



## **ASCENT EXPANDS ON STRATEGY TO BECOME AN INDUSTRY LEADER IN RAPIDLY EXPANDING HEMP/CBD MARKET**

**November 13, 2018 Vancouver, British Columbia** – Ascent Industries Corp. (CSE: ASNT) (“Ascent” or the “Company”), through its wholly owned subsidiary, Thirty Eight Hemp Corp. (“Thirty Eight Hemp Co.”), continues to prepare for an emerging hemp and cannabidiol (“CBD”) market. The regulatory regime in the United States relating to CBD is undergoing a significant transformation and the Company believes that the recent mid-term elections in the United States were a positive indication of this. 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. When the United States *Hemp Farming Act of 2018* (the “Hemp Farming Act”) is enacted, hemp is expected to be fully de-scheduled from the CSA, making it an ordinary agricultural commodity and providing a significant market opportunity for hemp derived products.

Through its unique strategic relationship with AgTech Scientific Inc. (“AgTech”) of Paris, Kentucky, the Company plans to exploit the opportunity expected in the hemp markets to significantly expand its distribution of CBD-based products throughout the United States and internationally. Under this strategic relationship with AgTech:

1. The Company expects to have a 10% equity interest in AgTech in the near term as previously announced and AgTech is expected to have an equity interest in Ascent, thereby aligning the interests of the parties;
2. Reid Parr, a director and officer of the Company, is also a director of AgTech;
3. Under the previously announced supply agreement between Thirty-Eight Hemp Co. and AgTech, Thirty Eight Hemp Co. may obtain up to 25% of AgTech’s high quality hemp biomass production containing greater than 10% CBD, providing a source of high quality input material for its CBD-products;
4. AgTech holds both a Processor/Handler License and a Grower License from the Kentucky Department of Agriculture hemp program and intends to scale their partnership with Kentucky farmers for largescale hemp production, allowing the Company access to larger amounts of input material in the future as needed;
5. Ascent’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; which the Company can leverage in its expansion plans;
6. The Company expects to produce a variety of CBD-based products and distribute them through various channels, including state to state commerce of its hemp derived CBD materials, placing products into mass market retailers and an online e-commerce portal for national distribution;
7. 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 hemp processing facility in Kentucky;

8. Thirty Eight Hemp Co. plans to conduct clinical trials on its award winning CBD products by leveraging AgTech's relationship with the University of Kentucky, where AgTech are already conducting trials in partnership;

Ascent's Chief Operating Officer, Reid Parr commented, "There are many reasons for this strategic relationship, but the main reason is that compared to their competitors, AgTech has true vertical integration. They have world class genetics, large scale farming including outdoor and indoor high-tech greenhouses as well as large scale, GMP compliant, state of the art extraction and product manufacturing."

AgTech has added more farmers for their 2019 supply chain and plans to plant 4 million plants over 1,000 acres and a 1.8 million sq. ft greenhouse. This is expected to allow AgTech to produce upwards of 5 million lbs. of high quality, cannabinoid rich, hemp flower material from their outdoor operations. Additionally, up to 200,000 lbs. of high quality, pharmaceutical grade, cannabinoid rich, hemp flower material is expected to be produced from the greenhouse.

In September of this year, the "Brightfield Group" released a report on the U.S., hemp-derived CBD market. According to the report, the hemp-derived CBD market is currently \$591 million and growing faster than the cannabis market. The same report projects sales of \$22 billion by 2022. These projections are largely attributed to a rapidly changing U.S. political landscape.

Parr also commented, "The hemp derived CBD market is very broad, and still has first mover advantage compared to other industries. What makes it even more exciting is that the major retailers have not gotten involved to this point."

**Reid Parr, Ascent Industries C.O.O., discusses Agtech and Thirty Eight Hemp Co. in the following Proactive Investors Video: <https://youtu.be/8c1ZEf62Z2M>**

### **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 Inc.:**

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.*

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**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.