

**NEWS RELEASE**

## **Xebra Announces That Mexican Supreme Court Sets Date of December 1<sup>st</sup> to Vote on Granting Xebra an Injunction to Commercialize Cannabis**

**Vancouver, BC, Canada, November 24, 2021, Xebra Brands Ltd. (“Xebra”) (XBRA: CSE) (9YC: FSE),** a cannabis company, announces that it has been informed that the Mexican Supreme Court will convene on Wednesday December 1<sup>st</sup>, 2021, to deliberate and vote on a claim by Xebra’s wholly owned Mexican subsidiary, Desart MX, SA de CV (“**DESART MX**”), to obtain an injunction that could result in Xebra being positioned to hold an outright first-mover-advantage in the Mexican cannabidiol (“**CBD**”) and cannabigerol (“**CBG**”) market.

If an injunction is granted, Xebra could be authorized to operate irrespective of when, or whether or not, Mexico legalizes cannabis, and the injunction would apply only to Xebra.

Xebra believes Mexico has the potential to be one of the largest near-term country cannabis consumer markets in the world upon legalization of cannabis. Mexico is also within the North American free trade zone (USMCA), giving it considerable cultivation and product manufacturing cost advantages over Canada and the United States. Xebra is of the opinion that there is sufficient precedent with many agricultural crops and manufactured products, to suggest that there is a possibility that ultimately the majority of North American industrial scale cannabis production activity will occur in Mexico.

The upcoming hearing is the culmination of a three-year legal strategy, challenging the unconstitutionality of Mexican cannabis law. The claim successfully navigated lower-courts and is now scheduled for the Supreme Court on December 1<sup>st</sup>, 2021. The case is listed on the Supreme Court’s official website (<https://www.scjn.gob.mx/primera-sala/listas-para-sesion>) as file number **355/2020**, referencing Xebra’s wholly owned Mexican subsidiary, DESART MX.

The claim filed by DESART MX with the Mexican Supreme Court for a constitutional injunction under the terms of Mexican Law would, if granted, provide the authorizations necessary to enable DESART MX to, import cannabis seeds into Mexico, cultivate and process cannabis with low levels of THC (under 1%), and could allow for the manufacture and sale of CBD and CBG, and associated products. In practical terms, it could allow for the commercialization of CBD and CBG derived from hemp. Export activities could also potentially be possible.

ON BEHALF OF THE BOARD,

Rodrigo Gallardo  
President

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*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: the Supreme Court of Mexico voting to grant DESART MX an injunction, or expectations related to Xebra's operations or otherwise regarding the outcome of such a vote and the timing thereof; the legalization of cannabis and its derivatives in Mexico; the potential for increased industry wide cannabis production in Mexico and the timing thereof; exportation of cannabis products from Mexico; 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; the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; the timely receipt of regulatory approval for license applications; and the timing of the Mexican Supreme Court to deliberate and vote on granting DESART MX an injunction. 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.*