

Xebra Brands Partners with KannaGroup to Manufacture CBD Products in Mexico

Vancouver, British Columbia--(Newsfile Corp. - March 12, 2024) - **Xebra Brands Ltd. (CSE: XBRA) (OTCQB: XBRAF) (FSE: 9YC0) ("Xebra" or the "Company")**, Xebra Brands, a leading player in the CBD industry, announces a significant milestone with the formalisation of a key manufacturing non-exclusive agreement in collaboration with KannaGroup Inc, executed on March 7, 2024 with the aim at producing premium CBD products within Mexico.

This strategic collaboration marks a pivotal moment for Xebra Brands as it strategically positions itself to leverage emerging market opportunities and reinforce its foothold in the Mexico CBD landscape. By establishing manufacturing capabilities through KannaGroup, Xebra Brands is poised to establish a strong footprint in the Mexican market, creating inherent value by optimising operational efficiencies and reducing production costs through localized manufacturing.

KannaGroup Inc. is a pioneering and innovative company in the wellness industry, dedicated to unlocking the immense potential of the wellness market in Mexico, Latin America and the US Hispanic region. Founded in 2020 and headquartered in Guadalajara, Mexico, KannaGroup is committed to overcoming market barriers through education, truthful information, science-backed data to develop high-quality products and brands both proprietary and third-party. With a multifaceted portfolio of brands, KannaGroup leverages the power of human connection and technology to provide affordable products and services.

The decision to partner with KannaGroup underscores Xebra Brands' commitment to strategic partnerships and prudent capital allocation. By harnessing KannaGroup's expertise and state-of-the-art facilities in Mexico, Xebra Brands aims to unlock cost efficiencies while upholding its unwavering commitment to delivering unparalleled quality CBD products to consumers worldwide.

*"We are thrilled to announce this strategic collaboration with KannaGroup, which represents a significant step forward in our growth journey," commented **Rodrigo Gallardo, CEO of Xebra Brands**. "This partnership underscores our relentless pursuit of excellence and shareholder value creation as we continue to position Xebra Brands for sustained success in the dynamic CBD market landscape."*

As part of this partnership, Xebra Brands and KannaGroup will initially launch three flagship products:

Tinctures: Crafted with precision and care, Xebra Brands' CBD tinctures offer a convenient and effective way to experience the benefits of CBD. Available in a range of strengths and flavors, our tinctures are formulated using premium-quality CBD extract and are perfect for everyday use.

Capsules: Experience the power of CBD in a convenient, easy-to-swallow capsule format. Xebra Brands' CBD capsules are expertly formulated to deliver precise doses of CBD, providing a convenient option for those seeking a consistent CBD experience on the go.

Topicals: Indulge your senses with Xebra Brands' luxurious CBD topicals. Infused with soothing botanicals and premium CBD extract, our topicals offer targeted relief and nourishment for your skin, leaving you feeling refreshed, rejuvenated, and revitalized.

*"At KannaGroup, we feel proud and honoured to collaborate with Xebra Brands on this exciting project. This partnership represents a unique opportunity to combine our strengths and continue developing the market in the region. We are committed to bringing our expertise, production and quality capabilities to ensure the success of this initiative and strengthen our position as leaders in Mexico and Latin America," said **Ernesto Rodriguez, CEO of KannaGroup**.*

The manufacturing agreement includes favourable commercial costing on a case-by-case basis dependent on the type of products, batch sizes, ingredients and timing.

Xebra Brands remains steadfast in its adherence to stringent quality assurance protocols and regulatory compliance standards. Leveraging KannaGroup's advanced manufacturing capabilities and best-in-class quality control measures, Xebra Brands remains committed to setting the industry benchmark for product purity, potency, and consistency.

About Xebra Brands: Xebra Brands is a forward-thinking leader in the CBD industry, dedicated to delivering premium-quality CBD products that redefine excellence. With a focus on innovation, operational excellence, and shareholder value creation, Xebra Brands offers an extensive portfolio of CBD products spanning tinctures, topicals, edibles, and more. Through relentless pursuit of excellence, Xebra Brands remains at the forefront of the global CBD market.

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:

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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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