

Dixie Brands subsidiary Aceso launches new CBD-infused dissolvable tablets and topical cream targeting broad consumer retail distribution

DENVER, Feb. 19, 2019 /CNW/ - Dixie Brands Inc. ("Dixie" or "the Company") (CSE: DIXI.U), (Frankfurt: 0QV), one of the cannabis industry's leading consumer packaged goods companies, has announced that its wholly owned subsidiary Aceso Wellness, LLC. ("Aceso") is expanding its line-up of hemp-infused wellness products. Aceso is launching a line of dissolvable drink tablets and entering the topicals category with a new balm. The products include cannabidiol (CBD) as well as other natural ingredients to promote specific health and wellness benefits.



Aceso Calm Fizz Tabs combine the calming properties of lavender, grapefruit and passionflower extracts with full-spectrum hemp oil to help people de-stress. (CNW Group/Dixie Brands, Inc.)

"Aceso already offers the only hemp-infused drink mix on the market, and now our customers will have the choice of consumption in dissolvable tablets," said Kurt Forstmann, General Manager, Aceso. "One of our roles as innovators in this space is to educate consumers about the restorative powers of hemp and other plants. We believe our CBD products can help bring people's systems back into balance, and we are looking forward to bringing even more exciting new formulations to market this year."

Aceso expects its product innovations to have broad consumer appeal in the CBD-infused products market which is projected to grow rapidly in the United States. Estimates of market size range from \$6 billion by 2020 (source: Hemp Business Journal) to \$20 billion by 2022 (source: Brightfield Group). On a global basis, the broader herbal supplement market is estimated at \$35 billion in 2018 (source: Nutrition Business Journal).

The new Fizz tablets dissolve quickly in a glass of water, adding effervescence and flavor. Available in compact and discrete single-dose formats, the tablets will be offered in three varieties:

- **Calm Fizz Tabs™** combine the calming properties of lavender, grapefruit and passionflower extracts with full-spectrum hemp oil to help people de-stress.

- **Soothe Fizz Tabs™** mix turmeric and bromelain with full-spectrum hemp oil to help ease everyday aches and pains and reduce soreness from your latest workout.
- **Wellness Fizz Tabs™** are a blend of vitamins, full-spectrum hemp oil and capsaicin to promote energy, wellness and mood stability.

Soothe Balm® is a topical cream designed to soothe tired muscles after a hard workout. Formulated with broad spectrum hemp oil and lobelia, Soothe Balm hydrates, revitalizes and can be used for everyday aches and pains.

Aceso is among the few companies to offer CBD products in water-soluble form. Cannabinoids occur naturally as oils, and sophisticated emulsification techniques are required to make them fully dissolvable. Aceso built upon the intellectual property of parent company Dixie Brands to develop these proprietary emulsion capabilities. In addition to making products more appealing, water-based formulas enhance bio-availability, uptake and impact.

"People who may have turned to pharmaceuticals in the past are increasingly looking for natural alternatives in their wellness regimens," said Hilal Tabsh, Aceso's VP of Marketing and Distribution. "The move towards full legalization of hemp in the U.S. is helping to increase acceptance of CBD products by both consumers and retailers. In 2019 we expect to significantly grow our presence in retail locations such as natural specialty stores and conventional stores, to complement our existing e-commerce platform."

The dissolvable tablets and balm, which will be available for purchase in early April at www.myaceso.com, are the first of several CBD-infused product innovations Aceso is planning this year. The innovation pipeline includes a transdermal patch and an energy product for serious athletes. All products are based on natural ingredients that pair plant science with food science to create healthy, highly targeted formulations.

About Dixie Brands, Inc.

Dixie Brands Inc., through its licensed partners, has been formulating award-winning THC and CBD-infused products since 2009, and is expecting to double its manufacturing and distribution capabilities in 2019 in the U.S. as well as expand internationally, including Canada and Latin America. 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.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. These statements 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.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including that: (i) there will be no material adverse competitive or technological change in condition of the Company's business; (ii) there will be a demand for the Company's products that the Company has accurately forecast; and (iii) there will be no material adverse change in the Company's operations, business or in any governmental regulation affecting the Company or its suppliers.

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 the date of this news release. The Company undertakes no obligation to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise, other than as required under applicable securities legislation.

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

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