



Xebra Progressing Quickly with CBD and CBG in Mexico, with its First Mover Advantage Granted by the Supreme Court

VANCOUVER, BC, Dec. 17, 2021 /CNW/ - **Xebra Brands Ltd. ("Xebra")** (CSE: XBRA) (OTC: XBRAF) (FSE: 9YC), a cannabis company, provides and update on its Mexican activities.

Xebra's wholly owned Mexican subsidiary, Desart MX, SA de CV ("**Xebra Mexico**"), has been granted an injunction by the Mexican Supreme Court, that has positioned it with an outright first-mover-advantage in the Mexican CBD and CBG market. Official licenses will be granted by the Mexican Health Regulatory Agency (COFEPRIS) in due-course.

The Supreme Court decision is irrevocable and cannot be appealed. Mexico is on a path to full cannabis legalization, likely in 2022, however Xebra's injunction does not depend on legalization. In fact, the longer Mexico takes to legalize then the longer Xebra's first mover advantage will be. Once a legal framework is adopted by Congress in Mexico, it could be up to three years before any entity (besides Xebra), can commence any commercial cannabis activities, due to the long approval process that applicants will be subject to; this lengthy process was the case in Canada, Colombia and elsewhere, and is very likely to be the case in Mexico as well. The Mexican Senate and the Chamber of Deputies are expected to continue debating a proposed cannabis bill in February 2022; however, it seems that the debate could be protracted.

Xebra is moving quickly to take advantage of its absolute first mover advantage. Discussions are underway to secure up to 300 hectares of suitable land for cultivation, and multiple Canadian and American companies with cannabis processing and extraction expertise have expressed an interest in partnering in Mexico. Manufacturing joint-venture opportunities with established Mexican parties have been identified, and distribution channels are being explored.

Xebra Mexico's injunction applies specifically to the industrial cannabis sector, and explicitly to cannabis with low-levels of THC (under 1%), therefore, in practical terms, to hemp cultivation and processing, and to the manufacture and sale of mainly CBD and CBG products, such as tinctures, oils, topicals, edibles, beverages, concentrates, distillates, emulsions, and biomass etc., and certain uses of the cannabis flower.

Xebra believes Mexico has the potential to be one of the largest near-term country cannabis consumer markets in the world. 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.

More information will be provided on Xebra's Mexican plans in due-course.

ON BEHALF OF THE BOARD:

Rodrigo Gallardo
President

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 (the "Company") expectations in respect of: the Mexican Federal Circuit Court enforcing the Mexican Supreme Court's final decision granting the Company's wholly owned subsidiary an injunction (the "Injunction"), receipt of all authorizations relating to the Injunction, the Company obtaining a first mover advantage in connection with the Injunction, other companies cultivating or commercializing cannabis in Mexico and the timing and processes thereof, the possibility that the majority of North American industrial scale cannabis production activity occurring in Mexico, or expectations related to Xebra's operations; 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; 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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For further information: +1 (604) 418-6560, ir@xebrabrands.com

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