

Xebra Brands Announces Partnership with BSK Holdings Inc to Launch CBD Products

Xebra Brands Ltd. ("Xebra" or the "Company") (CSE:XBRA)(OTCQB:XBRAF)(FSE:9YC0), a trailblazer in the Mexican cannabis sector and the sole company legally permitted to cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico, is excited to announce a strategic partnership with BSK Holdings Inc. ("BSK"). This partnership aims to expand Elements branded CBD products to the Mexican market through a robust e-commerce platform, leveraging BSK's extensive track record and success in the CBD and hemp market in the US and Canada.

BSK and their team have built some of the most recognised cannabis, CBD and Hemp brands in North America including Manitoba Harvest (acquired by TILRAY for over \$400M), Phivida (acquired by Choom Holdings Inc), and a number of others. The team at BSK has created in excess of \$100M in revenue across their brands in the last 5 years and their team's decades of expertise in the CBD and Hemp industry will be instrumental in the successful launch and growth of Elements in Mexico and the company's growth and expansion into the US market.

According to the Mexican Online Sales Association, the domestic e-commerce market was valued at USD 26.2 billion in 2022, representing a 23 percent increase over 2021. In 2024, the Mexican e-commerce market had approximately 74 million users and generated around 38 billion U.S. dollars. Forecasts suggest these figures will nearly double within the next five years. With a market share exceeding 26 percent in the region, Mexico ranks second in online retail revenues in Latin America, closely competing with Brazil for the top spot. Additionally, Mexico has surged to the top of global e-commerce growth, experiencing a 24.6% increase in online sales in 2023, according to the Mexican Association of Online Sales (AMVO). This spike surpasses the growth rates of established e-commerce markets like the Philippines, Brazil, and India, placing Mexico at the forefront of a wave of dynamic e-commerce players.

Booming Market in Mexico. The value of e-commerce sales in Mexico skyrocketed to 658.3 billion pesos (US \$39 billion) in 2023, exceeding the previous record by a significant margin. This growth is fueled by a rapidly expanding user base, with over 69.5 million Mexicans - approximately 52% of the population - now embracing online shopping. This presents a significant opportunity for Xebra Brands and BSK Holdings to capitalize on the burgeoning online retail landscape in Mexico.

"We are thrilled to partner with BSK," said Rodrigo Galardo, Interim-CEO at Xebra Brands. "Their proven track record in the e-commerce space and their expertise in CBD product marketing and sales will be invaluable as we introduce Elements to Mexican consumers. This collaboration represents a significant milestone in our mission to provide high-quality, innovative CBD products to a wider audience," commented Rodrigo.

By combining Xebra Brands' pioneering status in the Mexican cannabis market with BSK's e-commerce success and industry expertise, this partnership is poised to create a powerful synergy that will drive the growth and success of Elements in Mexico.

About Xebra Brands:

Xebra Brands is a leading cannabis company dedicated to providing high-quality, innovative products to consumers worldwide. Xebra is a pioneer in the Mexican cannabis sector and the only company legally allowed to cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico.

About BSK Holdings Inc:

BSK is a leading CBD company known for its top-selling Keoni and AMMA branded products in the U.S. market. With decades of industry experience and a proven track record of success, BSK is dedicated to providing high-quality CBD products through innovative e-commerce strategies.

ON BEHALF OF THE BOARD:

Rodrigo Gallardo
Interim CEO

For more information contact:
1(888) XEBRA 88
ir@xebrabrands.com

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 to 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 leverage 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.

SOURCE: Xebra Brands Ltd