



Dixie Brands Expands Industry-Leading Cannabis-Infused Product Portfolio with New Pulled Taffy Product "Dixie Bursts"

DENVER, April 5, 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 (CPG) companies, has announced plans to introduce a new confectionary product called Dixie Bursts™. The pulled taffy chews will be sold in assorted packages containing Blue Raspberry, Mango and Strawberry flavors. Each individually-wrapped Burst will contain 10 milligrams of tetrahydrocannabinol (THC).



Dixie Bursts™ pulled taffy chews are the newest cannabis-infused product from Dixie Brands. Dixie Bursts are sold in assorted packages containing Blue Raspberry, Mango and Strawberry flavors, available in indica, sativa and hybrid oil formulations. (CNW Group/Dixie Brands, Inc.)

"Dixie has been crafting quality infused-cannabis products for nearly a decade and is constantly seeking new ways to satisfy the evolving needs of our consumers who love to explore new flavors and formats," said Andrew Floor, Dixie's Vice President of Marketing. "We've had a phenomenal reaction to our latest innovation, Dixie Bursts, a hand-pulled taffy which is absolutely bursting with flavor and has a softer texture than the few comparable products in the market today."

Edibles are gaining popularity in jurisdictions where cannabis use is permitted, with sales growth rates outpacing those of dried flower. For example, according to BDS Analytics data for January 2019 in Colorado, one of the most mature cannabis markets in the U.S., sales of both flower and pre-rolled joints declined from one year earlier and now represent less than half of total sales. Sales of ingestibles in the state increased by 17% over the same period, with the candy sub-category growing by 25%.

Many consumers are attracted to a more discrete, portable option for cannabis consumption that does not involve the potential health risks associated with smoking. Packaged edible products offer precise dose control and longer-lasting effects, attributes that appeal to medical patients in particular, and many recreational consumers as well.

Dixie's strategy is to continue to expand its intellectual property portfolio, which is already among the most extensive of any cannabis-infused products company after nearly a decade of commercial sales and innovation. Dixie believes that a broader selection of products will strengthen its brand

recognition, increase its attractiveness to dispensaries who prefer to deal with a smaller number of reputable and knowledgeable suppliers, and make it more appealing to current and prospective licensing partners in U.S. states and international markets.

Dixie Bursts will be available in indica, sativa and hybrid oil formulations, with each package containing 10 chews in Blue Raspberry, Mango and Strawberry flavor assortments. Bursts are free of gluten, dairy and nuts and like all Dixie products, they will be sold in child-resistant packaging with clearly marked doses. Dixie Bursts will be available in April in Colorado, and rolled out to additional markets in the following months.

About Dixie Brands, Inc.

Dixie Brands Inc., through its licensed partners, has been formulating award-winning THC and CBD-infused products since 2009. Currently operating in five U.S. states, the Company 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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