

Xebra Brands Announces Letter of Intent to Acquire CBD E-Commerce Company BSK Holdings Inc.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES

VANCOUVER, BC / [ACCESS Newswire](#) / April 24, 2025 / Xebra Brands Ltd. ("Xebra" or the "Company") (XBRA:CSE)(XBRAF:OTCQB)(9YCO:FSE), a leading player in the CBD industry, is pleased to announce that it has entered into a non-binding letter of intent (the "**Letter of Intent**"), effective April 22, 2025, to acquire 100% of the shares of BSK Holdings Inc. ("**BSK**"), the owner of a portfolio of e-commerce CBD health and wellness brands (the "**Proposed Acquisition**"). The Proposed Acquisition is expected to be completed by the end of Q3 2025, positioning Xebra to take a significant step into the US CBD market, the largest market in the world.

BSK is one of the established leaders in the CBD space, with a proven portfolio of brands that have generated over \$50M USD in revenue since 2021, \$2.1M in EBIDTA and a blended Gross Margin (across all brands) of approx. 62% while serving millions of customers across the US. BSK's leadership team are pioneers in the cannabis and hemp industry having founded and built some of the industries most recognised brands, including Manitoba Harvest (the world's largest hemp food company) which sold to [TILRAY for \\$420M in 2019](#); Phivida Holdings one of the industry's first CBD Beverage brands which [sold to CHOOM Holdings](#) (now HighTide Inc. in 2020, and others. BSK brings expertise in growing and scaling profitable Cannabis, Hemp and CBD companies to Xebra Brands, creating a truly North American operator.

The North American CBD market was estimated at USD\$6.7 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 14.2% from 2024 to 2030.¹ Through the acquisition of BSK, Xebra immediately becomes a significant player in the CBD and Hemp market in the US, with strong growth potential. With established popular brands such as Keoni and AMMA, and a strong e-commerce expertise, BSK brings a large database of US customers, established brands and a team of industry experts who will not only continue to expand operations in the US but also grow the Company's ELEMENTS™ Brand.

"We couldn't be more excited to announce the acquisition of BSK," said Rodrigo Gallardo, Interim CEO of Xebra. "BSK has a proven track record of building successful cannabis and hemp companies, combined with expertise in launching and scaling CPG brands, and the Proposed Acquisition is expected to be a significant milestone and catalyst in Xebra's growth trajectory. This acquisition accelerates our entry into the U.S. market, enhances our operational presence in Mexico, and aligns with our vision of becoming a leader in the North American CBD market."

"Partnering with Xebra allows BSK to enter the Mexican market under the only company legally permitted to import seeds, cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico," said Fraser Macdougall, CEO of BSK. "Together, we aim to become a leader in the U.S. and Mexican CBD category, leveraging our combined technologies and expertise."

Transaction Highlights:

Strategic Platform for North American Growth: The transaction combines BSK's e-commerce model with Xebra's operations, creating a powerful platform for rapid CBD market development in North America.

Amplified Mexican CBD Market Penetration: BSK's e-commerce capabilities enhance Xebra's existing operations, which Xebra expects to drive faster market access and sales growth in Mexico.

Expanded Product Portfolio: The acquisition broadens Xebra's offerings, adding BSK's brands like Keoni and AMMA alongside Xebra's Elements line, ensuring a comprehensive range of CBD options tailored for diverse markets.

Key Synergies:

- E-Commerce Strategy: Develop an e-commerce platform tailored to the Mexican market, driving online sales and brand awareness.
- Product Line Expansion: Launch Elements-branded CBD products alongside BSK's brands, ensuring compliance with Mexican regulations.
- Marketing and Consumer Engagement: Use targeted marketing campaigns to boost brand awareness and educate consumers about CBD benefits.
- Logistics and Distribution: Establish efficient logistics networks, ensuring timely delivery and product integrity.

Transaction Overview:

Pursuant to the terms and conditions of the Letter of Intent, Xebra and BSK will negotiate and enter into a binding Definitive Agreement (the "**Definitive Agreement**") incorporating the principal terms of the Proposed Acquisition as described in the Letter of Intent. There is no assurance that a Definitive Agreement will be successfully negotiated or entered into. It is anticipated the Proposed Acquisition will be structured as a three-cornered amalgamation whereby a newly incorporated subsidiary of Xebra will amalgamate with BSK under the *Business Corporations Act* (British Columbia) and continue as a wholly-owned subsidiary of Xebra.

As consideration for the acquisition of all of the outstanding common shares of BSK, and subject to the definitive exchange ratio in the Definitive Agreement, it is expected holders of outstanding common shares of BSK will be issued, on an aggregate basis, approximately 45% of the share capital of Xebra Brands Ltd. The deemed value of the shares at the current market value represents an approximate transaction value of \$4.5MM CAD.

The completion of the Proposed Acquisition is subject to a number of conditions precedent, including but not limited to satisfactory due diligence review, negotiation and execution of the Definitive Agreement and accompanying transaction documents, approval by the boards of directors of each of Xebra and BSK, approval of the shareholders of BSK and obtaining necessary third party consents and approvals, as required.

Overview of BSK Wellness:

BSK is a leading U.S.-based CBD company known for its Keoni and AMMA brands. BSK has generated over \$50 million in revenue over the last three years and has a historical customer base that exceeds 2 million

individuals. BSK has established itself as a top player in the U.S. CBD market. Its emphasis on e-commerce positions it as one of the fastest-growing CBD companies in the U.S.

As the e-commerce sector in Mexico continues to expand-reaching \$39 billion in sales in 2023¹ and expected to grow further-Xebra and BSK are well-positioned to capitalize on this growth. The Mexican e-commerce market, currently valued at \$39 billion, is projected to double within five years, presenting significant opportunities for Xebra's CBD expansion.¹

Keith Dolo, a director of Xebra, is also a director of BSK. As such, Mr. Dolo will not take part in any deliberations or votes relating to the proposed transaction within each respective board of directors.

About Xebra Brands:

Xebra Brands Ltd. is a leading cannabis company focused on developing and delivering innovative products to consumers worldwide. As the first and only company legally permitted to import seeds, cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico, Xebra is pioneering the Mexican cannabis sector.

Source:

(#1) [North America Cannabidiol \(CBD\) Market Size | Report, 2030](#)

ON BEHALF OF THE BOARD

Rodrigo Gallardo
Interim CEO

For more information, contact:

+525563872293

omar@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, the expected benefits of the Proposed Acquisition, statements with respect to the consummation and timing of the Proposed Acquisition; the satisfaction of the conditions precedent of the Proposed Acquisition.

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, Such factors include, but are not limited to, 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 or to complete the Proposed Acquisition; 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, including the Proposed Acquisition; 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