

XEBRA BRANDS ANNOUNCES UPDATE ON SHARE CONSOLIDATION AND PRIVATE PLACEMENT

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Vancouver, BC, Canada, February 23, 2023, Xebra Brands Ltd. (“Xebra”) (XBRA: CSE) (XBRAF: OTCQB) (9YC: FSE) a cannabis company, announces that effective Tuesday, February 28, 2023, it will implement the previously announced consolidation of its issued and outstanding share capital on the basis of one (1) post-consolidation share for each five (5) pre-consolidation common shares (the “**Consolidation**”). The record date for the Consolidation is March 1, 2023.

Xebra will not be changing its name or trading symbol in connection with the Consolidation. As a result of the Consolidation, the outstanding common shares of Xebra will be reduced to approximately 39,339,581. No fractional common shares will be issued upon the Consolidation. In the event a holder of common shares would otherwise be entitled to receive a fractional common share in connection with the Consolidation, the number of common shares to be received by such shareholder will be rounded down to the next whole number if that fractional common share is less than one half (1/2) of a common share, and will be rounded up to the next whole number of common shares if that fractional common share is equal to or greater than one half (1/2) of a common share. The new CUSIP number will be 98402E206 and the new ISIN number will be CA98402E2069.

A letter of transmittal will be sent to registered shareholders advising that the Consolidation has taken effect. The letter of transmittal will contain instructions on how registered shareholders can exchange their share certificates or DRS statements evidencing their pre-Consolidation common shares for new share certificates or new DRS statements representing the number of post-Consolidation common shares to which they are entitled. No action is required by non-registered shareholders (shareholders who hold their shares through an intermediary) to effect the Consolidation. The exercise or conversion price of, and the number of common shares issuable under, any convertible securities of Xebra will be proportionately adjusted upon the completion of the Consolidation.

Xebra is also pleased to announce that it expects to close its previously announced private placement of up to 8,000,000 post-Consolidation units of Xebra (the “**Units**”), at \$0.075 per Unit for gross proceeds of up to \$600,000 (the “**Offering**”), on March 1, 2023. In the event the Offering is fully subscribed, it is expected that Xebra will have a total of 47,339,581 common shares issued and outstanding (on a post-Consolidation basis). Each Unit will be comprised of one common share of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one Common Share (a “**Warrant Share**”) at an exercise price of C\$0.10 per Warrant Share at any time for a period of eighteen (18) months following the closing of the Offering. The proceeds of the Offering are expected to be used for working capital and general corporate purposes. The closing of the Offering may occur on such other date or dates as may be determined by Xebra.

The Consolidation and the Offering are subject to the receipt of all required regulatory approval, including acceptance of the Canadian Securities Exchange (the “**CSE**”).

New CUSIP: 98402E206

New ISIN: CA98402E2069

Trading on a Consolidated Basis: February 28, 2023

Record Date: March 1, 2023

The securities issued under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and were not to be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

Jay Garnett

CEO

Certain information contained in this press release constitutes forward-looking information or 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 close the Offering, the expected number of issued and outstanding common shares on a post-Consolidation basis, the mailing of letters of transmittal, Xebra's 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) and the timing of such permits or authorizations; its ability to successfully apply for and obtain 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; financial projections including expected revenues, gross profits, and EBITDA (which is a non-GAAP financial measure); 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 prospectus of the Company dated September 30, 2021. 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 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 a potential acquisition 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; and the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; and the timely receipt of regulatory approval for license applications. 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 forwardlooking 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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