

Xebra Brands Evaluates Strategic Opportunities Following Award of Dutch Cannabis License

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, that subsequent to the issuance of a highly selective Dutch cannabis cultivation license for scientific research on June 13, 2024, **Xebra Brands Europe B.V.**, a wholly owned subsidiary of **Xebra Brands Ltd.**, is pursuing a number of strategic opportunities enabled by this regulatory breakthrough.

The license, issued by the *The Minister of Health, Welfare and Sport, on behalf of the Minister, Head of the Bureau for Medicinal Cannabis*, granted Xebra an **Opium Exemption (for cannabis purposes) number 109230 CO/w**, the right to legally cultivate and process cannabis for scientific purposes in its state of the art R&D facility built in the Village of Wilp in the Dutch province of Gelderland. The Netherlands is a country recognized as a pioneer in cannabis regulation and research within Europe.

"This license marked a major milestone for our European operations," said **Rodrigo Gallardo**, Interim CEO of Xebra Brands. "Now, upon examination of the licensing guidelines and with the regulatory foundation in place, we are identifying the highest-value commercial and research opportunities that align with our long-term vision."

Since receiving the license, Xebra has been assessing a number of strategic opportunities to monetize this license and support a broad set of business applications.

Key Business Opportunities Under Evaluation:

1. **Cannabis Genetics R&D** - Establishing breeding programs to develop proprietary cultivars for medical, wellness, and commercial applications, with a focus on intellectual property and export potential.
2. **Strategic Partnerships** - Collaborations with European entities in wellness, research, agriculture, and manufacturing to support market expansion and innovation.
3. **Product Innovation** - Designing and developing differentiated cannabis-based products tailored to European regulatory standards and consumer preferences.
4. **Export Opportunities** - Utilizing the Netherlands as a production and export hub to serve other EU countries with legal medical cannabis frameworks.
5. **Contract Manufacturing** - Providing compliant cultivation and processing capabilities for third-party brands looking to enter the European market.
6. **Scientific Collaborations** - Supporting evidence-based cannabis applications through research projects and lab partnerships.
7. **B2B Sales to Licensed Cannabis Retailers** - Anticipating future regulatory shifts that may allow for legal recreational cannabis sales through licensed retail operations.

Xebra Brands views the Dutch license as a long-term strategic asset and continues to explore the evolving regulatory and commercial landscape across Europe.

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.

ON BEHALF OF THE BOARD:

Rodrigo Gallardo
Interim CEO

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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 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 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.

SOURCE: Xebra Brands Ltd