



Xebra Brands Completes Construction of Cannabis Facility in the Netherlands

VANCOUVER, BC, Oct. 19, 2021 /CNW/ - Xebra Brands Ltd. ("**Xebra**"), a cannabis company, is pleased to announce that it has completed construction and equipment outfitting of its indoor cannabis growing facility, located approximately 100 km east of Amsterdam, in the Netherlands.

Progress on commissioning the facility has been swift, with high hygiene standards and standard operating procedures (SOPs) already implemented.

Rodrigo Gallardo, President of Xebra, commented "*We are encouraged to have completed our facility ahead of schedule. Cannabis varieties with the specific THC and CBD ratios will arrive at the facility imminently*".

The 2,000 ft² (185 m²) facility is purpose built for medicinal cannabis cultivation trials, and provides for exceptional and efficient scalability, up to 100,000 ft² (9,300 m²).

The facility features four smart automated cells; three for production, and one for propagation, with new state of the art equipment, including computer-controlled HVAC for heating, cooling, humidification and dehumidification. In addition, irrigation in each cell is also computer controlled.

On July 2, 2021, Xebra received a preliminary cannabis license from the Dutch Ministry of Health, which provides for the possession, cultivation, processing, and transportation of cannabis.

As 1 of only 5 companies to be selected by the Dutch government to participate in trial medicinal cannabis cultivation, Xebra is endeavoring to be awarded 1 of 2 licenses, with a contract for up to 6 years, providing for revenues of up to €70.5 million, to co-supply all pharma-grade cannabis to be sold in the Netherlands; and additional crops can be grown for export to other European countries. Not including export crops, the contract would provide for annual volumes of 5,000 kg of cannabis flower, to be sold to the Dutch government, at a fixed price of €2,350/kg under an initial four-year term, with an optional two-year extension, for each of the two successful companies, and would be guaranteed by the Dutch government. The final two license holders will be selected based on the strength of their business plans, and on the product quality and consistency of three trial crops.

Xebra has assembled an experienced team in Holland, led by Harry von Duijne, formerly of Bedrocan®, where he was responsible for managing every aspect of operations of a state-of-the-art cannabis facility, from construction through cultivation and processing, quality management, and GMP certification; Bedrocan® presently is, and has been the only licensed producer in the Netherlands for more than a decade.

Certain information contained in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are not statements of historical fact may be deemed to be forward-looking statements, these include, without limitation, statements regarding Xebra Brands Ltd.'s expectations in respect of its ability to successfully execute its business plan or business model; its ability to provide economic, environmental, social, or any benefits of any type, in the communities it operates in or may operate it in the future; its ability to be a first mover in a country, or to obtain or retain government licenses, permits or authorizations in general, or specifically in Mexico, Colombia, Canada, the Netherlands, or elsewhere; its ability to successfully apply for and obtain trademarks and other intellectual property in any jurisdiction; its ability to be cost competitive; its ability to cultivate, grow, or process hemp or cannabis in Mexico, Colombia, Canada, the Netherlands, or elsewhere and related plans; financial, operational, or any other term relating to the Company's participation in the Dutch trial medicinal cannabis cultivation; its ability to manufacture cannabis beverages, wellness products, or other products; its ability to commercialize or sell cannabis beverages, wellness products, or other products, in Mexico, Colombia, Canada, the Netherlands, or elsewhere; its ability to commercialize or to sell Vicious Citrus Lemonade in 2022 or at any time, in any jurisdiction; its ability to commercialize or to sell Elements wellness products in any jurisdiction at any time; its ability to create wellness products that have a therapeutic effect or benefit; plans for future growth and the direction of the business; financial projections including expected revenues, gross profits, and EBITDA (which is a non-GAAP financial measure); plans to increase product volumes, the capacity of existing facilities, supplies from third party growers and contractors; expected growth of the cannabis industry generally; management's expectations, beliefs and assumptions; events or developments that XEBRA expects to take place in the future; general economic conditions; and other risk factors described in the prospectus of the Company dated September 30, 2021. All statements, other than statements of historical facts, are forward-looking information and statements. The words "aim", "believe", "expect", "anticipate", "contemplate", "target", "intends", "continue", "plans", "budget", "estimate", "may", "will", and similar expressions identify forward-looking information and statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by XEBRA as of the dates of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, the inability of XEBRA 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 a potential acquisition 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; and the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; and the timely receipt of regulatory approval for license applications. 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.

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CNW 08:00e 19-OCT-21