



Dixie Brands Comments on Passage of Colorado Bill HB19-1090 and Potential Impact on the Company

DENVER, CO, May 29, 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, today issued a statement about the passage into law of Colorado bill HB19-1090, a bipartisan bill providing greater investment flexibility in marijuana businesses.

Dixie Brands supports the legislation and applauds the Colorado legislature and Governor Jared Polis for signing it into law. The Company also intends to explore opportunities to expand investment in Denver-based cannabis operations, once the law is fully in place.

"This is a defining moment for Colorado's cannabis industry and a tremendous boost to Colorado's economy," said Chuck Smith, CEO of Dixie Brands. "By permitting access to capital through private and public investments with appropriate guardrails, this bill ensures that Colorado businesses keep their headquarters in the state, remain competitive, invest in research and development and other innovation and continue to contribute significant tax dollars to the state."

Dixie and other publicly listed companies in Colorado have not been permitted to own cannabis production or manufacturing operations. Dixie owns the intellectual property and licensing rights associated with its portfolio of cannabis-infused products. The THC-infused products are manufactured and distributed in Colorado by a private state-licensed company controlled by an investor and Board Member of Dixie Brands. With the passage of HB19-1090, Dixie intends to explore a transaction to acquire and operate the licensed manufacturer. Any such transaction would be subject to successfully completing a state licensing application, as well as review by an independent committee of Dixie's Board.

In the event a transaction is completed, it would create expanded opportunities for Dixie to invest in its Colorado production operations as the Company continues to grow its business. Ownership of the manufacturing operation would result in increased revenue and gross margin for Dixie.

Chuck Smith is actively involved in the state's cannabis industry and has worked with other business leaders for the passage of HB19-1090. He currently sits as Board President of Colorado Leads, a pro-business alliance of more than 50 Colorado companies created to help educate the general public about the economic and community benefits of a safe, regulated medical and recreational cannabis industry.

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.

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For further information: Dixie Brands, Inc., C.J. Chapman, General Counsel and Secretary, cchapman@dixiebrands.com / 303-945-3963; Media Inquiries, Desiree Rosa, MULTIPLY, dixie@wearemultip.ly / 646-499-3306; Investor Inquiries, Jeff Codispodi, Vincic Advisors, jeff@vincicadvisors.com / 647-278-9376

CO: Dixie Brands, Inc.

CNW 18:58e 29-MAY-19