

Dixie Brands Inc. Completes Reverse Takeover Transaction



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DENVER, Nov. 28, 2018 (GLOBE NEWSWIRE) -- Dixie Brands, Inc. (“USA Inc.”) and Academy Explorations Limited (“Academy”) are pleased to announce that further to their respective news releases dated October 1, 2018, the companies have completed a reverse takeover (“RTO”) transaction. Pursuant to the RTO transaction, Academy’s wholly owned subsidiary (“Amalco”) merged with USA Inc., forming a Delaware-incorporated operating company named Dixie Brands (USA) Inc. (“OpCo”). Through this amalgamation, OpCo became a wholly owned subsidiary of Academy, which is a reporting issuer in Ontario. As part of the RTO, Academy changed its name to Dixie Brands Inc. (“Dixie”) and its officers and directors have resigned effective as of the RTO. New officers and directors were appointed as further detailed in the listing statement.

Former shareholders of USA Inc. were issued a total of 118,137,967 subordinate voting shares of Dixie. Academy shareholders retained 6,640,301 subordinate voting shares of Dixie, after giving effect to a 4-for-1 share consolidation approved by its shareholders earlier this year. Dixie currently has 124,778,269 subordinate voting shares issued and outstanding, as well as 500,000 non-participating voting shares held by Dixie Brands SPV, LLC, a company controlled by certain members of Dixie’s senior management entitling it to 100 votes per non-participating voting share at any Dixie shareholder meeting.

Dixie also announced today that its subordinate voting shares are expected to begin trading on the Canadian Securities Exchange (the “CSE”) under the symbol DIXI.U on November 29, 2018. A listing statement with information about Dixie and prepared in accordance with the policies of the CSE has been filed on SEDAR and is available at www.sedar.com.

Dixie is currently operating in four states (Colorado, California, Nevada, and Maryland) and has international distribution and manufacturing partners in Australia and Canada. Dixie plans to expand into four to six additional states in 2019 through partnerships with licensed and regulated producers in each state. Already the owner of the largest award-winning, THC-infused product line in the industry, Dixie has recently expanded its hemp-based offerings by introducing Aceso Wellness, a human dietary supplement line, and Therabis, a pet food supplement portfolio, at the end of 2016. These highly regarded products are available through brick-and-mortar locations and e-commerce in all 50 states, and internationally.

On October 1, 2018, Dixie closed its Series C fundraising round of approximately US\$25 million. The Series C round was originally offered as a non-brokered private placement for US\$20 million. Due to positive investor demand, Dixie increased the maximum offering

amount to US\$25 million with board and shareholder approval. As a result of the capital raised through the Series C financing and future access to capital in the public markets, Dixie will expand its controlled manufacturing and distribution footprint throughout the U.S. and invest in automated production to increase manufacturing scale and efficiency. Additionally, Dixie will invest in continued product innovation and development in line with mainstream consumer trends and ever-increasing demand from wide-ranging demographics.

To find out more about Dixie's innovative products, or about how Dixie is building the future of cannabis, please visit us at dixiebrands.com.

About Dixie Brands Inc.

Dixie Brands Inc., which has been formulating award-winning THC and CBD-infused products since 2009, is expecting to double its manufacturing and distribution capabilities in 2019 in the US as well as expand internationally, including Canada. They lead 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 13 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

Certain statements in this news release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dixie and its subsidiary entities or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties.

These risk factors will be discussed in detail under the heading "Risk Factors" in the listing statement filed on SEDAR. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements

contained in this news release are based upon what management believes to be reasonable assumptions, Dixie cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as at November 27, 2018. Dixie will update these assumptions at each reporting period and will adjust its forward-looking information as necessary.

The CSE has not in any way passed upon the merits of the RTO or the listing of the common shares of Dixie Brands Inc. and has neither approved nor disapproved the contents of this news release. Listing of the common shares of Dixie Brands Inc. are subject to satisfaction of the listing requirements of the CSE, including customary deliverables in satisfaction of the conditional approval and the applicable rules and policies of the CSE.

For more information, please contact:

Dixie Brands, Inc.

Charles Smith, Chief Executive Officer

E-mail: csmith@dixiebrands.com

C.J. Chapman, General Counsel

E-mail: cchapman@dixiebrands.com

Media Inquiries

Deborah Park, TURNER

dixie@turnerpr.com / 303-333-1402

Investor Inquiries

Jeff Codispodi, Vincic Advisors

jeff@vincicadvisors.com / 647-278-9376

Academy Explorations Limited

Binyomin Posen, CEO and Director

Telephone: 416-481-2222 x 246

Email: bposen@plazacapital.ca

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