



Commonwealth of Kentucky
Governor's Office

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Media Nicole Burton
Contacts: 502.564.2611

Jack Mazurak
502.782.1965

Zelios to Expand Lexington Facility, Create 44 Jobs

Hemp oil extraction company to invest \$2.1 million

FRANKFORT, Ky. (Aug. 30, 2018) – Gov. Matt Bevin today announced Zelios, a Lexington-based manufacturer of hemp oil extract, will double production capacity with a \$2.1 million investment creating 44 full-time jobs.

“We congratulate Zelios on the expansion of its Lexington operation after opening just four months ago,” Gov. Bevin said. “This rapid growth reflects positively on Kentucky’s role as a major player in the burgeoning market for hemp-related products. The success of the hemp industry is a perfect example of how Kentucky is on the cutting-edge of many new economic opportunities.”

Zelios’ flagship hemp oil extraction operation opened in April of this year. The facility is equipped with grinding equipment and six 300-liter extraction machines. The expansion will include six new extraction machines, a secondary processing laboratory for further refinement of oil and additional warehouse space. The project comes as market demand increases for refined cannabidiol (CBD) oils.

The company’s supercritical CO2 extraction method yields purified full-spectrum CBD crude oil. The oil contains fats, waxes and terpenes from the original hemp raw material that can be used in balms and lotions, and serves as the base for further refinement for additional CBD-rich products. The new refinement processes will allow the company to winterize raw full-spectrum extract, removing waxes and lipids to create higher-content CBD oil. That more highly refined oil can be used in various consumer products as well as a base for CBD isolate production.

“We are excited to be able to work with the state of Kentucky, the former epicenter of hemp production in the US. Expanding our local manufacturing scale combined with state-of-the-art refinement, including being able to produce THC-free, full-spectrum oil will allow access to national and global markets, helping secure Kentucky as the epicenter of hemp production once again,” said Zelios COO Paul John Baker.

Zelios was founded in August 2017 as Zivo, Inc. with a mission to take a leading role in processing and producing natural, hemp-derived, cannabinoid-rich products. The company aims to improve access to CBD and other hemp-derived products through economies of scale. In addition to the large-scale extractor facility in Lexington, company leaders plan future operations in Erie, Colo. and Portland, Ore.

Commissioner of Agriculture Ryan Quarles noted Kentucky’s place as a major player in the hemp industry.

“Congratulations to Zelios on this achievement. The economic impact of our industrial hemp research pilot program continues to grow,” Commissioner Quarles said. “With 72 licensed processors and nearly \$17 million in products sold last year, Kentucky is well on its way to becoming the epicenter of industrial hemp in the United States.”

Sen. Ralph Alvarado, of Winchester, said Kentucky remains a step ahead in an evolving economic climate.

“Zelios is an exciting new company in Lexington, and their rapid growth is an indication they have found the right location to call home,” Sen. Alvarado said. “The hemp industry is quickly gaining traction across the US, and it is great to see Kentucky at the forefront of that growth.”

Rep. George Brown, of Lexington, said he anticipates even more growth in the future from Zelios.

“Today’s announcement is great news not just for Zelios, but also for the fast-growing hemp industry and Lexington’s leading role in helping businesses thrive,” Rep. Brown said. “I’m proud of what Peter Cummings and his company have been able to do in such a short amount of time, and I welcome this added investment and the nearly four dozen jobs it will bring. I have a feeling this won’t be the last time we hear such good news from Zelios.”

Lexington Mayor Jim Gray noted the company is helping rebuild the hemp industry.

“Everything old is new again,” Mayor Gray said. “Hemp is an emerging industry in Lexington and Kentucky, but hemp is also a very old industry we’re welcoming back to our city.”

Commerce Lexington President and CEO Bob Quick, CCE, said the new project speaks both to growing demand in the industry and the company’s vitality.

“Commerce Lexington enjoys welcoming new corporate citizens to Lexington, especially in our growing presence of hemp businesses such as Zelios,” Quick said. “For Zelios to expand within a year of locating here is a true testament to the work they are performing in the hemp industry. We appreciate their continued growth and investment in Lexington.”

To encourage the investment and job growth in the community, the Kentucky Economic Development Finance Authority (KEDFA) on Thursday preliminarily approved the company for tax incentives up to \$240,000 through the Kentucky Business Investment program. The performance-based incentive allows a company to keep a portion of its investment over the agreement term through corporate income tax credits and wage assessments by meeting job and investment targets.

In addition, Zelios can receive resources from the Kentucky Skills Network. Through the Kentucky Skills Network, companies can receive no-cost recruitment and job placement services, reduced-cost customized training and job training incentives. In fiscal 2017, the Kentucky Skills Network provided training for more than 120,000 Kentuckians and 5,700 companies from a variety of industry sectors.

For more information on Zelios, visit www.Zelios.com.

A detailed community profile for Fayette County can be viewed [here](#).

Information on Kentucky’s economic development efforts and programs is available at www.ThinkKentucky.com. Fans of the Cabinet for Economic Development can also join the discussion on [Facebook](#), follow on [Twitter](#) and watch the Cabinet’s “This is My Kentucky” video on [YouTube](#).

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