



Dixie Brands 2020 Q1 Results Filing Update

DENVER, May 29, 2020 /CNW/ - Dixie Brands Inc. ("Dixie" or "the Company") ([CSE: DIXI.U](https://www.cse.com/quote/DIXI.U)), (OTCQX: DXBRF), (Frankfurt: 0QV), one of the cannabis industry's leading consumer packaged goods ("CPG") companies, today announces that it will delay the filing of its interim financial statements and accompanying management's discussion and analysis for the three months ended March 31, 2020 and 2019 and is relying on the filing extension provided by the Ontario Securities Commission on March 23, 2020, in response to the COVID-19 pandemic. The relief measures are contained in Ontario Instrument 51-502 entitled "Temporary Exemption from Certain Corporate Finance Requirements" (the "Exemption").

The Exemption provides, among other relief, a 45-day extension of the deadline for certain filings required to be made on or prior to June 1, 2020, subject to certain conditions, including the issuing and filing on SEDAR of a press release in advance of the filing deadline, incorporating certain prescribed information. Dixie will be relying on the Exemption in respect of the filing of its financial statements and management's discussion and analysis and related CEO and CFO certifications for the interim financial statements for the three months ended March 31, 2020 and 2019 (the "Interim Filings").

While Dixie and its independent auditors, MNP LLP ("MNP"), expected that its 2019 year-end financial results would be released by the original filing deadline, the logistical challenges posed by the COVID-19 pandemic have led to unforeseen delays. Dixie will continue to work diligently with MNP towards the completion of the related audit. The Company expects that its Interim Filings will be filed on or before July 14, 2020.

Trading Halt

Trading of Dixie shares was temporarily halted in connection with Dixie's announcement on March 9, 2020 of its proposed merger with BR Brands (the "Halt"). If the Halt is lifted prior to the second trading day after the Annual Filings have been disclosed by way of a new release, management and other insiders of Dixie will nonetheless be subject to an insider trading black-out policy that reflects the principles in section 9 of National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions ("National Policy 11-207") and will be prohibited from trading the securities of Dixie until the second trading day after the Annual Filings have been disclosed by way of a news release.

Material Business Developments

The Exemption requires companies to provide an update of any material business developments since the filing of their last financial reports. The Company is providing the following update since the filing of its financial results for the fiscal quarter ended September 30, 2019:

Patent Issued to Dixie's Wholly Owned Subsidiary, Aceso Wellness - on December 5, 2019, Dixie announced its wholly-owned subsidiary, Aceso Wellness, LLC ("Aceso") was issued a patent by the US Patents and Trademarks office for a unique range of formats providing for the delivery of cannabinoids, along with nutrients, in effervescent powder and/or aqueous liquid forms. 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.

Reconstituted Board of Directors – On January 23, 2020, Dixie announced a reconstitution of its Board of Directors with the departure of Vincent Keber and Devin Binford, and the appointment of Dan Phaura. Dan is currently the COO of Heritage Cannabis and brings 20 years of corporate experience guiding M&A activity, capital transactions and operational changes with companies in North America, Europe and Asia.

Successful Opening of Oklahoma - On January 31, 2020, Dixie launched its portfolio of infused-cannabis products into the Oklahoma market in conjunction with its licensed distributor, Stash House Distribution. With over 2,000 dispensaries and more than 250,000 registered medical patients (source: NCV, January 29, 2020) Oklahoma continues to be one of the most dynamic and fastest growing legal cannabis markets in the country.

Proposed Merger with BR Brands – On March 9, 2020, Dixie announced the execution of a binding term sheet outlining the proposed merger between Dixie Brands and BR Brands via a reverse takeover. The combined entity brings together two of the industry's most iconic brands in Dixie and Mary's, the pillars of an unparalleled 'house of brands' and the foundation for the creation of the industry's preeminent CPG platform. Consequently, the signed Definitive Agreement was announced on April 21, 2020. Subject to the satisfaction of all closing conditions, the transaction is expected to be completed in the 3rd quarter of 2020.

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 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 annual information form dated June 21, 2019.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including the expected filing date of the Annual Filings. 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 Canadian Securities Exchange has neither approved nor disapproved the contents of this news release.

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