Interim MD&A – Quarterly Highlights

Ascent

Third Quarter ended September 30, 2019

(Stated in Canadian Dollars)

Dated May 11, 2020

Preface

The following Interim MD&A – Quarterly Highlights is prepared in accordance with the provisions of S. 2.2.1 of BCSC Instrument 51-102F2 as it relates to venture issuers. It should be read in conjunction with the Company's audited consolidated financial statements and related notes for the periods ended December 31, 2018 and May 31, 2018 (the "2018 Financial Statements") unaudited consolidated financial statements and related notes for the quarterly periods ended March 31, 2019, June 30, 2019 and September 30, 2019 (the "2019 Quarterly Financial Statements") and the audited consolidated financial statements and related notes for the periods ended December 31, 2019 and for the seven months ended December 31, 2018 (the "2019 Financial Statements"), which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all currency amounts are in Canadian dollars.

Forward looking information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

Review and Approval by the Board of Directors

The Board of Directors, on the recommendation of its Audit Committee, approved the contents of this MD&A on May 11, 2020.

Profile and strategy

Ascent was incorporated under the Business Corporations Act (British Columbia) on May 30, 2013. Ascent's head office, principal and registered records office address is located at Suite 800 - 543 Granville Street Vancouver, British Columbia V6C 1X8.

Risks and Uncertainties

Health Canada suspended the Company's Production License and Dealer's License (the "Canadian Licenses") on September 26, 2018 and subsequently revoked the Canadian Licenses on July 12, 2019. As a result, the Company suspended all active business in Canada and Denmark, and continues to take active steps to wind up all business activity in Canada and Denmark other than maintaining a small executive team in Vancouver, British Columbia, to attend to the winding up of its business operations in Canada, matters relating to the continued stay and resolution of all creditor claims under CCAA, and other regulatory, administrative and tax matters. Information relating to the Company's business operations in Canada can be found in previously filed continuous disclosure documents, including the Company's Annual Information Form, dated October 1, 2018.

As a result of the CCAA process, the settlements imposed on the Company thereunder as well as fundamental changes in the Cannabis and Hemp markets in Canada and the United States there remains significant risk in the ability of the Company to attain the resources necessary to execute its business plan.

The Company operates in the USA through wholly owned subsidiaries in Nevada and Oregon with licenses to produce, process and distribute cannabis and processed cannabis products including cannabis oils. As a result of the CCAA process in Canada, the operation of the US subsidiaries has been significantly curtailed. The Company intends to reassess these operations upon the conclusion of the CCAA process.

Consolidated analysis of financial condition, financial performance and cash flows

The following highlight's the Company's overall performance for nine and three months ended September 30, 2019 & 2018 and includes financial information relating to the Company's establishment in Denmark and Canadian Operations, which includes cannabis cultivation, processing, production, product research and forward development and distribution:

	Q3 2019	Q3 2018	Change	9 months ended **Sept.30, 2019 ($)**	10 months ended Sept. 30, 2018 ($)	Change
Sales	62,296	789,253	(92%)	679,852	5,191,185	(87%)
Gross margin	151,813	140,087	8%	(399,212)	461,116	(187%)
Operating expenses	(2,057,313)	(7,179,646)	(71%)	(7,548,751)	(15,662,324)	(52%)
Other Expense (income)	530,946	6,597,097	(92%)	575,092	8,637,136	(93%)
Net loss	(2,436,446)	(13,636,656)	(82%)	(8,523,055)	(25,184,851)	(66%)
Net loss per share – basic and diluted	(.01)	(.05)	(80%)	(0.03)	(0.09)	(67%)
Weighted average Common Shares outstanding:						
Basic	320,151,457	278,209,888	15%	320,151,457	278,209,888	15%

Consolidated Results Commentary

	Q3	9 Months
Earnings Summary	▼ **EPS: $.04 per share, or (80%)** • Operations across the company ceased March 1, 2019. Since that date minimal sales of leftover product were made but operating expenses for the CCAA process continued	▲ **EPS: $.06 per share, or (67%)** • See explanation for the quarterly changes. Operations were in full swing across all locations at September 30, 2018.

Balance Sheet Analysis, Liquidity, and Capital Resources

	9 months ended **Sept.30, 2019 ($)**	9 months ended Sept. 30, 2018 ($)	Change
Cash and cash equivalents at end of period	14,901,928	12,290,797	21%
Total assets at end of period	31,300,059	52,216,522	(40%)
Current liabilities	(5,352,243)	(7,063,905)	(24%)
Long term Liabilities	(61,148)	(10,942,180)	(99%)
Working Capital	11,442,963	14,213,170	(19%)

Balance Sheet, Liquidity, and Capital Resources Commentary

	Q3	9 Months
Financial position Summary	▼ **Working Capital: $1.79M, or 13%** • The decline in working capital was largely attributed to $970,000 in legal fees. A further $60,000 was spent on recruitment for U.S. operations management. The intent was to recommence U.S. operations on a small self-sustaining basis.	▲ **Working Capital: $5,710,546, or 100%** • Decrease in assets and liabilities is due to the sale of the Canadian assets and the elimination of debt through the CCAA process • Working capital and cash are similar as the Company had finished the RTO at September 30, 2018, bringing in a significant amount of cash, while the Company had cash from the sale of the Canadian assets at September 30, 2019

Summary Cash Flows

	Change	9 months ended **Sept.30, 2019 ($)**	10 months ended Sept. 30, 2018 ($)	Change
Cash and cash equivalents at end of period		14,901,928	2,587,436	476%
Cash used in operating activities		(6,829,970)	(8,374,857)	(18%)
Cash used in investing activities		3,128,427	(16,511,470)	(119%)
Cash from financing activities		18,357,699	29,021,970	(37%)

Cash Flows Commentary

	Q3	9 Months
Cash Flow Summary	• There was not investment or financing activity in the quarter. The use of cash is attributable to General & Administration as described above.	• The increase in cash was entirely attributed to the sale of the Company's Canadian assets.

Description of business and developments – material events likely to have material effects on future operating results.

Order for Protection under CCAA

On March 1, 2019, by Order of the Supreme Court of British Columbia, Ascent Industries Corp. along with the wholly owned subsidiaries, Agrima Botanicals Corp., Bloom Holdings Ltd., Bloom Meadows Corp., Pinecone Products Ltd., Agrima Scientific Corp., and West Fork Holdings NV Inc. (the "Petitioners") were granted protection under CCAA from its creditors under Vancouver Registry No. S-192188. Ernst & Young Inc. was appointed as Monitor of the Petitioners and their reports can be found at:

https://documentcentre.eycan.com/Pages/Main.aspx?SID=1449

During the current period the Court furthered the claims adjudication process, and the Monitor issued their fourth, fifth and sixth reports. Concurrently management developed a plan of arrangement through negotiation with the major creditors.

Liquidity and capital resources

The Company had previously announced its intent to expand operation in California, Nevada and Denmark. These plans were drastically altered by the Health Canada actions described above and the subsequent default on the long-term debt.

Related party transactions

As compensation for the resignation of former management, the Company agreed to terms including a payment of $600,000 to each of Blair Jordan and Karim Lalani.

Commitments

There were no new commitments in the period.

Related party transactions

There were no related party transactions in the period other than compensation to the senior management in the amount of $137,500

Commitments

There were no new commitments in the period.

Additional information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Corporation information

Registered Office:	Suite 800 – 543 Granville Street, Vancouver, BC V6C 1X8
Directors:	Mark Lotz David Hurford Jeremy South
Senior Officers:	Mark Lotz, Interim Chief Executive Officer & Chief Financial Officer
Auditor:	Kingston Ross Pasnak LLP Suite 1500, 9888 Jasper Avenue NW Edmonton, Alberta, T5J 5C6
Transfer Agent:	National Securities Administrators Ltd. 702 – 777 Hornby Street Vancouver, BC, V6Z 1S4