



## **Bhang Inc. Acquires Leading Wellness Beverage Company, Red Ace Organics**

*--First Foray in Beverage Space Positions Bhang Firmly in Health and Wellness Market*

*--Red Ace Products Currently Sold at More Than 1,400 Locations Including Whole Foods & Amazon*

*--Bhang Plans to Launch Red Ace-Branded Line of CBD/Terpene-Style Beverages and Products, Including Functional Sparkling Beverages.*

**Miami, September 09, 2019 (GLOBE NEWSWIRE) --** Bhang Inc. ("**Bhang**" or the "**Company**") (CSE: BHNG) (OTCQX: BHNGF), a global cannabis house of brands with an extensive, award-winning portfolio of products, announced today that it has acquired Red Ace, LLC, a leading organic beverage company ("**Red Ace Organics** or **Red Ace**"), via its wholly owned subsidiary Bhang Corporation (the "**Acquisition**").

Founded in 2011 by William Leslie and Miles McCabe, Red Ace Organics offers a range of organic beverages and powders spanning the lifestyle segment, with its proprietary formulations of Beet Performance, Beets & Turmeric and Beets & Greens. With more than 1,400 points of distribution, including Whole Foods Markets (WFM), Sprouts Farmers Markets and Amazon, Red Ace is used by athletes, professionals and weekend warriors around the world.

Bhang plans to accelerate Red Ace and enter the "Functional Beverage" market, which is predicted to grow to USD\$208.1B by 2024 according to a 2018 report from Mordor Intelligence. Red Ace, with its strong distribution footprint gives Bhang an opportunity to rapidly extend into this hot consumer category with healthy refreshing energy drinks. These brand extensions will strategically position the Company to participate in the USD\$4.2 trillion global health and wellness market, as cited in a 2017 estimate from the Global Wellness Institute.

Bhang has worked with Red Ace over the past two years through a joint venture to produce and distribute CBD-infused beet juice shots, an organic beet juice and natural hemp extract that offers a natural energy boost with the health benefits of beet juice. This product is currently sold throughout Bhang's distribution footprint and online at Bhangcbd.com. Bhang plans to launch a complete line of CBD/terpene-style beverages and products in the next twelve months. Bhang will leverage the success of the flavour profiles and accelerate into the functional beverage with refreshing and sparkling new offerings - all under the existing Red Ace brand.

"This strategic acquisition not only strengthens Bhang's position as one of today's most expansive and diverse global cannabis house of brands, it opens an incredibly valuable pipeline to some of the biggest retailers in the world," said Scott Van Rixel, CEO of Bhang. "Since our inception, we have remained committed to developing innovative, high-quality cannabis products to effectively reach and play a leading role in new consumer markets and demographics."

Van Rixel continued, "Through the introduction of this novel, health-focused, delicious beverage, we are tapping into the health drink shot market, which stands at the intersection of the \$100 billion nutraceutical, health, wellness and convenience market, driven largely by sports nutrition and self-care (Nutrition Business Journal/New Hope Communications- 2017 Estimates). Red Ace is the perfect fit as it not only adds this unique beverage line to our extensive portfolio of over 100 cannabis, hemp-derived CBD and terpene products, it greatly expands our distribution and increases shelf space dominance for Bhang across retail markets."



William Leslie and Miles McCabe will join Bhang as part of the acquisition and continue to run the day-to-day operations of Red Ace.

Miles McCabe stated, "We are excited to operate under the Bhang house of brands umbrella and are confident we can significantly expand the Red Ace product line and reach a wider consumer market by joining forces. Bhang's success to date, established trust and developed infrastructure will help shape the Red Ace brand as we jointly build it into a leading beverage line for health-conscious consumers and athletes around the world."

Under the terms of the purchase agreement, the former Red Ace, LLC membership unit holders received an aggregate of 4,513.943 multiple voting shares of the Company ("Bhang Shares") at a price of C\$570 per Bhang Share, representing an agreed purchase price for the Acquisition of USD\$1,953,049.50 (C\$2,572,947.41).

According to the agreement, a portion of the Bhang Shares have been placed in escrow and will be released pursuant to a three-year escrow schedule upon verification of certain revenue benchmarks at the end of each year. Any Bhang Shares remaining in escrow following the three-year escrow period will be returned to the Company for cancellation.

Immediately following the Acquisition, a member of management of Red Ace assumed US\$99,138 (C\$130,604) of indebtedness of Red Ace in exchange for 229.131 Bhang Shares at a price of \$570 per Bhang Share.

#### **About Red Ace Organics**

Red Ace™ is the creator of an all organic concentrated beetroot shots. Every two-ounce glass bottle of Red Ace contains California grown, organic beets, which are high in natural anti-oxidants and energy. Red Ace performance shots are a fast and easy way to get safe, effective energy, plus all the nutritional benefits of organic beets. Red Ace is used by athletes, professionals and weekend warriors around the world.

#### **About Bhang**

Bhang is committed to delivering exceptional sensory experiences to consumers at every point in their cannabis journey through its award-winning portfolio of brands. Bhang is a trusted global cannabis house of brands with an extensive portfolio of over 100 cannabis, hemp-derived CBD and terpene products, including chocolates, pre-rolls, vapes, gums, beverages, gummies and mouth sprays, among others. Since 2010, Bhang has mastered the art of harnessing mutually-beneficial partnerships to bring safe, consistent and delicious products to the world. Learn more at [www.bhangnation.com](http://www.bhangnation.com).

#### **FORWARD LOOKING STATEMENTS**

*This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) statements regarding the future direction of the Company (ii) the ability of the Company to successfully achieve its business and financial objectives, (iii) plans for expansion of the Company into new jurisdictions, and (iv) expectations for other economic, business, and/or competitive factors. Investors are cautioned that*



*forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the business of the Company's future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and hemp products in the markets that the Company operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws; the cannabis market is highly regulated and those regulations and enforcement priorities of governmental authorities may change; compliance with extensive government regulation and related costs; and other risks described in the Company's Listing Statement dated July 9, 2019 and filed on [www.sedar.com](http://www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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