Dixie Brands subsidiary Therabis enters \$2 billion feline treat market with first-ever CBDinfused soft chew cat treats targeting a specific indication

DENVER, Feb. 25, 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 pet wellness subsidiary Therabis LLC ("Therabis") is entering the feline market with hemp-based soft chews designed to promote stress relief. "Calm and Quiet"TM soft chew treats will be Therabis' first product for cats, building upon its successful line of hemp-based treats and food toppers for dogs.



Therabis Calm and Quiet is a CBD-infused soft-chew cat treat that promotes stress relief. (CNW Group/Dixie Brands, Inc.)

"We are introducing the first hemp-based, soft-chew cat treat that is targeting a specific indication – in this case stress," said Bob Rubin, President of Therabis. "Our goal is to ease stress in cats and help them maintain a calm demeanor in situations that may cause them to be apprehensive. Pets are members of our families, and we believe people will respond very favorably to an all-natural product that can help improve their cats' quality of life."

There are approximately 75 million pet cats in the United States, with one in every three households owning a cat. Cats are increasing in popularity around the globe, driven by trends including urbanization and busier lifestyles. Worldwide, cat owners are estimated to have spent more than US\$30 billion on cat food in 2018, including US\$2 billion on cat treats. The global cat treat market is expected to grow at an average rate in excess of 7% annually over the next four years, outpacing the expected growth rate in cat food sales overall (source: Euromonitor International). Pet food sales growth is being driven in part by premiumization, as pet owners focus more on high quality ingredients and the health and wellness of their pets.

Calm and Quiet includes cannabidiol (CBD) and other natural ingredients such as L-theanine and Ltaurine which have been shown to have efficacy in cats. CBD does not induce any psychoactive effects in humans or animals. Therabis has filed for a U.S. patent relating to its unique formulation which was first used in canine products in 2016.

Therabis has been developing and testing feline formulations since 2017, building upon its highly effective and widely distributed line of canine products. Therabis partnered with a specialty pet chewables maker to develop a flavor that appeals broadly to cats, who can be notoriously finicky. Calm and Quiet has been successfully tested with actual patients at the veterinary clinic of Therabis co-founder, Dr. Stephen Katz.

"Calm and Quiet tested extraordinarily well on palatability, which is always a challenging threshold to meet with cats. We were also very satisfied with the efficacy results observed in our trial patients, including some cats who had been unresponsive to other treatments over the years," said Dr. Stephen Katz. "Anxiety is one of the most under-diagnosed conditions affecting cats, as their owners and even veterinarians can miss signs such as hyper-responsiveness to stimuli."

Calm and Quiet will be available starting in April through the <u>www.therabis.com</u> website and a growing number of specialty pet stores and traditional retailers across the U.S.A. Parent company Dixie Brands has secured international distribution for Therabis, as well as its award-winning human hemp dietary supplement company Aceso Wellness, through agreements with domestic license holders in Latin America, Australia and Canada, with additional partnerships being negotiated. Therabis plans to continue to innovate and add new products to both its canine and feline product portfolio.

About Dixie Brands, Inc.

Dixie Brands Inc., through its licensed partners, has been formulating award-winning THC and CBDinfused 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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