

Dixie Brands' Wholly-Owned Subsidiary Secures Patent for Scientific Breakthrough in Cannabinoid Delivery

DENVER, CO, Dec. 5, 2019 /CNW/ - Dixie Brands Inc. ("Dixie" or "the Company") (<u>CSE: DIXI.U</u>), (OTCQX: DXBRF), (Frankfurt: 0QV), one of the cannabis industry's leading consumer packaged goods ("CPG") companies, today announced that the United States Patent and Trademark Office will issue its wholly-owned subsidiary, Aceso Wellness, LLC ("Aceso"), a patent for a unique range of formats providing for the delivery of cannabinoids, along with nutrients, in effervescent powder and/or aqueous liquid forms.

The patent application, entitled 'Cannabinoid Emulsion Product and Process for Making the Same', encompasses a broad set of popular formats and formulations that provide for various nutraceutical compositions including cannabinoids, supplements and vitamins. These compositions have been configured for specific uses such as the promotion of the immune system, improved energy levels, joint and bone health, reduced inflammation, and more efficient cellular energy metabolism.

"This patent is the culmination of a 3-year process and demonstrates our commitment to, and investment in, the potential power of the inclusion of cannabinoids to help support healthy lifestyles." says Jay Denniston C.F.S., Director of Science, Dixie Brands. "It provides proven, efficacious formats for consumers as they continue to explore cannabis as a plant-based, healthy alternative to traditional pharmaceutical products."

The Company's patented technology provides an extensive and protected platform to further access the burgeoning US Dietary Supplement market in addition to the rapidly emerging hemp-derived category. The US Dietary Supplement market is expected to grow to nearly US\$57 billion by 2024 (Source: <u>Matej Mikulic</u>, Sep 19, 2019) lead by non-pill formats and fueled by increasing consumer awareness of nutrition, a focus on preventative health care and a desire for solutions that are perceived to be more natural.

"This is an incredibly exciting development for Dixie Brands, reflecting the depth of our R&D heritage, established over nearly a decade." said Chuck Smith, President and CEO, Dixie Brands. "As the FDA provides positive guidance and the category continues to grow, securing patents for our scientific intellectual property not only provides protection for key elements of our portfolio and optimizes shareholder value but also further supports the continued legitimization and normalization of the cannabis industry."

The patented technology has been commercialized by Aceso's range of hemp-derived sprays, dissolvable tablets and powder sachets. The effervescent powder lies at the center of the company's growth strategy in the hemp-derived CBD market due to the existing popularity of that format in the broader health and wellness category. The portfolio currently includes Calm, Soothe and Wellness variants and is available in more than 1,000 brick and mortar stores across the country. The breadth of the forthcoming patent protects the inclusion of cannabinoids in products across a broader range of formats and channels including the regulated cannabis marketplace.

ABOUT DIXIE BRANDS, INC

Dixie Brands Inc. is leading the CPG cannabis industry by championing freedom of choice for consumers around the world. Through its licensed partners, Dixie has been perfecting the art and science of creating award-winning THC and CBD-infused products for nearly a decade. A true multi-state operator currently in California, Colorado, Maryland, Michigan and Nevada, Dixie is set to expand internationally, including Canada and Latin America. Dixie's relentless commitment to product innovation from fun to functional has earned the brand a place as one of the industry's most recognized consumer brands. Dixie's portfolio features over 100 products across more than 15 different product categories representing the industry's finest edibles, beverages, tinctures, topicals and connoisseur grade extractions, as well as world-class CBD-infused wellness products and pet supplements. To find out more about Dixie's innovative products, visit <u>www.dixiebrands.com</u>. To find out more about Dixie's innovative products, visit <u>www.dixiebrands.com</u>.

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