

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Ascent Industries Corp. (“**Ascent**” or the “**Company**”)
260 - 22529 Lougheed Highway
Maple Ridge, British Columbia
V2X 0T5

Item 2 Dates of Material Change

May 1, 2019

Item 3 News Release

A press release concerning Ascent’s default in filing its annual financial statements and related MD&A was disseminated on May 16, 2019 through West Services.

Item 4 Summary of Material Change

(a) Change of Management

Ascent is required to file and deliver, within 120 days of the end of each completed financial year, annual financial statements and related MD&A (together, the “**Filings**”), each in the prescribed form pursuant to National Instrument 51-102- *Continuous Disclosure Obligations*. The Company’s last financial year ended on December 31, 2018, consequently the Filings are due by April 30, 2019 (the “**Filing Deadline**”).

The Company has been undertaking a restructuring under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) since March 1, 2019. During this period, Ascent has been devoting significant management resources to the CCAA restructuring. In part, as a result of the CCAA restructuring and dealing with matters relating to this process, management’s attention has been diverted towards dealing with the restructuring. Additionally, the Company has been investigating suspicious certain payments made between June 2017 and November 2018. Ascent has engaged a forensic accountant and is working with its independent auditors to assess the implications of the forensic accountant’s report on the financial statements. As a result, Ascent does not expect to be in a position to make the Filings by the Filing Deadline.

Ascent anticipates making the Filings by June 30, 2019.

Item 5 Full Description of Material Change

See attached press releases for details.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Paul Dillman
Interim CEO
Tel: (604) 880-6546

Item 9 Date of Report

May 16, 2019



News Release

For Immediate Release

May 16, 2019

ASCENT INDUSTRIES PROVIDES UPDATE ON THE FILING OF ITS ANNUAL FINANCIAL STATEMENTS, SPECIAL MEETING OF SHAREHOLDERS AND ANNUAL GENERAL MEETING

Vancouver, B.C. – Ascent Industries Corp. (CSE: **ASNT**) ("**Ascent**") announced today that the Company has not filed its annual financial statements, the related management's discussion and analysis or the accompanying Chief Executive Officer and Chief Financial Officer certification for its financial year ended December 31, 2018 (the "**Annual Filings**"), within 120 days of December 31, 2018 (the "**Filing Deadline**"), as required under Parts 4 and 5 of National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

As previously reported, Ascent is currently involved in proceedings under the *Companies Creditors Arrangement Act* (the "**CCAA**"). Ascent has been advised by the British Columbia Securities Counsel that under the CSA Practice Guidelines, Cease Trade Orders are not issued against Issuers who are subject to a CCAA proceeding.

Ascent intends to comply with the provisions of the alternative information guidelines as set out in National Policy 12-203 - *Management Cease Trade Orders* for so long as it remains in default due to the late filing of the Annual Filings, including the issuance of bi-weekly default status reports, in the form of a news release. The management of Ascent are committed to working with its auditors to complete the year-end audit as soon as possible.

Annual Meeting and Special Meeting of the Shareholders

As a consequence of the late-filing of the Annual Filings, it is necessary for the Company to delay each of the Annual Meeting and Special Meeting of Shareholders, which the Company previously announced it would hold on June 6, 2019. Whereas each of the Annual Meeting and Special Meeting were previously to be held on the same date, the delay in Annual Filings necessitates that the meetings now be held separately. Ascent will provide its shareholders with new particulars of the General Meeting, at which the annual financial statements will be published, as soon as possible.

The previously-announced Special Meeting of shareholders, which will deal with matters related to the requisition made by a group of dissident shareholders (previously announced on February 11, 2019), will now proceed on June 25th, at 10:00 a.m. in Vancouver. The record date of May 1, 2019 will be maintained for the Special Meeting.

Shareholders are not required to take any action at this time in respect of the Annual Meeting or Special Meeting.

The Company will prepare a Management Information Circular (“MIC”) in connection with the Special Meeting and intends to file circulate it to shareholders by the last week of May.

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 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 established European headquarters and is pursuing multiple jurisdictional licences.

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 relate, among other things, the uncertainty involved in the timing of the completion of the Annual 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.

For further information:

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