

Xebra Brands Reaffirms North American Strategy Following U.S. Tariff Clarity

VANCOUVER, BC / [ACCESS Newswire](#) / April 8, 2025 / Xebra Brands Ltd. ("Xebra" or the "Company") (CSE:XBRA)(OTCQB:XBRAF)(FSE:9YC0), a leading innovator in the Mexican cannabis sector and the only company legally authorized to import seeds, cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico, is reaffirming its strategic commitment to the North American market following new U.S. tariff announcements and amid heightened market fluctuations.

On April 2, 2025, U.S. President Donald Trump introduced sweeping tariff measures, including a universal 10% tariff on all imports, with increased rates for selected countries. Importantly, under the United States-Mexico-Canada Agreement (USMCA), Mexico and Canada have been exempted from these measures, underscoring the durability and strategic advantage of North American trade partnerships. This exemption is expected to provide operational and cost stability to companies like Xebra that are deeply embedded in cross-border trade flows.

Despite recent volatility across global equity markets driven by trade uncertainty and shifting interest rate expectations, North American cannabis-related equities have shown relative resilience, supported by investor optimism around domestic supply chain integration and regulatory tailwinds. Xebra believes these developments reaffirm the attractiveness of operating within a protected and collaborative trade zone.

"Recent tariff clarity, coupled with broader market volatility, only reinforces our conviction in the North American strategy," said Rodrigo Gallardo, Interim-CEO of Xebra Brands. "As global markets react to economic uncertainty, our foundation within the USMCA framework offers both security and opportunity. We're strategically positioned to leverage that advantage across our operations."

Xebra is actively pursuing a landmark agricultural agreement with its largest shareholder, David Ross Macias Diaz, utilizing Diaz's land in Mexico for cannabis cultivation under Xebra's exclusive federal authorization. This agreement represents a historic milestone as the first economic cannabis cultivation agreement sanctioned under Mexico's federal cannabis law.

Simultaneously, the Company continues to advance its strategic partnership with BSK, focused on strengthening its e-commerce presence in Mexico and facilitating U.S. entry for its Elements™ branded product line. These initiatives align with Xebra's broader goal of capturing efficiencies and growth across the integrated North American market.

Xebra Brands will continue to monitor global trade policy and market conditions and will adjust its operational strategies accordingly to safeguard long-term shareholder value and drive innovation in the regulated cannabis space.

ON BEHALF OF THE BOARD:

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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.

SOURCE: Xebra Brands Ltd