

Xebra Brands Successfully Completes First Manufacturing Run for Elements Brand Ahead of Growing Demand in Mexico

VANCOUVER, BC / ACCESSWIRE / July 9, 2024 / Xebra Brands Ltd. ("Xebra" or the "Company") (CSE:XBRA)(OTCQB:XBRAF)(FSE:9YC0), a pioneer in the Mexican cannabis sector and the only company legally permitted to cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico, announces the successful completion of its first manufacturing run of its highly anticipated Elements line. This milestone represents a significant next step forward in Xebra Brands' commercialization efforts as the company prepares for initial distribution efforts in Mexico.

The authorization for the importation, launch, and sale of the Elements Full Spectrum CBD Tinctures were granted to Elements Bioscience SAPI de C.V, a fully owned subsidiary of Xebra Brands Ltd, by Mexican regulatory authorities (COFEPRIS), and are expected to be sold in wellness and supplement stores, pharmacies and other retail channels which have accelerated their demand for new products.

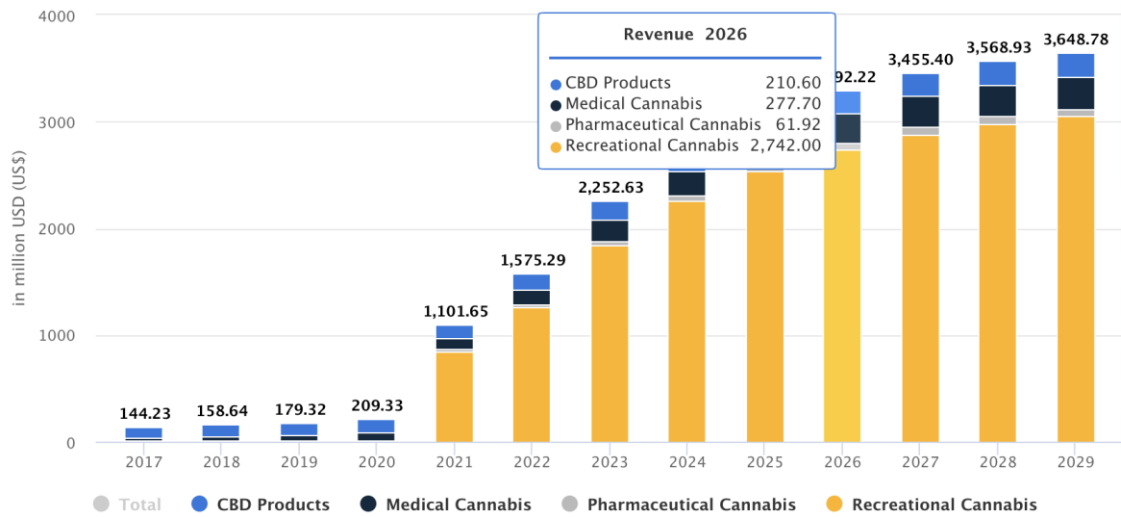
As consumers in Mexico become more educated about cannabis and hemp products, the industry is projected to continue expanding rapidly. The growing awareness about the potential health benefits of Cannabis has led to a surge in demand for CBD-based products. Additionally, there is a rising interest in alternative forms of consumption such as edibles and concentrates, reflecting a diversification in consumer preferences. [By 2026 the overall Cannabis market \(which includes CBD sales, Medical cannabis sales, Pharmaceutical cannabis sales and Recreational cannabis sales\) is expected to reach \\$3.2B Usd¹](#). CBD sales are expected to reach \$210M while the bulk of sales (\$2.7B) is made up from Recreational cannabis sales, which are still illegal nationwide.



¹ <https://www.statista.com/outlook/hmo/cannabis/mexico#revenue>

REVENUE

REVENUE CHANGE



Trends in the market:² One of the prominent trends in the Mexican Cannabis market is the gradual legalization and regulation of Cannabis for recreational use. This shift has opened up huge opportunities for businesses to enter the market and cater to a broader customer base. Furthermore, the emergence of online platforms for Cannabis sales is reshaping the retail landscape, providing convenience and accessibility to consumers.

Customer preferences: Customers in Mexico are increasingly gravitating towards Cannabis products for both medicinal and recreational purposes. The growing awareness about the potential health benefits of Cannabis has led to a surge in demand for CBD-based products. Additionally, there is a rising interest in alternative forms of consumption such as edibles and concentrates, reflecting a diversification in consumer preferences.

Underlying macroeconomic factors: Economic factors such as job creation and tax revenue generation are driving the push towards Cannabis legalization in Mexico. The potential for a new revenue stream through Cannabis sales presents an attractive opportunity for the government to boost economic growth and address budgetary concerns. Additionally, the shift towards Cannabis legalization aligns with global trends, as more countries recognize the economic potential of the industry.

Xebra Brands is poised to capitalise on this growing demand with the launch of **Elements**, as the only legal company that has been granted authorizations to domestically produce and sell CBD and cannabis products (under 1% THC), Elements stands out not only as the pioneer brand in the Mexican market but also for its commitment to quality, safety, and efficacy.

² <https://www.statista.com/outlook/hmo/cannabis/mexico#revenue>

About Xebra Brands:

Xebra Brands is a leading cannabis company dedicated to providing high-quality, innovative products to consumers worldwide. Xebra is an absolute first mover in the Mexican cannabis sector and the only company legally allowed to cultivate, manufacture, operate, and sell cannabis (-1% THC) in Mexico.

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.

