

Xebra Brands Expands Strategic Partnership with ICAN to Enhance CBD Product Offering in Mexico

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 with up to 1% THC in Mexico, and ICAN Ventures ("ICAN") are pleased to announce the next phase in their strategic collaboration, focusing on accelerating the formulation work for Xebra's Elements brand. This step marks a significant milestone in their joint efforts to bring cutting-edge cannabis products to the Mexican market, leveraging ICAN's specialized formulation lab, pharmacist team and import licences.

Leveraging ICAN's Expertise

ICAN's formulation department is renowned for its state-of-the-art facilities and highly trained team of experts and pharmacists dedicated to developing innovative cannabis formulations for medical patients across Mexico. The department boasts advanced laboratories equipped with the latest technology and a team of scientists, chemists, and physicians with extensive experience in pharmaceutical and nutraceutical product development. ICAN and Xebra have been working over the last year to formulate an expanded line of products for ELEMENTS brand that will meet the highest standards of quality, efficacy, and safety for customers, ahead of Xebra's product approvals and retail sales.

Innovative Formulation Work

The focus of this collaboration is to harness ICAN's specialized capabilities to refine and perfect the formulations for Element brand products.

This includes:

1. **Precision Formulation:** Utilizing advanced techniques to ensure consistent and precise dosages in every product. This involves sophisticated equipment for measuring and mixing ingredients to achieve exact concentrations of active compounds like CBD, ensuring each product delivers a consistent experience.
2. **Bioavailability Enhancement:** Developing formulations that maximize the absorption and effectiveness of active ingredients. ICAN employs advanced delivery systems such as nanoemulsions and liposomal encapsulation to increase the bioavailability of CBD, ensuring that the active compounds are more easily absorbed by the body and providing faster and more effective relief.
3. **Safety and Stability:** Conducting rigorous testing to ensure product stability and safety over time. This includes stress testing under various environmental conditions to guarantee that the products maintain their potency and safety throughout their shelf life. ICAN's laboratories perform comprehensive microbial, heavy metal, and pesticide testing to meet the highest safety standards.
4. **Customized Solutions for Strategic Partners & Global Brands:** Creating tailored formulations to meet the specific needs and preferences of different consumer segments.

This involves developing specialized products for various demographics and use cases, such as:

- Athletes: Formulating high-CBD products designed to aid in muscle recovery and reduce inflammation, featuring added ingredients like arnica or menthol for enhanced benefits.
 - Relaxation and Sleep: Developing CBD products infused with calming botanicals such as chamomile and lavender to promote relaxation and improve sleep quality.
 - Skincare: Crafting topical CBD formulations enriched with antioxidants and moisturizing agents to target skin issues such as dryness, inflammation, and acne.
 - Pet Products: Designing CBD-infused products for pets, addressing specific conditions such as anxiety, pain, and digestive issues, with flavors appealing to animals.
5. Consumer Experience Optimization: Enhancing the overall consumer experience through thoughtful product design and packaging. This includes easy-to-use delivery methods like tinctures, capsules, and topical creams, as well as clear labeling and dosing instructions to ensure consumers have a seamless and enjoyable experience.

Commitment to Excellence

Rodrigo Gallardo, Interim CEO of Xebra Brands, stated, "Our partnership with ICAN marks a pivotal moment in our journey to deliver exceptional cannabis products to our customers. By leveraging ICAN's unparalleled expertise in formulation, we are confident that Element brand products will set a new standard in the market."

ICAN's CEO, Erick Ponce, added, "We are excited to bring our R&D and formulation capabilities to this collaboration. Our team is dedicated to pushing the boundaries of what's possible in cannabis product development, and we look forward to delivering outstanding results for Xebra and its consumers."

Xebra Debt Settlement

Xebra also intends to settle debts in the aggregate amount of \$220,000 owed by the company to certain creditors of the company in exchange for an aggregate of 2,444,444 common shares at a deemed price of \$0.09 per debt settlement share.

Closing of the debt settlement is expected to occur on or before July 8, 2024, subject to any comments from the Canadian Securities Exchange.

About Xebra Brands

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.

About ICAN Latam

ICAN Latam is an international cannabis company with a focus on Latin America and 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. With a team of seasoned scientists and state-of-the-art facilities, ICAN is dedicated to advancing the science of cannabis and delivering innovative solutions to the market.

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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