

Ascent Industries Corp.

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Ascent Industries announces key CCAA creditors meeting

Ascent Industries Corp (CSE:ASNT) (OTCMKTS:PGTMF) said Tuesday that the company received an order in November from the Supreme Court of British Columbia accepting the filing of a consolidated plan of compromise and reorganization under the Companies Creditors Arrangement Act (CCAA).

It authorizes the company to establish one class of affected creditors and call a meeting of affected creditors to consider and vote on a resolution to approve the plan. It also extends the stay of proceedings provided by the initial order of the court dated March 1 until January 29, 2020.

READ: Ascent Industries achieves a settlement with its largest creditor Green Sage LLC

Ascent explained that the purpose of the plan is to resolve all affected claims in order to maximize recovery for affected creditors and to enable the company to reinvigorate itself and expand its business. If approved at the creditors' meeting, the plan will discharge all affected claims.

Here's the broad outline of the plan which provides that:

- Each affected creditor with a claim that is equal to or less than \$11,100, or that elects to 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;
- Each affected creditor with a claim of more than \$11,100 and that does not elect to reduce its 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 creditor is eligible and has made a valid election according to the terms of the plan, as soon as reasonably practicable after the effective date, its pro-rata share of a pool of Ascent shares, which will represent 10% of the total number of Ascent common shares issued and outstanding (on a post-distribution basis).

The order states that the creditors meeting will be held on December 12 at 9.00 am. To be approved, the plan must receive an affirmative vote from a majority 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 meeting either in person or by proxy or by ballot.

"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 Ascent Industries CEO Paul Dillman.

"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," he added.

Dillman said the plan also included a resolution for two key claims from Green Sage and Trek Global.

Share Information

Code: ASNT
Listing: CSE
Sector: Cannabis
Website: ascentindustries.com

Company Synopsis:

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).

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A sanction hearing for the court to consider the plan is scheduled for December 19. Provided all conditions are met or waived, and the plan receives the necessary creditor support and is sanctioned by the court, it is anticipated that it could become effective by December 31.

Ascent is mainly focused on the US, where it aims to have a varied portfolio of edible and CBD products. In Oregon, Ascent has cannabis and hemp handling licenses and a 7,000 square feet facility in Portland. The firm has plans to develop and convert the existing facility to a hemp-derived CBD extraction facility, with an aim to be GMP certified by July 2020.

In Nevada, the firm owns a 37,000 square feet facility in Las Vegas and has a strategic partnership for a line of edibles and chocolates.

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