



# Ascent Enters California, Launching Third U.S. Location

VANCOUVER, Oct. 22, 2018 /CNW/ - Ascent Industries Corp. (**CSE: ASNT**) ("**Ascent**" or the "**Company**") is pleased to announce the establishment of its third location in the United States in Oakland, California, giving the Company, as it continues to expand, an entry into one of the most important cannabis markets in the world. With nearly 40 million people residing in the State of California and an already sophisticated cannabis culture, California presents a compelling opportunity for Ascent, which has strong roots in the cultivation of high quality cannabis, sophisticated extraction technology and processes expertise, and high quality branded products to introduce to this emerging and significant market.

On October 19, 2018, Ascent signed a 10-year lease for approximately 67,750 square feet of space within a building known as the The Oakland Tinnery (the "**Tinnery**") located in Oakland, California (the "**California Facility**") owned and managed by Ascent's strategic partner, Green Sage, LLC ("**Green Sage**"). Once construction plans are finalized over the next 40 days, Green Sage will be applying their nearly fifteen years of cannabis facility construction expertise to building-out the California Facility to Ascent's specifications. Green Sage will also assist Ascent in obtaining the permits and licences required for its expansion into California.

Philip Campbell, CEO of Ascent, comments "Ascent is very excited to be entering the California market, particularly in such a capital efficient way through our Green Sage relationship. The ability to expand in a key market, without diluting existing shareholders, allows us to expend our resources on our core strengths – producing high quality extracts and sophisticated branded products that resonate with consumers. This is only the first move with our partner Green Sage – we look forward to further expansion in California and other areas of North America as the right opportunities arise."

The Tinnery is ideally located in the City of Oakland's established "Green Zone", permitting cannabis cultivation and manufacturing and easy access to service the San Francisco Bay Area, which has a population of nearly 10 million people. Oakland is one of the few and first locations in California to establish a Green Zone, as well as permit a full range of Cannabis Industry activities, from cultivation through to processing, manufacturing and delivery. The Company believes Oakland is an ideal location to commence operations in California, providing the ability to scale across an entire value chain to achieve revenues quickly.

The Company intends to create a fully integrated value chain at the California Facility: producing disease and pesticide free starting material via plant tissue culture, cultivating high-quality cannabis indoors, extracting and manufacturing branded products, and distributing branded products through an on-premises dispensary and by local delivery via an e-commerce platform. James Poelzer, Ascent's Chief Business Development Officer, comments "Launching a vertically integrated cannabis operation in Oakland will not only showcase Ascent's extraction expertise, but also supply San Francisco Bay Area consumers with the high-quality indoor cannabis that will always be in demand. The Company will gradually roll out its existing line-up of branded products, some of which are currently available in Las Vegas and Portland, and looks forward to interacting directly with California consumers to establish its brands in the State."

Ascent management believes the opportunity available in California is currently unparalleled elsewhere in the world. On the medical front, California has a twenty-year legacy of medical cannabis sales and is estimated to have over one million cannabis patients in addition to the millions

of sophisticated adult-use customers resident in the State. Estimates on the value of this market vary, but BDS Analytics and Arcview Group indicated in *The State of Legal Cannabis Markets – 6th Edition*, published in June 2018, that California could be a US\$5.1 billion market in 2019 alone.

Ken Greer, Managing Director of Green Sage, notes "We are excited to be working with our partner Ascent in Oakland, and very pleased that they have taken what was the last available space in the Tinnery. We believe that Ascent's sophisticated brands will find a ready market in California, starting in the San Francisco Bay Area. We look forward to continuing to grow with Ascent, both in California and throughout North America."



The northwest corner of The Oakland Tinnery located in Oakland's Green Zone. Source: Green Sage (CNW Group/Ascent Industries)

### **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.

### **About Green Sage:**

Green Sage is a Colorado and California based strategic real estate investment firm focused on

acquiring, developing and managing real estate infrastructure in cannabis-legal jurisdictions throughout North America. Green Sage has been providing financial services to the Cannabis Industry since 2014 and has backed established leaders in key emerging legal cannabis markets throughout the United States, working with some of the largest and most established operators in the Industry. Green Sage currently has real estate investments in Colorado & California and is currently focusing on investing within emerging markets that are legalizing marijuana sales, cultivation and manufacturing.

With over US\$100 million in assets under management and an established investment track record in cannabis real estate infrastructure, Green Sage management believes that they are one of the largest dedicated cannabis industry investment firms in the world. With decades of combined experience, the principals of Green Sage have collectively founded and managed numerous companies across several categories, secured over \$1 billion in real estate investments, and originated over \$60 billion in debt and equity transactions.

Green Sage's current portfolio includes the iconic Tinnery and Cannery facilities in Oakland, California. These buildings, acquired by Green Sage in 2017, are ideally located in Oakland's designated 'Green Zone', in an industrial center of Oakland allowing easy access to the San Francisco Bay Area's large and sophisticated cannabis market. Comprising approximately 500,000 square feet, these two facilities are leased by some of California's largest and most established cannabis category leaders and brands.

*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 ability to build its business in California . 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.

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**For further information:** Philip Campbell, Chair, Chief Executive Officer, Telephone: 1.604.908.1305, Email: [ir@ascentindustries.com](mailto:ir@ascentindustries.com)

CO: Ascent Industries

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