

Xebra Brands Executes CBD Supply Agreement in Mexico

Vancouver, British Columbia--(Newsfile Corp. - February 21, 2024) - **Xebra Brands Ltd. (CSE: XBRA) (OTCQB: XBRAD) (FSE: 9YC0) ("Xebra" or the "Company")**, a cannabis company, is pleased to announce that it has entered into a supply agreement with ICAN Green S.A. de C.V. ("**ICAN**"), a division of ICAN Investing Group LLC, to supply CBD isolate to Desart MX S.A. de C.V. ("**Desart MX**"), a division of Xebra Brands Ltd., for use in the manufacturing of legal CBD products in Mexico.

ICAN, an international cannabis company with a focus on Latin-America, is a regional reference in education, research, and development of cannabis-based medications and products. ICAN was the first, and so far, only company to legally import THC API into Mexico, and is one of the few companies that has the legal ability to import non-psychoactive cannabinoids such as CBD and CBG into the country.

Under the terms of the agreement, ICAN will be the exclusive supplier of CBD to Desart MX for a period of two years, with the possibility of automatic annual renewal. This collaboration marks a significant milestone for both companies and underscores their commitment to partnering with the Desart MX, a division of Xebra Brands Ltd., the only corporation in Mexico federally approved by the COFEPRIS (Mexican FDA) to import and acquire cannabis seeds, cultivate and harvest cannabis, process and produce cannabis, and sell cannabis products with less than 1% THC, both domestically and through export.

Erick Ponce, CEO & Legal Representative of ICAN, and Director of Xebra Brands Ltd.

expressed his enthusiasm about the partnership, stating, *"We are thrilled to be partnering with Desart MX to supply them with our premium CBD. This agreement exemplifies our commitment to Xebra and our desire to continue forward in growing the legal CBD products market in Mexico, and we look forward to supporting Desart MX in their endeavours."*

Rodrigo Gallardo, Interim CEO of Xebra & Desart MX, also commented on the collaboration, saying,

"We are excited to join forces with ICAN as this is an incredibly important step towards commercialization of the first 100% legal and 100% Mexican made CBD products. The immediate access to CBD through ICAN and the supply agreement, allows Xebra to manufacture products domestically in Mexico without the need to harvest and extract our own CBD which would add considerable time to the commercial process. This once again demonstrates XEBRA's ability to execute on its commercial pathway."

The commercial terms of the contract are calculated on a "price per kilogram basis" with volume discounts for larger quantities of CBD isolate purchased.

Both companies are confident that this strategic partnership will not only strengthen their positions in the market but also drive mutual growth and success in the rapidly evolving CBD industry.

ABOUT XEBRA

Xebra is an International cannabis company focused on the development and sale of cannabis and CBD products in Mexico. Xebra is an absolute first mover in the Mexican cannabis sector, with the first ever granted authorization to a corporation by the COFEPRIS.

ON BEHALF OF THE BOARD:

Rodrigo Gallardo
Interim CEO

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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 its ability to successfully execute its business plan or business model; its ability to enter into and execute partnerships or joint venture opportunities on acceptable terms; statements regarding expected benefits of partnerships and supply agreements, 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, 2023. 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 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; 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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