. In particular, the words such as “believe,” “expect,” “intend,” “anticipate,” “estimate,” “may,” “will,” “can,” “plan,” “predict,” “could,” “future,” “continue,” variations of such words, and similar expressions identify forward-looking statements, but are not the exclusive means of identifying such statements and their absence does not mean that the statement is not forward-looking.

Readers should not place undue reliance on these forward-looking statements, which are based on management’s current expectations and projections about future events, are not guarantees of future performance, are subject to risks, uncertainties and assumptions and apply only as of the date of this offering document. Our actual results, performance or achievements could differ materially from historical results as well as from the results expressed in, anticipated or implied by these forward-looking statements. Except as required by law, the Company’s undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In particular, the Company’s business, including our financial condition and results of operations may be impacted by a number of factors, including, but not limited to, the following:

- The Company's ability to successfully execute on our growth strategy and operating plans;
- The Company's ability to execute our plans to continue to license and market THC/CBD-infused and/or cannabis-infused beverages and edibles, and comply with the laws and regulations governing cannabis, hemp or related products, and the timing and costs of the development of this new product line;
- The Company's ability to manage our operating expenses and generate cash flow from operations, along with our ability to secure additional financing if our sales goals take longer to achieve than anticipated;
- The Company's ability to create and maintain brand name recognition and acceptance of its products, which is critical to the Company's success in our competitive, brand-conscious industry;
- The Company's ability to compete successfully against much larger, well-funded, established companies currently operating in the beverage industry generally, including in the fountain business, particularly from other major beverage companies;
- Entrance into and increased focus on the craft beverage segment by other major beverage companies;
- The Company's ability to respond to changes in the consumer beverage marketplace, including potential reduced consumer demand due to health concerns (including obesity) and legislative initiatives against sweetened beverages (including the imposition of taxes);
- The Company's ability to successfully develop and launch new products that match consumer beverage trends, and to manage consumer response to such new products and new initiatives;
- The Company's ability to maintain brand image and product quality and avoid risks from product issues such as product recalls;
- The Company's ability to establish, maintain and expand distribution arrangements with independent distributors, retailers, brokers and national retail accounts, most of whom sell and distribute competing products, and upon whom we rely to employ sufficient efforts in managing and selling our products, including re-stocking the retail shelves with its products;
- The Company's ability to manage our inventory levels and to predict the timing and amount of its sales;
- The Company's reliance on third-party contract manufacturers of our products and the geographic locations of their facilities, which could make management of our distribution efforts inefficient or unprofitable;
- The Company's ability to secure a continuous supply and availability of raw materials, as well as other factors that may adversely affect our supply chain, including increases in raw material costs, and the potential shortages of glass in the supply chain;
- The Company's ability to source our flavors on acceptable terms from its key flavor suppliers;
- The Company's to attract and retain key personnel, the loss of whom would directly affect its efficiency and operations and could materially impair our ability to execute our growth strategy;
- The Company's ability to protect our trademarks and trade secrets, the failure of which may prevent the Company from successfully marketing our products and competing effectively;
- Litigation or legal proceedings, which could expose us to significant liabilities and damage the Company's reputation;
- The Company's ability to comply with the many regulations to which its business is subject;
- The Company's ability to maintain an effective information technology infrastructure;
- Failures or security breaches of our information technology systems could disrupt the Company's operations and negatively impact its business;
- Fluctuations in fuel and freight costs;
- Fluctuations in currency exchange rates, particularly between the United States and Canadian dollars;
- Regional, national or global economic, political, social and other conditions that may adversely impact the Company's business and results of operations;
- The Company's ability to maintain effective disclosure controls and procedures and internal control over financial reporting;
- Dilutive and other adverse effects on its existing shareholders and our stock price arising from future securities issuances;

- Our ability to access the capital markets for any future equity financing, and any actual or perceived limitations to the Common Shares by being traded on the OTCQB and the CSE, including the level of trading activity, volatility or market liquidity;
- The use of the available funds following completion of the Offering; and
- The expected Closing Date.

For a discussion of some of the factors that may affect the Company's business, results and prospects, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") and on SEDAR+ at www.sedarplus.ca under the Company's profile and in the Company's other reports it files with the SEC and on SEDAR+. Readers are also urged to carefully review and consider the various disclosures made by us in this offering document and in our other reports the Company files with the SEC and on SEDAR+, and those described from time to time in the Company's press releases and other communications, which attempt to advise interested parties of the risks and factors that may affect the Company's business, prospects and results of operations.

To the extent any forward-looking statement in this offering document constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to the risks set out herein. The Company's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Company's revenue and expenses.

Readers are cautioned that all forward-looking information should not be used for purposes other than for which it is disclosed and not to place undue reliance on forward-looking statements or forward-looking information.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Overview

The Company develops, produces, markets and distributes premium beverages that it sells and distributes primarily in the United States and Canada through its network of independent distributors and directly to its national and regional retail accounts. The Company also sells products in select international markets. The Company's products are sold in grocery stores, convenience and gas stores, on fountain in restaurants, "up and down the street" in independent accounts such as delicatessens, sandwich shops and burger restaurants, as well as through its national accounts with several large retailers. The Company does not directly manufacture its products, but instead outsources the manufacturing process to third-party contract manufacturers. The Company also sells various products online, including soda with customized labels, wearables, candy and other items, and we license our trademarks for use on products sold by other manufacturers. In addition, during 2022 the Company developed and began to license a THC infused cannabis products under the "Mary Jones" brand name.

Products

The Company's strategy is to continue to focus on our core brand, Jones Soda, while also investing in additional initiatives including fountain related beverages and the Mary Jones brand for cannabis infused sodas, edibles, and syrups. The Company's product line-up currently consists of the following:

Jones Soda

Jones Soda is our premium carbonated soft drink. We sell Jones Soda in premium glass bottles and cans, with labels featuring photos sent to us by our consumers. Over one million photos have been submitted to us. We believe this unique interaction with our consumers distinguishes our brand and offers a strong competitive advantage for Jones

Soda. Additionally, we release various label campaigns that celebrate our consumers and the positive impact such consumers have on the world. Our products are made from high quality ingredients, including cane sugar and natural colors and flavors when possible. We also sell Jones Soda in more traditional flavors such as Cream Soda, Cola, Root Beer and Orange & Cream.

Fountain

Drawing inspiration from our traditional bottles, the Company's fountain equipment and cups are branded with an engaging collage of consumer-submitted photos that are inspired by the business themes of our retail partners and the regions in which they are located. The Company's fountain offerings include traditional flavors such as Cane Sugar Cola, Sugar Free Cola, as well as cane sugar sweetened Ginger Ale, Orange & Cream, Root Beer and Lemon Lime. Rounding out the lineup are two of our most popular cane sugar flavors, Berry Lemonade and Green Apple. The Company has developed other products in select markets that include teas, lemonade, vitamin enhanced waters, hydration beverages, as well as naturally flavored sparkling waters.

Mary Jones

The Company currently markets and licenses through indirect subsidiaries its Mary Jones brand in California and Washington. These licensed products include 10mg Cannabis-Infused sodas and 100mg cannabis-infused soda packaged in a 16oz, 10-serving can. The flavor of these beverages are based on the Jones Soda original flavors. Additionally, in February 2024 the Company received approval to operate in Ontario, Canada, and intend to launch in that province 10mg THC infused sodas in a variety of flavors. Manufacturing and distribution of Mary Jones products in Canada is intended to be done through Tilray Brands, Inc. The new Mary Jones products continue Jones Soda's tradition of using photographs submitted by consumers on their bottle labels and printing quotes from fans under the bottle caps.

The Company currently intends to expand both the products offered under the Mary Jones brand as well as the number of states and Canadian provinces it offers such cannabis infused products in.

Recent developments

Jones Soda Beverage Products

- Collaborated with Grubhub to launch the exclusive "Nuka-Blast Burger Meal," featuring the Company's "Nuka-Cola Victory" soda.
- Signed multi-year partnership with Street League Skateboarding (SLS) to champion action sports and amplify innovative spirit of SLS events.
- Partnered with Dot Foods to expand Canadian distribution and US Food Service
- Launched Jones+ - 16oz Caffeinated Soda

Mary Jones Products

- Mary Jones named High Spirits Awards best Cannabis soda for the second year in a row.
- Introduced new HD9 gummies in the Company's four favorite Mary Jones tastes in 50mg and 100mg packs with 10 gummies in each pack.
- Introduced new HD9 Shooters in the Company's four favorite Mary Jones tastes in 10mg, 2oz shots
- Launched new E-Commerce Website

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The net proceeds of the Offering are expected to be used for general corporate and working capital purposes. Please see the table below under “How we will use the available funds” for a detailed breakdown of how the Company currently intends to utilize the proceeds of the LIFE Offering. Each of the business objectives in the table below is expected to be completed during the second half of 2024.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

		Assuming minimum Offering only⁽¹⁾	Assuming 100% of Offering⁽¹⁾
A	Amount to be raised by this LIFE Offering	CAD\$1,362,000	CAD\$5,000,000
B	Amount to be raised by the Concurrent Financing	\$0	CAD\$448,000 ⁽²⁾
C	Selling commissions and fees	CAD\$54,480	CAD\$217,920
D	Estimated Offering costs (e.g., legal, accounting, audit)	CAD\$70,000	CAD\$70,000
E	Net proceeds of Offering: D=(A+B)-(C+D)	CAD\$1,237,520	CAD\$5,160,080
F	Working capital as at most recent month end (deficiency)	CAD\$6,398,110 ⁽³⁾	CAD\$6,398,110 ⁽³⁾
G	Additional sources of funding	CAD\$2,722,600 ⁽⁴⁾	CAD\$2,722,600 ⁽⁴⁾
H	Total available funds: H=E+F+G	CAD\$10,358,230	CAD\$14,280,790

(1) The funds in the above table are presented in Canadian dollars and where applicable have been converted into Canadian dollars from U.S. dollars at an exchange rate of US\$1.00 = CAD\$1.3620.

(2) Represents the total amount to be sold in the Offering of US\$4,000,000 and assumes for the purposes of the table that the amount raised in the LIFE Offering is CAD\$5,000,000.

(3) Preliminary working capital estimation that is subject to change in connection with the Company’s preparation of their financial statements for the three and six months ended June 30, 2024 and the review by the Company’s auditor of such financial statements.

(4) Represents a US\$2,000,000 secured loan facility entered into by the Company with Amerisource Funding Inc. on May 17, 2024. As of the date of this Offering Document the Company has not borrowed any amount under this loan facility.

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming minimum Offering only	Assuming 100% of Offering
Marketing Support for Jones launches – Jones Craft Mixers, Jones Cola and Zero Cola. Pop Jones & Fiesta Jones	CAD\$1,500,000	CAD\$1,500,000
Increase of Jones Finished Good Inventory	CAD\$1,000,000	CAD\$1,000,000
Mary Jones HD9 Expansion and E-commerce investment	CAD\$500,000	CAD\$500,000
Jones Soda and Mary Jones Action Sports Platform and Programs	CAD\$500,000	CAD\$500,000
Jones Soda and Mary Jones Marketing – Sampling and Events	CAD\$500,000	CAD\$500,000

Description of intended use of available funds listed in order of priority	Assuming minimum Offering only	Assuming 100% of Offering
Jones Soda New Product Slotting	CAD\$500,000	CAD\$500,000
Jones Soda Content Development and On-line Marketing	CAD\$500,000	CAD\$500,000
General Corporate Purposes and Working Capital	CAD\$2,635,630	CAD\$6,558,190
Total: Equal to H in the available funds in above table	CAD\$7,635,630⁽¹⁾	CAD\$11,558,190⁽¹⁾

(1) Does not include use of the US\$2,000,000 secured loan facility entered into by the Company with Amerisource Funding Inc. on May 17, 2024. As of the date of this Offering Document the Company has not intend to borrow any amount under this loan facility.

The above noted allocation represents Jones Soda’s intentions with respect to its use of proceeds from the Offering and its available funds based on current knowledge, planning and expectations of management of the Company. Actual expenditures may differ from the estimates set forth above. There may be circumstances where for sound business reasons the Company reallocates the use of proceeds from the Offering and its available funds.

How have we used the other funds we have raised in the past 12 months?

The Company has not completed any financings in the past 12 months. On May 17, 2024, the Company entered into a US\$2,000,000 secured loan facility with Amerisource Funding Inc. As of the date of this Offering Document, the Company has not borrowed any amount under this loan facility.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this LIFE Offering, if any, and what are their fees?

Name of Agent/Broker:	Dominari Securities LLC Dominari Securities LLC is not registered as a dealer in any Canadian jurisdiction and, accordingly, will not, directly or indirectly, solicit offers to purchase or sell the Units in Canada other than to “permitted clients” as defined in National Instrument 33-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> (“ NI 31-103 ”) in accordance with the international dealer exemption set forth in subsection 8.18 of NI 31-103.
Type of Commission and description:	Cash fee equal to four percent (4.0%) of the gross proceeds and grant of such number of common stock purchase warrants (the “ Placement Agent Warrants ”) to purchase Common Shares equal to four (4.0%) percent of the total number of Units sold.
Agent/Broker warrants or options or securities:	Placement Agent Warrants are exercisable for Common Shares for 24 months from issuance at an exercise price equal to \$0.40 per share.

Does Dominari Securities LLC have a conflict of interest?

To the knowledge of the Company, it is not a “related issuer” or “connected issuer” of or to Dominari Securities LLC, as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with the Company, or
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access the Company's continuous disclosure filings on SEDAR+ at www.sedarplus.ca under the Company's profile.

For further information regarding the Company, visit our website at: <https://www.jonessoda.com/>.

Investors should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of Units.

CERTIFICATE OF THE COMPANY

This offering document, together with any document filed under Canadian securities legislation on or after July 11, 2024 contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

July 11, 2024

“David Knight”

David Knight
President and Chief Executive Officer

“Joe Culp”

Joe Culp
Interim Chief Financial Officer