

# Xebra Brands Unveils Strategic 2025 Roadmap to Accelerate Growth in North American CBD Market

*Xebra Brands Ltd*

**Xebra Brands Ltd. ("Xebra" or the "Company") (CSE:XBRA)(OTCQB:XBRAF) (FSE:9YCo)** is pleased to announce the development of the Strategic 2025 Roadmap, a comprehensive commercial growth plan designated to expand its footprint in the North American CBD market. Developed in collaboration with a consulting firm specializing in Cannabis and CBD, the Strategic 2025 Roadmap outlines a clear roadmap to drive accelerated growth and market penetration. This strategic initiative positions Xebra to capitalize on emerging opportunities and strengthen its competitive presence in the rapidly evolving CBD industry.

The North American cannabidiol (CBD) market has experienced significant growth over the past five years. According to Grand View Research, the market was valued at approximately USD 6.7 billion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of 14.2% from 2024 to 2030. [grandviewresearch.com](https://www.grandviewresearch.com). This growth trajectory reflects the increasing legalization of CBD-based products and rising consumer demand for CBD-infused goods.

"As the first and only Mexican company ever to hold an authorization from the COFEPRIS (Mexican FDA) mandated by the Supreme Court, Xebra' is uniquely positioned to capitalize on the international growth trends in CBD. 'Xebra's strategic growth pillars will be centered on Domestic CBD Cultivation ("Cultivation"), CBD Manufacturing ("Manufacturing") and Rapid Retail Distribution ("Retail")" said Rodrigo Gallardo Interim CEO.

## 1. Domestic CBD Cultivation:

- **Chapingo Indoor Grow Pilot:** Initiating an indoor cultivation pilot at Chapingo to refine cultivation techniques and optimize yield.
- **Expanding License for Outdoor Grow:** Pursuing the expansion of licenses to facilitate large-scale outdoor cultivation.
- **Engaging with Grow Partners:** Actively engaging in discussions with potential cultivation partners to enhance production capabilities.

## 2. CBD Manufacturing:

- **White Label Partnerships:** Establishing collaborations with white label partners to streamline the manufacturing process.
- **Completing the Commercial Pathway from Seed to Store:** Working with established partners, including ICAN, to ensure a seamless supply chain.
- **Seeking Established Partners in the U.S. and Canada:** Targeting successful brands interested in gaining a first-mover advantage in the Mexican market.

## 3. Rapid Retail Distribution:

- **Elements Brands Expansion:** Strategically planning the distribution of Elements-branded products across various retail channels.
- **E-Commerce Development:** Implementing a pathway to penetrate the U.S. market and building robust infrastructure to support e-commerce operations in Mexico.

This comprehensive strategy underscores Xebra's commitment to establishing a strong presence in the Mexican CBD market through strategic cultivation, manufacturing, and distribution initiatives.

### **Update to Cultivation Licenses in Mexico**

Xebra Brands continues to diligently navigate the Mexican legal system to broaden its existing cannabis cultivation licenses. The Company is actively seeking to amend current provisions that limit cultivation scale, aiming to collaborate with major agricultural institutions in Mexico for large-scale, low-cost outdoor cannabis cultivation. This strategic move is intended to leverage Mexico's favorable climate and agricultural expertise to enhance production efficiency and meet growing market demand.

In 2023, Xebra's subsidiary, Desart MX, S.A. de C.V. ("Desart MX") was granted a license for seed importation, cultivation, extraction, manufacture, and commercialization of cannabis under 1% THC. Xebra filed an "unconformity" process with the District Court to challenge the "confined site" requirement and enable open-field cultivation without limitations. Expert opinions have been presented, and a ruling is expected in the coming months. In parallel, Xebra is awaiting approval for the confined site it submitted along with the Chapingo University protocol.

Xebra's continues to advance its federal licensing efforts, including Desart MX's legal proceedings in the District Court and Elements' regulatory process with COFEPRIS. As a pioneer in Mexico's cannabis industry, Xebra is setting new legal precedents, including the legal jurisprudence established on July 15, 2022. The company is advised by Accuracy Legal on constitutional matters and VCGA Consulting on regulatory affairs, with additional guidance from ProCanna for external commerce and Chevez Ruiz Zamarripa for corporate and tax matters.

### **Advancements in Partnership with Chapingo University**

Over the past six months, Xebra has strengthened its partnership with Chapingo Autonomous University (UACH), Mexico's leading agricultural institution. In June 2023, both parties signed a cultivation agreement focusing on the importation of diverse cannabis seed varieties, greenhouse cultivation, and the assessment of strains best suited to Mexico's various regions. This collaboration aims to develop high-cannabinoid yielding Cannabis sativa L. crops with less than 1% THC, both in greenhouse and field environments. The partnership not only advances research and development but also sets the stage for future extraction technologies within UACH's laboratories.

Xebra has prepared greenhouses assigned for its use and is awaiting regulatory approval to import seeds. While legal cultivation has not yet begun, empirical research continues with experts from Beacon Hemp. Chapingo University will initiate pilot projects once confined site approval is granted. Future plans include developing an extraction protocol in collaboration with Chapingo's laboratories.

### **Progress on CBD Product Importation**

In 2024, Elements Bioscience, SAPI DE C.V. ("Elements"), a subsidiary of the Company was granted two authorizations for two CBD products by the Mexican regulatory authority, COFEPRIS. These products, developed in partnership with Restorative Botanicals, a company based in the United States, are now ready for importation. Among these authorizations, Elements received approval for

the importation, launch, and sale of its 250mg Tangerine Flavor CBD Tincture in Mexico.

The product has been fully manufactured and is awaiting importation. Understanding the complexities of pioneering legal CBD imports, Xebra has been working closely with importation authorities since the fourth quarter of 2024 to finalize the process. The company remains committed to streamlining this procedure to ensure immediate distribution within Mexico upon arrival.

COFEPRIS has required multiple certifications, including Certificates of Analysis (COAs), free trade certificates, governmental authority certifications, color and flavor certificates, and labeling compliance. Xebra has met all of these requirements and is actively pursuing the permit's issuance. The company anticipates the importation process to be completed by April 2025, with products ready for launch immediately thereafter. Logistics partners have been contracted to facilitate importation, and distribution channels have been engaged and are awaiting the product's arrival.

### **E-commerce Initiatives in Mexico**

Xebra remains focused on establishing a robust e-commerce presence in Mexico. In July 2024, the Company expanded its strategic partnership with ICAN to enhance its CBD product offerings. This collaboration aims to accelerate the formulation of Xebra's Elements brand, leveraging ICAN's specialized formulation lab, pharmacist team, and import licenses. This initiative underscores Xebra's commitment to providing high-quality CBD products to Mexican consumers through online platforms.

ICAN is the only company in Mexico capable of legally providing CBD for product formulation, while Xebra remains the sole entity permitted to manufacture over-the-counter legal CBD products. This exclusive positioning strengthens Xebra's market entry strategy. The Company is actively exploring partnerships with large-scale retailers and distribution networks assessing their interest and collaboration. Additionally, gummies and higher strength formulations are gaining popularity, aligning with emerging consumer demand trends.

### **Exploring Partnerships with CBD Brands for Revenue Growth**

To achieve immediate revenue stability, Xebra is actively pursuing partnerships with established CBD brands looking to expand into the Mexican market. Over the past two years, the company has received interest from numerous CBD brands. Xebra believes that collaborating with an existing CBD-branded team capable of scaling revenue in Mexico will accelerate its path to self-sustainability. This strategy aligns with the Company's goal of rapidly establishing a strong market presence while delivering value to stakeholders.

ON BEHALF OF XEBRA BRANDS:

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### **Cautionary Note Regarding Forward-Looking Statements:**

This news release contains certain "forward-looking information" and "forward-looking statements", as such terms are defined under applicable securities laws (collectively, "forward-

looking statements"). Forward-looking statements can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled," "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements herein include, but are not limited to, statements with respect Strategy 2025 and the Company's growth strategy into the CBD market, the roadmap to accelerate growth in the North American CBD market, the Company's expected growth pillars of Cultivation, Manufacturing and Retail and the planned business activities under each such pillar, that the Company is actively seeking to amend current provisions under the Company's Mexican cultivation licences that limit cultivation scale, the aim to collaborate with major agricultural institutions in Mexico for large-scale, low-cost outdoor cannabis cultivation, expectations with respect to the Company's legal proceedings in Mexico, including the results and timing thereof, the expectation that Chapingo University will initiate pilot projects once confined site approval is granted, the anticipation for the importation process the two CBD products, which were manufactured in partnership with Restorative Botanicals, to be completed by April 2025 and the expectation for launch shortly thereafter, the Company's plans for e-commerce partnerships with Amazon Mexico and Mercado Libre in Mexico and the intention to leveraging expertise from a major U.S. e-commerce partner for market expansion and that the Company is seeking partnerships with CBD brands and that such partnerships may expedite the Company's path to self-sustainability.

These forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond Xebra's ability to predict or control and could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to Xebra's most recent annual management discussion and analysis on file with certain Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, the inability of Xebra to retain the authorizations granted by COFEPRIS, the inability to successfully complete financings on terms acceptable to Xebra or at all, 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.

This press release includes market, industry and economic data which was obtained from publicly available sources and other sources believed by Xebra to be true. Although Xebra believes the

information to be reliable, it has not independently verified any of the data from third party sources referred to in this press release, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. Xebra believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

**SOURCE:** Xebra Brands Ltd