



Dixie Brands to introduce cannabis-infused products in Michigan by end of March

- Products on shelves within eight weeks of announcing joint venture
- Initial products to include gummies, flavored Elixirs, pressed pills, mints, tinctures and topical balms
- Michigan set to become one of the largest cannabis markets in the United States with revenues expected to exceed \$750 million by 2020 (source: New Frontier Data)
- First of four-to-six new U.S. states Dixie plans to enter in 2019

DENVER, March 15, 2019 /CNW/ - Dixie Brands Inc. ("Dixie" or "the Company") (CSE: DIXI.U), (OTC: DXBRF), (Frankfurt: 0QV), one of the cannabis industry's leading consumer packaged goods companies, today announced that it has executed a definitive agreement with Michigan's Choice Labs ("Choice") relating to the joint venture licensing agreement of the two companies first announced on February 6, 2019. The companies expect to have a selection of THC-infused products available for sale in Michigan provisioning centers later this month.

"We are completing our initial production runs and will have products on shelves by March 31st, which is within eight weeks of signing our letter of intent with Choice," said Chuck Smith, President and CEO, Dixie Brands. "This time-to-market is achievable thanks to our proven operating procedures and product formulations, as well as our past experience expanding into new states, and of course, an excellent local partner. We will begin generating sales this month and expect Michigan to be one of our top revenue producing states."

Dixie initially intends to offer Michigan's 300,000 medical marijuana patients its THC-infused gummies, flavored Elixirs, pressed pills, mints and tinctures, as well as its THC- and CBD-infused topical balms. The Company will expand its product offering in the state over time to include its flagship Dixie Elixirs beverages and other SKUs drawn from its portfolio of more than 100 products across 15 categories. More information about Dixie's products is available at www.dixieelixirs.com.

Dixie-branded products will be available to all provisioning centers in Michigan, consistent with the strategy Dixie has successfully employed in other states where its products are typically sold in more than 80% of all dispensaries. The Company has already secured purchase orders and expressions of interest from several chains and individual provisioning centers interested in expanding their offering to include more recognized brands.

Michigan is the first new U.S. state Dixie has entered in 2019. The Company set a goal to enter four-to-six new states this year, in addition to its existing operations in California, Colorado, Maryland and Nevada. The Company's 2019 expansion plans are fully funded following a \$25 million financing completed in October 2018.

Total retail sales of THC products in Michigan are estimated to exceed \$750 million by 2020, according to New Frontier Data, making it the sixth largest cannabis market in the United States.

Choice Labs is a leading medical marijuana company licensed by the State of Michigan to grow, process and sell cannabis. Choice is Michigan's first vertically integrated cannabis producer, operating a grower facility, a processor facility and multiple provisioning centers. Choice uses a sophisticated CO₂ cannabis extraction technique that is clean, safe, efficient and versatile. The new manufacturing facility has been set up at Choice's 10-acre campus in Jackson, and is making use of

Dixie's proven "GMP" (good manufacturing practices) and quality control procedures, proprietary formulations and comprehensive lab testing of all products. The term of the agreement is for ten (10) years with two (2) five (5) year options to renew, and the parties are working together to create and implement a comprehensive sales and marketing strategy.

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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CNW 17:48e 15-MAR-19