



BR Brands and Dixie Brands to Complete Merger to Form BellRock Brands on October 31st; Stock Symbol to be Changed to "BRCK"

Formation of BellRock creates a multi-state operator with an unparalleled house of cannabis brands; innovation, profitable growth, and shareholder returns remain top priorities

DENVER, Colo., Oct. 29, 2020 /CNW/ - Dixie Brands Inc. ("Dixie") ([CSE: DIXI.U](#)), (OTCQX: DXBRF) (Frankfurt: 0QV) ("Dixie") and BR Brands, LLC ("BR Brands") announce that the previously disclosed reverse takeover transaction (the "Transaction") of Dixie by BR Brands will be completed on Saturday, October 31, 2020. The combined company has been renamed BellRock Brands Inc. ("BellRock"), and Dixie's stock symbol on the Canadian Securities Exchange will be changed to "BRCK." Dixie anticipates that trading of its shares will recommence on or about November 4, 2020.

"We are pleased to announce the upcoming closing of the business combination of [BR Brands](#) and [Dixie](#). This transformative transaction was the result of a long-term strategic and value focused approach to building a dominant house of brands within the cannabis sector," said Andrew Schweibold, former Chairman of BR Brands and new Chairman of BellRock. "BellRock unites two of the most established brands in cannabis to create an IP and brand-focused multi-state operator, unique in its strategy and scale. Under BellRock management, the platform is poised for exponential growth, through both M&A and organic R&D, and is purposely built to cater to all of the industry's fastest growing segments."

BellRock's portfolio consists of two iconic cannabis brands with deep history, [Mary's Brands](#) ("Mary's") and [Dixie](#), as well as two growing, California-based brands, [Rebel Coast](#) and [Défoncé](#).

Mary's, founded in 2013, is the innovator of cannabis and hemp-infused products for adult use, medical, skincare, wellness and pet markets, and the company's robust library of intellectual property includes a U.S. patent for its acclaimed transdermal technology. Since 2010, Dixie has created a wide array of award-winning beverages, gummies, mints, and taffies as well as two well recognized CBD supplement brands; [Aceso Wellness](#) and [Therabis](#). Together, the BellRock brands offer one of the largest spectrums of high-quality consumer packaged goods in the cannabis industry. With 11 brands and over 200 SKUs, BellRock reaches nearly every key consumer group and addresses the needs of a diverse cannabis consumer base. The BellRock manufacturing and distribution footprint continues to expand and currently spans nine states, and the company owns or manages production facilities in its largest markets.

"The joining of BR Brands and Dixie is unique in that together, BellRock possesses one of the industry's broadest branded product portfolios catering to the growing and ever-evolving cannabis consumer. Our portfolio is one of the most diversified in the industry and is based on our relentless pursuit of enhancing the consumer experience," said Chuck Smith, Chief Executive Officer of BellRock Brands.

BellRock brings together a seasoned leadership team of CPG and cannabis executives with unrivaled financial, capital markets and consumer brands expertise. The Board of Directors of

BellRock will be comprised of three nominees of BR Brands and two nominees of Dixie. Andrew Schweibold, previously Chairman of BR Brands, will serve as Chairman of the Board. Chuck Smith, former President and Chief Executive Officer of Dixie, assumes the role of BellRock CEO and joins the BellRock Board. Sat Joshi, former Chief Executive Officer of BR Brands, steps down from the executive position and joins the Board. The Board of Directors also includes Jonathan Rosenthal, Co-Founder and Managing Partner at Rose Capital, and Brian Graham, a seasoned CPG industry executive.

BellRock began executing its integration strategy earlier in the year, already yielding operational synergies and unlocking opportunities to grow revenue and cash flow. The company has already unified its sales team in Colorado and efforts to consolidate manufacturing and sales in other key markets are already underway.

"Our mission is to build the first national cannabis house of brands," says Smith, "We aim to accomplish this goal by earning our customers' loyalty and trust, and want BellRock to be known for delivering the highest quality, most consistent and broadest portfolio of cannabis infused products in the industry."

BellRock remains committed to growing shareholder value. The company's buy-and-build growth strategy employs a three-pronged approach of enhancing its platform through strategic acquisitions, prioritizing profitable organic revenue growth, and continuously optimizing its costs and capital structure. On a pro forma basis, assuming BR Brands and Dixie had combined as of January 1, 2020, BellRock expects to generate in excess of \$40 million in revenue in 2020, with clear plans to deliver exponential revenue and cash flow growth in 2021 and beyond.

For additional information, please visit www.bellrockbrands.com or contact info@bellrockbrands.com

ABOUT BR BRANDS

BR Brands, LLC is a consumer packaged goods platform within the global legal cannabis sector, dedicated to partnering with best-in-class brands that share the same vision of integrity, commitment to consistent dosing, and product efficacy. BR Brands is actively deploying new capital into the sector and continues to seek out new partnerships by utilizing a 'buy-and-build' approach to consolidation. Representing one of the largest geographic footprints of cannabis brands to date, BR Brands centralizes strategic capital allocation and key executive functions to maximize operational synergies across its house of brands, with the goal of driving outsized returns for all stakeholders. The founder and exclusive financial partner of BR Brands is [Rose Capital](#), an investment firm focused on providing strategic capital and operating partnerships across the global cannabis sector. For additional information on BR Brands, please visit www.brbrands.com.

ABOUT DIXIE BRANDS

Through its licensed partners, Dixie Brands Inc. has been perfecting the art and science of creating award-winning THC and CBD-infused products for nearly a decade. The Company is a multi-state operator with products currently marketed in California, Colorado, Maryland, Michigan, Nevada and Oklahoma. 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 that: (i) the transaction with BR Brands will be completed on the terms described herein; (ii) there will be no material adverse competitive or technological change in condition of the Company's business; (iii) there will be a demand for the Company's products that the Company has accurately forecast; and (iv) 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 Canadian Securities Exchange has neither approved nor disapproved the contents of this news release.



BR Brands Logo (CNW Group/Dixie Brands, Inc.)

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