

Xebra Brands Announces Non-Brokered Private Placement and Concurrent Debt Settlement

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VANCOUVER, BC / January 22, 2025 / Xebra Brands Ltd. ("Xebra" or the "Company") (CSE:XBRA)(OTCQB:XBRA)(FSE:9YC0), a cannabis company, announces that it intends to complete a non-brokered private placement in the aggregate amount of up to 3,000,000 units of the Company (each, a "**Unit**") at a price of \$0.05 per Unit for gross proceeds of up to \$150,000 (the "**Offering**").

Each Unit will consist of one common share of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$0.10 per Warrant Share at any time for a period of twenty-four (24) months following the closing of the Offering.

The Company also announces that it intends to settle up to a total of \$450,000 (the "**Debt**") of accrued liabilities for fees and expenses owed to certain officers, directors, consultants and service providers of the Company (the "**Debt Settlement**"). The Company expects to settle the Debt by issuing up to a total of 9,000,000 Common Shares at a deemed price of \$0.05 per Common Share. The board of directors and management of the Company believe that the proposed Debt Settlement is in the best interests of the Company as it allows the Company to preserve its funds for operations and continued growth opportunities.

It is expected that the closing of the Offering and the Debt Settlement will be on or about January 30, 2025, or such other date or dates that Xebra may determine. The net proceeds to be received by the Company from the Offering are intended to be used for general corporate and working capital purposes.

The Offering and the Debt Settlement are subject to the receipt of all regulatory approvals, including the approval of the Canadian Securities Exchange.

Certain directors and officers of the Company (the "**Insiders**") are expected to participate in the Offering and the Debt Settlement. Accordingly, the issuance of Units under the Offering and Common Shares under the Debt Settlement to the Insiders will constitute a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Xebra expects to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 pursuant to section 5.5(b) and section 5.7(1)(b) of MI 61-101.

The securities issued under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and were not to be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the

securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT XEBRA

Xebra Brands Ltd. is an international leading cannabis company dedicated to providing high-quality CBD products to consumers around the world. With a focus on compliance, quality, and innovation, Xebra is committed to leading the way in the CBD industry.

Rodrigo Gallardo
Interim CEO and director

For more information contact:

+1 (833) XEBRA 88
ir@xebrabrands.com

Cautionary Note Regarding Forward-Looking Information

Certain information contained in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are not statements of historical fact may be deemed to be forward-looking statements, these include, without limitation, statements regarding Xebra Brands Ltd.'s expectations in respect of its ability to successfully execute its business plan or business model; its ability to close the Offering and the Debt Settlement, the size and terms of the Offering and the Debt Settlement, its expected use of the net proceeds of the Offering, the ability to obtain the necessary shareholder and regulatory approvals from the applicable securities regulators or obtain the approval of the Canadian Securities Exchange in connection with the Offering and the Debt Settlement; its ability to enter into and execute partnerships or joint venture opportunities on acceptable terms; its ability to provide economic, environmental, social, or any benefits of any type in the communities it operates in or may operate it in the future; its ability to be a first mover in a country, or to obtain or retain government licenses, permits or authorizations in general, or specifically in Mexico, Canada, or elsewhere, including cannabis authorizations from the Mexican Health Regulatory Agency (COFEPRIS); its ability to satisfy the conditions of authorizations granted by COFEPRIS; its ability to successfully apply for, obtain and retain trademarks and other intellectual property in any jurisdiction; its ability to be cost competitive; its ability to commercialize, cultivate, grow, or process hemp or cannabis in Mexico, Canada, or elsewhere and related plans and timing; its ability to manufacture, commercialize or sell cannabis-infused beverages, wellness products, or other products in Mexico, Canada, or elsewhere, and its related plans and claims, including market interest and availability; its ability to create wellness products that have a therapeutic effect or benefit; plans for future growth and the direction of the business; plans to increase product volumes, the capacity of existing facilities, supplies from third party growers and contractors; expected growth of the cannabis industry generally; management's expectations, beliefs and assumptions in general, including manufacturing costs, production activity and market potential in Mexico or any jurisdiction; events or developments that Xebra expects to take place in the future; general economic conditions; and other risk factors described in the Company's continuous disclosure documents available on SEDAR+. All statements, other than statements of historical facts, are forward-looking information and statements. The words "aim",

"believe"; "expect"; "anticipate"; "contemplate"; "target"; "intends"; "continue"; "plans"; "budget"; "estimate"; "may"; "will"; and similar expressions identify forward-looking information and statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xebra as of the dates of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, the inability of Xebra to retain the authorizations granted by COFEPRIS, the inability to generate sufficient revenues or to raise sufficient funds to carry out its business plan; changes in government legislation, taxation, controls, regulations and political or economic developments in various countries; risks associated with agriculture and cultivation activities generally, including inclement weather, access to supply of seeds, poor crop yields, and spoilage; compliance with import and export laws of various countries; significant fluctuations in cannabis prices and transportation costs; the risk of obtaining necessary licenses and permits; inability to identify, negotiate and complete potential acquisitions, dispositions or joint ventures for any reason; the ability to retain key employees; dependence on third parties for services and supplies; non-performance by contractual counter-parties; general economic conditions; the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; and the timely receipt of regulatory approvals for license applications on terms satisfactory to Xebra. In addition, there is no assurance Xebra will: be a low-cost producer or exporter; obtain a dominant market position in any jurisdiction; have products that will be unique. The foregoing list is not exhaustive and Xebra undertakes no obligation to update or revise any of the foregoing except as required by law. Many of these uncertainties and contingencies could affect Xebra's actual performance and cause its actual performance to differ materially from what has been expressed or implied in any forward-looking statements made by, or on behalf of, Xebra. Readers are cautioned that forward-looking statements are not guarantees of future performance and readers should not place undue reliance on such forward-looking statements. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those set out in such statements.

SOURCE: Xebra Brands Ltd