



## ASCENT ANNOUNCES LAUNCH OF GLOBAL HEMP STRATEGY

**October 15th, 2018 - Vancouver, British Columbia** – Ascent Industries Corp. (CSE: ASNT) (“**Ascent**” or the “**Company**”) is pleased to announce the formation of a new wholly owned subsidiary, Thirty Eight Hemp Corp. (“**Thirty Eight Hemp Co.**”), to launch the Company’s global hemp strategy. Thirty Eight Hemp Co. is pleased to announce it has signed a hemp supply agreement (the “**Supply Agreement**”) with AgTech Scientific Inc. (“**AgTech**”) of Paris, Kentucky, a licensed cultivator, processor and distributor of high CBD-content hemp and hemp-based biomass.

The regulatory regime in the United States relating to Cannabidiol (CBD) is undergoing a significant transformation. The movement towards the removal of hemp (cannabis with less than 0.3% THC content) from Schedule I of the United States *Controlled Substances Act* (“**CSA**”) is gaining momentum. Last September, the United States Drug Enforcement Agency advised that Epidiolex, a drug containing CBD approved by the Food and Drug Administration and used to treat seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome, would be a rescheduled to Schedule V from Schedule I of the United States *Controlled Substances Act*. In addition, when the United States *Hemp Farming Act of 2018* (the “**Hemp Farming Act**”) is enacted, hemp will be fully de-scheduled from the CSA, making it an ordinary agricultural commodity and providing a significant market opportunity for hemp derived products.

The Company’s wholly owned operating subsidiaries in Oregon and Nevada are legally permitted to handle hemp and are presently selling CBD-based products in those jurisdictions. When the Hemp Farming Act has been passed into law, Thirty Eight Hemp Co. plans to produce and distribute CBD and other hemp derived products throughout the United States and abroad, which will significantly expand the Company’s hemp distribution.

In that regard, under the terms of the Supply Agreement, AgTech will supply up to 25% of its hemp biomass production containing greater than 10% CBD to Thirty Eight Hemp Co., either in the form of biomass or extracted CBD, with no minimum amounts required to purchase. In addition, the Company will increase its ownership interest in AgTech to approximately 10%, subject to appropriate approvals being received, by investing US\$500,000 in AgTech.

Furthermore, AgTech and Thirty Eight Hemp Co. plan to enter an arrangement whereby AgTech will assist Thirty Eight Hemp Co. with the distribution of various CBD and other hemp derived products in approved jurisdictions in the United States, while Ascent will provide certain expertise and intellectual property to help AgTech with building its next hemp processing facility in Kentucky.

AgTech, holds a 2018 grower and processor license from the Kentucky Department of Agriculture. AgTech has strong relationships with the state of Kentucky, has spearheaded a farming initiative with Kentucky farmers, and has established a three-year research partnership with the University of Kentucky. Since the

introduction of the *Agricultural Act* of 2014, which permitted industrial hemp production, AgTech has been growing hemp in Kentucky. AgTech grew over 200,000 hemp plants in 2018, and plans to grow over 4,000,000 plants next year by adding more farmers to the AgTech supply chain. AgTech currently occupies a 30,000 sq. ft. facility, and is constructing a state-of-the-art, 50,000 sq. ft. licensed hemp manufacturing facility in Bourbon County, Kentucky.

Reid Parr, Chief Operating Officer of Ascent Industries, comments, “Thirty Eight Hemp Co.’s investment into and partnership with AgTech will expand the Company’s access to the high quality, low cost input material for our hemp based products in North America once the Hemp Farming Act is passed. We look forward to future collaboration to meet anticipated market demand for hemp-based CBD products across several market channels.”

Dr. Brian C. King, Chief Science Officer of AgTech, stated, “The success of our business model is built on rich partnerships: The State of Kentucky, the University of Kentucky, the farmers of Kentucky and now our partnership with Thirty Eight Hemp Co. We look forward to being a leading supplier of industrial hemp to Thirty Eight Hemp Co. and benefiting from their expertise in research, development and production of CBD and CBD-based products”.

Reid Parr, Chief Operating Officer, provides comments on Ascent’s global hemp strategy in the following Proactive Investors video: <https://youtu.be/fFG2J388Enw>

### **Further Information**

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### **About Thirty Eight Hemp Corp:**

Thirty Eight Hemp Co is a wholly owned subsidiary of Ascent Industries Corp. that has been organized to implement the next phase of the Company’s hemp strategy to produce and distribute CBD and other non-THC product lines throughout Canada, the United States and internationally. Ascent's wholly owned operating subsidiaries in Oregon and Nevada are licensed to handle hemp and are presently selling non-THC products into those legal jurisdictions. When the Hemp Farming Act has been passed into law, Thirty Eight Hemp Co. plans to produce and distribute CBD and other hemp derived products throughout the United States.

### **About AgTech Scientific:**

Founded by Canadian entrepreneurs in 2015, AgTech’s leaders strategically launched AgTech in the state of Kentucky where hemp has such a rich history in tandem with the state’s largest research institution at the University of Kentucky. Kentucky at one point many years ago was responsible for most of the

industrial hemp production with excellent growing conditions and is located close to largescale 'pick-and-pack' facilities like Amazon.

The company has earned the good will of the state government including the Department of Agriculture to contribute to the growth of hemp cultivation and has established a farming initiative with farmers throughout the state through the Kentucky Farmer Value Added Partnership (KFVAP). The company has partnered with the state Economic Development Cabinet and Bourbon County Fiscal Court, where their cutting-edge technology not only creates much needed employment opportunities but also offers an exciting new process for industrial hemp that will benefit local farmers. To encourage the investment and job growth in the community, the Kentucky Economic Development Finance Authority (KEDFA) in January preliminarily approved the company for tax incentives up to \$2.4 million through the Kentucky Business Investment program and the Community Development Grant Program (CDBG) with a cash award of \$1M towards equipment.

AgTech Scientific is a licensed cultivator, processor and seller of high CBD-content hemp-based biomass, CBD oil and formulated end user products.

### **About Ascent Industries Corp.:**

In Canada, Ascent (through its wholly-owned subsidiary, Agrima Botanicals) is a Licenced Producer under the Access to Cannabis for Medical Purposes Regulations of Health Canada, with licences to cultivate cannabis and produce cannabis extracts. In addition, the Company is a Licenced Dealer under the Controlled Drugs and Substances Act (Canada), with the ability to produce, package, sell, send, transport and distribute medically focused cannabis products in Canada to other licenced entities and internationally in jurisdictions where medical cannabis is legal. In the United States, the Company holds licences in Oregon (for processing and for distribution of cannabis to any licenced entity in the state) and in Nevada (for cultivation and for production, processing and wholesale distribution of cannabis). In Europe, Agrima ApS, a Danish company and wholly-owned subsidiary of Ascent, has submitted licence applications for a Wholesaler Dealers Licence and Controlled Drug Licence in Denmark, and applications for the approval of eight products to the Danish Medical Cannabis Pilot Program.

The Company's operations currently include licenced facilities in British Columbia, Canada, and in Oregon and Nevada in the United States. The Company is increasing its cultivation and production capacity from 50,000 square feet to 710,000 square feet in 2018, from which it expects to produce significantly higher amounts of cannabis and cannabis oil to support its expanding operations.

The Company offers a product suite of more than 40 unique products under several consumer-focused brands, including gel capsules, tinctures, medicinal oils, concentrates, vaporizer pens, pre-rolled joints, various edibles and raw flower. Through careful development of its sophisticated cannabis brands, Ascent is positioned to be a leader in branded, commercialized products in both medical and adult-use markets across North America and internationally.

In addition, the Company conducts cannabis-based research with Simon Fraser University, including in the area of unique cannabinoid formulations that produce targeted physiological outcomes.

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

**NEITHER THE CSE OR ITS MARKET REGULATOR (AS THAT TERM IS DEFINED IN THE POLICIES OF THE CSE)**

**ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.****CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:**

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: expectations concerning the Company's Health Canada licences, global hemp strategy and execution on the deliverables of the Supply Agreement with AgTech Scientific. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, Ascent assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.