

## **Xebra Brands Announces Strategic Update on Partnerships, Growth Opportunities, and Commercial Expansion**

Xebra Brands Ltd. ("Xebra" or the "Company") (CSE:XBRA)(OTCQB:XBRAF)(FSE:9YC0), a developing cannabis company and the only company legally allowed to cultivate, manufacture, operate and sell cannabis (-1% THC) in Mexico, is pleased to announce a comprehensive strategic update on partnerships, accretive M&A opportunities, and expanding its commercial footprint in both the United States and Mexico. This strategic focus underscores Xebra's commitment to becoming a dominant player in the global cannabis and hemp industry by leveraging its unique market position and expertise.

### **Strategic Partnerships in the US and Mexico:**

Xebra's management and board are assessing potential partnerships and accretive mergers and acquisitions (M&A) in both the US and Mexico to enhance its portfolio of CBD brands. These initiatives aim to align with Xebra's core objectives of accelerating growth, diversifying product offerings, and increasing market share in the rapidly expanding CBD industry. By aligning with complementary businesses and acquiring high-potential cannabis and CBD brands, Xebra is poised to strengthen its market presence and deliver greater value to shareholders.

In the United States, Xebra is exploring opportunities to partner with established cannabis companies and brands that have demonstrated strong market performance and innovation in the US and who are excited about expanding into the Mexican market as the country opens up. Xebra has been active over the last year in discussions with a number of the leading MSO's, brands and LP's about distribution, brand licensing deals, expansion opportunities together in Mexico. As Xebra moves forward with commercialising operations on the ground in Mexico, more announcements on this vertical will be made available.

There are also a number of potential acquisitions the Company is currently evaluating which are attractive in the space. Valuations are at very attractive multiples, and Xebra is particularly interested in companies that produce positive EBITDA and have a strong brand and a loyal customer base to add to Xebra's portfolio. The focus will be on identifying companies that align with Xebra's strategic focus and growth plans as well as provide synergies for the expansion of products and add distribution, revenue, key personnel, and profitability.

In Mexico, Xebra is leveraging its first-mover advantage and unique market position. Over the past year, the company's fully owned Mexican subsidiary, Desart MX S.A. de C.V., is leading the charge in submitting new products for regulatory approval and establishing partnerships with local retailers. Xebra is a pioneer in the Mexican cannabis market by producing and distributing the first 100% legal and 100% Mexican-made CBD products.

### **Commercial Expansion in Mexico**

Xebra will be bolstering its commercial team over the coming months in anticipation of the launch of the Elements brand in select major retailers in Mexico that are looking to carry CBD products for their consumer base. The company is undertaking several key commercial activities

to ensure the successful launch and sustained growth of its products in this market. This includes the development of a consumer-focused growth strategy rooted in market intelligence, as well as locally relevant market entry plans.

These efforts are designed to build strong relationships with retailers and position Xebra's products which are seen as the preferred choice and only legal option seeking high-quality CBD products in Mexico.

"We are excited about the efforts the team has taken over the last two quarters to position ourselves," said Rodrigo Gallardo, Interim CEO of Xebra Brands. "By focusing on strategic partnerships and accretive M&A in both the US and Mexico, along with our robust commercial activities, we are well-positioned to capitalise on the significant opportunities in the CBD market in Mexico ahead of legalization. Our dedicated team is working tirelessly to ensure that Xebra's Elements brand becomes a household name, delivering exceptional products that meet the highest standards of quality and consumer satisfaction."

### **Looking Ahead**

As Xebra continues to navigate the complexities of the evolving cannabis market, the company remains committed to leveraging its strategic initiatives to drive growth and enhance shareholder value. With a clear focus on partnerships, acquisitions, and commercial expansion, Xebra is poised to become a leader in the global CBD industry.

### **ABOUT XEBRA**

Xebra is a cannabis company focused on the development and sale of cannabis and CBD products. Xebra is an absolute first mover in the Mexican cannabis sector.

ON BEHALF OF THE BOARD:

*Rodrigo Gallardo*  
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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.*

**SOURCE:** Xebra Brands Ltd