

## **Xebra Brands' Largest Shareholder Increases Stake as Company Explores Landmark Agricultural Agreement in Mexico**

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 import seeds, cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico, is excited to announce, that its largest shareholder, David Ross Macias Diaz (Mr. Diaz), has increased his position in the Company with the recent open market acquisition of 1,000,000 common shares.

This purchase brings David's total shareholding to 13,591,333 reinforcing his long-term confidence in Xebra's strategy and future in the Mexican cannabis market.

Concurrently, Xebra is exploring a strategic agricultural agreement with David involving the use of Mr. Diaz's land in Mexico for the cultivation of cannabis under the Company's federal authorization. This marks a major milestone-not only for Xebra, but for the country's emerging cannabis sector-representing the **first economic agricultural agreement in Mexico executed under a Federal cannabis authorization.**

### **A New Chapter for Cannabis in Mexico**

This proposed agreement signifies a turning point in the evolution of cannabis in Mexico. As the first company to receive full federal approval from COFEPRIS (Mexico's health regulatory agency) for the legal importation of seeds, cultivation, processing, and marketing of cannabis (-1% THC), Xebra is uniquely positioned to lead the industry's transition from regulatory groundwork to economic execution.

By partnering with Mr. Diaz to develop cannabis operations on his land, Xebra would be initiating the first-ever federally compliant cannabis agricultural activity in Mexico-a move that could unlock the long-awaited commercial opportunities across the country. The agreement would establish a scalable blueprint for future cultivation partnerships with landowners, investors, and entrepreneurs seeking to enter the regulated cannabis space.

"This is more than business development-it's a historic step toward activating Mexico's cannabis economy," said Rodrigo Gallardo, Interim-CEO of Xebra Brands. "By moving from regulatory approval to actual implementation, we are proving that cannabis can be cultivated legally and responsibly in Mexico, with long-term economic benefits for our stakeholders and the communities we engage with."

Further details of the agreement will be announced once terms are finalized and regulatory requirements are met.

### **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