



Dixie Brands Announces A Breakthrough In THC Water Solubility, Delivering Improved Uptake of Cannabis-infused Liquids

Company announces new line of Drink Additives and enhancements to its existing portfolio of Beverages and Tinctures

DENVER, CO, July 25, 2019 /CNW/ - Dixie Brands Inc. ("Dixie" or "the Company") ([CSE: DIXI.U](#)), (OTCQX: DXBRF), (Frankfurt: 0QV), one of the cannabis industry's leading consumer packaged goods ("CPG") companies, today announced a breakthrough in THC water solubility via a proprietary emulsification technique and ingredient management process offering marked improvements in uptake in cannabis-infused liquids.

Dixie Brands will showcase the proprietary process via the launch of a new product line of flavored and unflavored drink additives called FUSE in the fourth quarter of this year. In addition, Dixie will implement the new process across its existing line of award-winning beverages and tinctures as part of its never-ending drive to deliver the best possible consumption experience to consumers, a heritage going back nearly 10 years since the launch of the original Dixie Elixir.

"Dixie was among the first to market with a cannabis-infused beverage nearly a decade ago, and we have remained at the forefront of research and development ever since," said Chuck Smith, CEO of Dixie Brands. "That focus on innovation has enabled us to expand into 15 product categories, and like any other successful CPG company, we are always striving to improve our product offerings. A faster-acting formula is the next step in our ongoing quest to better serve our patients and consumers."

Cannabis-infused beverages offer a bridge for "canna-curious" consumers seeking an alternative to alcohol. The millennial demographic has been driving a growth trend in the category. By improving uptake times and introducing FUSE drink additives that can enhance non-alcoholic beverages, Dixie expects to increase the appeal of its products to these consumers and expand its addressable market.

The U.S. cannabis-infused beverage market has been estimated by Canaccord Genuity to be worth \$600 million by 2022. THC-infused drinks are expected to represent more than half of the total at \$340 million, an increase from approximately \$106 million in 2018. In Colorado and California, sales of cannabis beverages grew by 23% in the first five months of 2019, according to data from BDS Analytics.

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 six 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

The information provided in this press release may contain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. All statements, other than statements of historical fact, made by the Company (or its predecessors) that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: (i) the regulation of the medical and recreational marijuana industry in the United States, Canada, Mexico, Australia, New Zealand, Latin America and other countries in which the Company may carry on its business; (ii) the ability of the Company to obtain meaningful consumer acceptance and a successful market for its products on a national and international basis at competitive prices; (iii) the ability of the Company to develop and maintain an effective sales network; (iv) the success of the Company in forecasting demand for its products or services; (v) the ability of the Company to maintain pricing and thereby maintain adequate profit margins; (vi) the ability of the Company to achieve adequate intellectual property protection; (vii) the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and (viii) other risks described from time to time in documents filed by the Company with securities regulatory authorities, including the Company's listing statement dated November 23, 2018.

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.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements as no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including the risks described above. Consequently, all forward-looking statements made in this press release are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to herein should be considered in connection with any subsequent written or oral forward-

looking statements that the Company and/or persons acting on the Company's behalf may issue. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

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

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