



## **Dixie Brands Comments on Legalization of Hemp as Passage of 2018 Farm Bill Ends Era of Prohibition**

DENVER, December 20, 2018 – Dixie Brands Inc. (Dixie or the Company) (CSE: DIXI.U), one of the cannabis industry’s leading consumer packaged goods companies, announced its support of the signing of the 2018 Farm Bill which legalizes the cultivation and use of industrial hemp. Approved and signed by the President, the 2018 Farm Bill removes hemp from the Controlled Substances Act and deems hemp an agricultural commodity.

“We see passage of this Farm Bill as a critical step in the development of the hemp industry. Now American farmers will have the opportunity to participate in a high value crop with a growing market opportunity, and consumers will have better access to hemp-based products,” said Dixie Brands CEO Chuck Smith. “It will also dramatically improve supply chain access for companies such as Dixie Brands, which has already developed a diversified and revenue-producing portfolio of CBD-based products under our Therabis and Aceso brands. As such, we applaud this development as a win for multiple groups and look forward to further advancing Dixie’s growth initiatives in this now legalized space.”

The Farm Bill creates more certainty around the legality of the commercial use and sale of industrial hemp, including use of all parts of the plant, such as flowers, leaves, stem, stalk, seeds, and any commercial uses of the plant, such as cannabidiol (“CBD”) rich extracts. Industrial hemp, as defined under the bill, refers to the plant species Cannabis Sativa L with a THC content of not more than 0.3% on a dry weight basis. Scientific studies have shown that CBD has therapeutic properties, including benefits for sufferers of seizures, anxiety, pain and inflammation.

The legalization of hemp opens up a high value market for farmers and enables easier access for both product developers and consumers. The bill also codifies interstate commerce, enabling the transport of hemp and hemp-derived products across state lines; as such, the Drug Enforcement Administration may no longer interfere with the interstate commerce of hemp products. Federally regulated institutions including banks and credit card companies will now be able to freely conduct business with companies involved in the hemp product industry.

Downstream benefits of the Farm Bill include expanding access into more mainstream retail by removing additional regulatory barriers for carrying hemp and CBD-rich products. Dixie’s broad portfolio of hemp-derived CBD, already sold on-line and through distribution to over 1,000 brick and mortar locations is expected to further benefit from broader distribution to mass retailers, grocers, drugstores and specialty pet and nutritional stores.

Therabis ([www.therabis.com](http://www.therabis.com)) is Dixie’s line of CBD-infused pet foods and snacks. Backed by a decade of researching, developing and perfecting all-natural formulations, Therabis products provide reliable benefits for pets who experience itching, stress and joint mobility issues.

Aceso ([www.myaceso.com](http://www.myaceso.com)) is Dixie’s human wellness line of supplements which are custom formulated to target specific needs by providing cannabinoids enhanced with terpenes in a variety of consumer-friendly delivery formats, and available in three formulas: Calm, Sooth and Wellness.

In the U.S., total revenue from the sale of CBD products has been estimated at \$390 million in 2018 and is forecast to reach \$1.3 billion by 2022 (source: [Hemp Business Journal](#)), with some estimates ranging as high as \$22 billion by 2022 (source: [Brightfield Group](#)).

## **About Dixie Brands, Inc.**

Dixie Brands Inc., which has been formulating award-winning THC and CBD-infused products since 2009, is expecting to double its manufacturing and distribution capabilities in 2019 in the U.S. as well as expand internationally, including Canada. Dixie leads the global industry in the development, packaging design, product innovation and quality control for the commercial production of cannabis infused products. While the Company started with a single flagship product, the Dixie Elixir (a THC-infused soda), it is now one of the industry's most recognized consumer brands, expanding to over 100 products across more than 15 different product categories representing the industry's finest edibles, tinctures, topicals and connoisseur grade extractions, as well as world-class CBD-infused wellness products and pet dietary supplements. Dixie's executive team has been instrumental in the formation of the marijuana industry for recreational and medicinal use, serving as founding members on several national regulatory and business-oriented industry organizations. To find out more about Dixie's innovative products, or about how Dixie is building the future of cannabis, visit [www.dixiebrands.com](http://www.dixiebrands.com).

## **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

Certain statements in this news release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dixie and its subsidiary entities or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties.

These risk factors are discussed in detail under the heading "Risk Factors" in the listing statement filed on SEDAR. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable assumptions, Dixie cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of December 10, 2018. Dixie will update these assumptions at each reporting period and will adjust its forward-looking information as necessary.

The CSE has neither approved nor disapproved the contents of this news release.

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