



For Immediate Release

News Release

December 2, 2019

**ASCENT ANNOUNCES CCAA CREDITORS' MEETING ORDER
AND BI-WEEKLY DEFAULT STATUS REPORT**

Vancouver, B.C. – Ascent Industries Corp. (**CSE: ASNT**) ("**Ascent**" or the "**Company**") announces that the Company and certain of its affiliates (collectively, the "**Applicants**") obtained an order on November 22, 2019 (the "**Meeting Order**") from the Supreme Court of British Columbia (the "**Court**"): (i) accepting the filing of a consolidated plan of compromise, arrangement and reorganization under the *Companies' Creditors Arrangement Act* ("**CCAA**") by the Applicants (the "**Plan**"); (ii) authorizing the Applicants to establish one class of Affected Creditors (as defined in the Plan) in the Plan for the purposes of considering and voting on the Plan; (iii) authorizing and directing the Applicants to call, hold and conduct a meeting of Affected Creditors (the "**Creditors' Meeting**") to consider and vote on a resolution to approve the Plan; (iv) approving the procedures to be followed with respect to the calling and conduct of the Creditors' Meeting; and (v) extending the stay of proceedings provided by the initial order of the Court dated March 1, 2019 (the "**Initial Order**") until January 29, 2020.

The purpose of the Plan is to resolve all Affected Claims (as defined in the Plan) against the Applicants in order to maximize recovery for Affected Creditors and to enable the Company to reinvigorate and expand its business pursuant to its long-term plans. If approved at the Creditors' Meeting, the Plan will compromise, discharge and release all Affected Claims against the Applicants. The Plan provides that:

- (a) each Affected Creditor with an Affected Claim that is equal to or less than \$11,100, or that elects to, in accordance with the terms of the Plan, reduce its Affected Claim to \$11,100 for distribution purposes, will receive on the Effective Date (as defined in the Plan) a cash distribution in an amount equal to the lesser of: (i) the amount of the Affected Claim; and (ii) \$11,100; and
- (b) each Affected Creditor with an Affected Claim of more than \$11,100 and that does not elect to reduce its Affected Claim to \$11,100 will receive: (i) on the Effective Date, a cash distribution in an amount equal to 51 cents (\$0.51) for every dollar of its Affected Claim; and (ii) provided the Affected Creditor is eligible and has made a valid election pursuant to the terms of the Plan, as soon as reasonably practicable after the Effective Date, its pro-rata share of a pool of Ascent common shares, which will represent 10% of the total number of Ascent common shares issued and outstanding (on a post-distribution basis).

The Meeting Order provides that the Creditors' Meeting will be held on December 12, 2019 at 9:00 a.m. (Vancouver time). In order to be approved, the Plan must receive the affirmative vote of a majority in number of Affected Creditors, who represent at least two-thirds in value of the Affected Claims, who actually vote, or who, under the terms of the Plan, are deemed to have voted on the resolution approving the Plan at the Creditors' Meeting (in person or by proxy or by ballot). Holders of Ascent common shares

are not entitled to vote at the Creditors' Meeting, except in accordance with the terms of the Plan in their capacity as holders of Affected Claims and/or Disputed Claims (as defined in the Plan), if applicable.

"After considerable consultation with key stakeholders, we have built what we believe is a fair and reasonable consolidated plan of compromise, arrangement and reorganization," said Paul Dillman, Chief Executive Officer of Ascent. "If approved by the Court and Affected Creditors, the Plan will support Ascent's exit from CCAA, allowing Ascent to use its remaining funds and assets to establish a sustainable business with headquarters in Canada and operations in the United States, which focuses on participation in the high potential THC market in Nevada and the higher potential hemp CBD market across the entire United States."

Added Dillman, "The Plan also includes the resolution, solely for the purposes of the Plan, of two key claims of entities known as Green Sage and Trek Global."

Implementation of the Plan is subject to, among other things, the approval of the Plan by the requisite number of Affected Creditors at the Creditors' Meeting, fulfillment or waiver of certain conditions set out in the Plan, and the Court's approval and sanction of the Plan. A sanction hearing for the Court to consider the Plan is scheduled for December 19, 2019. Provided all conditions to the Plan are met or waived, and the Plan receives the necessary creditor support and is sanctioned by the Court, it is anticipated that the Plan could become effective on or prior to December 31, 2019.

Pursuant to the Initial Order, the Court appointed Ernst & Young Inc. as monitor (the "**Monitor**") of the Applicants.

Copies of the Plan and other meeting materials relating to the Creditors' Meeting, including the Meeting Order, the Plan information letter and the Monitor's report to the Court, and other Court materials and information relating to the Plan and the CCAA proceedings, all as may be updated or amended from time to time, are available on the Monitor's website at www.ey.com/ca/ascent. All inquiries regarding the Company's proceedings under the CCAA should be directed to the Monitor by mail at Ernst & Young Inc., Pacific Centre, 700 West Georgia Street, P.O. Box 10101, Vancouver, British Columbia, Canada, V7Y 1C7, Attention: Jason Eckford, or by e-mail at jason.eckford@ca.ey.com. The aforementioned summary of the material terms of the Plan is not comprehensive, and is qualified in its entirety by reference to the full text of the Plan.

BI-WEEKLY DEFAULT STATUS REPORT

The Company provides this default status report pursuant to National Policy 12-203 - *Cease Trade Orders for Continuous Disclosure Defaults* ("**NP 12-203**") and applicable policy of the British Columbia Securities Commission which applies to companies, such as Ascent, that are the subject of CCAA proceedings.

On May 16, 2019, the Company announced that its audited annual financial statements for the year ended December 31, 2018, including the related management discussion & analysis, and accompanying CEO and CFO certifications (collectively, the "**Annual Filings**") were not filed by the required filing deadline of April 30, 2019. As of the date hereof, the Company has not filed: (i) its interim financial statements for the three month period ended March 31, 2019 and related management discussion & analysis and accompanying CEO and CFO certifications; and (ii) its interim financial statements for the three month period ended June 30, 2019 and related management discussion & analysis and accompanying CEO and CFO certifications

(collectively, the “**Interim Filings**”) prior to the filing deadlines prescribed under National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”).

As previously reported, Ascent is currently involved in CCAA proceedings. Ascent is required to file bi-weekly default status reports in accordance with NP 12-203 until such time that the CCAA proceeding is concluded or until the defaults in filing the Annual Filings and Interim Filings are remedied.

Other than as disclosed in this press release, the Company reports that there have been no material changes regarding the information contained in its last news release dated October 30, 2019. Furthermore, there is no other material information concerning the affairs of the Company that has not been generally disclosed. The Company confirms that, since its last news release dated October 30, 2019, there have been no failures by it in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines under NP 12-203, other than its failure to file a bi-weekly default status report within two weeks of its October 30th, 2019 press release. The Company intends to file the Annual Filings and Interim Filings as soon as possible.

About Ascent Industries Corp.

The Company's operations currently include facilities Oregon and Nevada in the United States. In the United States, the Company holds licenses in Oregon (for processing and for distribution of cannabis to any licensed entity in the state) and in Nevada (for cultivation and for production, processing and wholesale distribution of cannabis).

THE CANADIAN SECURITIES EXCHANGE (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 include, but are not limited to, the purpose and expected benefits of the Plan, the anticipated timing of the Creditors' Meeting, the anticipated effective date of the Plan, including timing of the cash distributions and share issuances pursuant to the terms of the Plan, and the anticipated timing of the completion and filing of the Annual Filings and the Interim Filings. 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 assumes 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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