

# Xebra Brands Announces Non-Brokered Private Placement of Units and Convertible Debentures up to C\$1,000,000

Vancouver, British Columbia--(Newsfile Corp. - October 2, 2023) - **Xebra Brands Ltd. (CSE: XBRA) (OTCQB: XBRA) (FSE: 9YC0) ("Xebra" or the "Company")**, a cannabis company, announces that it intends to complete a non-brokered private placement in the aggregate amount of up to \$1,000,000 pursuant to a binding commitment from a strategic investor (the "**Commitment**"). The Company intends to issue up to 12,000,000 units of the Company (the "**Units**") at a price of \$0.05 per Unit for gross proceeds of up to \$600,000 (the "**Unit Offering**") and a concurrent placement of up to a principal amount of \$400,000 of unsecured convertible debenture units (the "**CD Offering**" and together with the Unit Offering, the "**Offering**").

Pursuant to the Commitment, the strategic investor will have the right to appoint one director to become a member of the board of directors of the Company (the "**Board**") and will also be entitled to appoint a person as a Board observer (a "**Observer Seat**") to Board meetings. The Observer Seat will not have the right to vote on matters put forth before the Board but will have access to the information provided to the Board and will be entitled to attend Board meetings.

Each Unit will be comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Unit Warrant**"). Each Unit Warrant will entitle the holder thereof to acquire one Common Share (a "**Unit Warrant Share**") at an exercise price of C\$0.10 per Unit Warrant Share at any time for a period of eighteen (18) months following the closing of the Unit Offering.

Each convertible debenture unit issued pursuant to the CD Offering will consist of: (i) C\$1,000 principal amount of unsecured convertible debenture of the Company (each, a "**Debenture**"); and (ii) 20,000 Common Share purchase warrants (each, a "**CD Warrant**"). Each CD Warrant shall entitle the holder to acquire one Common Share (a "**CD Warrant Share**") at an exercise price of C\$0.10 per CD Warrant Share at any time for a period of eighteen (18) months following the closing of the CD Offering.

The Debentures will mature on the date that is 36 months from the date of issuance (the "**Maturity Date**") and shall bear interest at a rate of 8% per annum, payable semi-annually in arrears, and will not be redeemable by the Company. The Debentures will be convertible into Common Shares (a "**Debenture Share**") at the option of the holder at any time prior to the Maturity Date at a conversion price equal to \$0.05 per Debenture Share.

It is expected that the closing of the Unit Offering will be on or about October 6, 2023, or such other date or dates that Xebra may determine.

If the CD Offering is fully subscribed, it is expected that the strategic investor will hold in excess 20% of the issued and outstanding Common Shares, and as such, the issuance of the Debentures and CD Warrants would "Materially Affect Control" (as such term is defined in the policies of the CSE) of Xebra, requiring the Company to obtain shareholder approval to permit the strategic investor to hold greater than 20% of the Common Shares on a partially diluted basis. The Company intends to seek such approval at its annual general and special meeting to be held on November 7, 2023 (the "**Meeting**"). The CD Offering is expected to close following the Meeting and receipt of shareholder approval.

In addition, the strategic investor will have the right to appoint one director to become a member of the board of directors of the Company (the "**Board**") and will also be entitled to appoint a person as a Board observer (a "**Observer Seat**") to Board meetings. The Observer Seat will not have the right to vote on matters put forth before the Board but will have access to the information provided to the Board and will be entitled to attend Board meetings.

The net proceeds received by the Company from the Offering are intended to be used for general corporate and working capital purposes.

The Offering is subject to the receipt of all regulatory approvals, including the approval of the Canadian Securities Exchange.

The securities issued under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and were not to be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

## **ABOUT XEBRA**

Xebra is an international cannabis cultivation and product company, with global brands and intellectual property. Our focus includes beverages, wellness and leisure. Xebra is an absolute first mover in the Mexican cannabis sector, with the first ever granted authorization to a corporation by the COFEPRIS. In Canada, Xebra retails its unique Vicious Citrus OG & NEO THC/CBN Lemonades.

*Jay Garnett*  
CEO

For more information contact:

+1 (833) XEBRA 88  
[ir@xebrabrands.com](mailto:ir@xebrabrands.com)

*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 close the Offering, the size and terms of the Offering, its expected use of the net proceeds of the Offering, the ability to obtain the necessary shareholder and regulatory approvals from the applicable securities regulators or obtain the approval of the Canadian Securities Exchange in connection with the Offering; its ability to enter into and execute partnerships or joint venture opportunities on acceptable terms; 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, Canada, or elsewhere, including cannabis authorizations from the Mexican Health Regulatory Agency (COFEPRIS); its ability to satisfy the conditions of authorizations granted by COFEPRIS; its ability to successfully apply for, obtain and retain trademarks and other intellectual property in any jurisdiction; its ability to be cost competitive; its ability to commercialize, cultivate, grow, or process hemp or cannabis in Mexico, Canada, or elsewhere and related plans and timing; its ability to manufacture, commercialize or sell cannabis-infused beverages, wellness products, or other products in Mexico, Canada, or elsewhere, and its related plans and claims, including market interest and availability; its ability to create wellness products that have a therapeutic effect or benefit; plans for future growth and the direction of the business; 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 in general, including manufacturing costs, production activity and market potential in Mexico or any jurisdiction; events or developments that Xebra expects to take place in the future; general economic conditions; and other risk factors described in the MD&A of the Company for the period ended November 30, 2022. 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 retain the authorizations granted by COFEPRIS, 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.*

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