Docket #0521 Date Filed: 06/27/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ASCEND ELEMENTS, INC. *et al.*,[1]	)	Case No. 26-90440 (CML)
Debtors.	)	(Jointly Administered)

DECLARATION OF ADAM TITUS IN SUPPORT OF ENTRY OF AN ORDER (I) APPROVING THE SALE OF THE DEBTORS' INTERESTS IN THE COVINGTON, GEORGIA ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, (II) APPROVING THE ASSUMPTION AND ASSIGNMENT OF ASSOCIATED EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (III) GRANTING RELATED RELIEF

I, Adam Titus, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am Chief Restructuring Officer of both Ascend Elements, Inc. ("Ascend Elements") and Ascend Elements, US, LLC ("AEL" and, collectively with Ascend Elements, the "Debtors" and, together with their non-Debtor affiliates, the "Company") and a Senior Director at Alvarez & Marsal North America, LLC ("A&M"). I am also the former interim Chief Financial Officer of the Company.

2. Before joining A&M in February 2009, I worked as an investment banker at Wachovia Securities in the leveraged finance group, where I underwrote and executed leveraged loans and high-yield debt offerings. I was previously an associate at Liberty Lane Partners, a middle-market private equity firm where I focused on evaluating, executing, and managing control investments in middle-market companies, including financial diligence,

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

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transaction structuring, and portfolio company oversight. I earned a bachelor's degree in finance from Bentley University in Waltham, Massachusetts.

3. I am authorized to submit this declaration (the "Declaration")[2] on behalf of the Debtors in the above-captioned cases and in support of entry of the order approving the sale of the Debtors' interests in the Covington, Georgia assets to R3 Lithium, Inc. ("R3 Lithium" or the "Purchaser"), free and clear of liens, claims, interests and encumbrances, and the assumption and assignment of associated executory contracts and unexpired leases (the "Sale").

4. The views and opinions expressed in this Declaration are based on my professional experience generally and my experience working with the Debtors specifically.

5. Since A&M's engagement in September 2025, and in my roles as interim Chief Financial Officer and now Chief Restructuring Officer, I have worked closely with the Debtors' management and other advisors on the Debtors' liquidity, operations, restructuring efforts, and sale process.

6. In reaching my conclusions, I have relied, in part, on (a) my personal knowledge; (b) information provided by the Debtors' management, employees, and other professional advisors; and (c) the Debtors' books and records. With respect to statements made based on documents or information prepared or supplied by the Debtors or their advisors, I have relied upon the accuracy of such documents and information. To the extent legal issues arose in connection with the sale process, I relied on the advice of the Debtors' legal counsel and other professional advisors.

[2] Capitalized terms used but not defined in this Declaration shall have the meanings ascribed to them in the *Debtors' Emergency Motion for Entry of Orders(I)(A) Approving Bid Procedures, (B) Authorizing Designation of a Stalking Horse Bidder, (C) Scheduling an Auction, Related Deadlines, and a Sale Hearing, and (D) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors Assets, (B) Approving the Assumption and Assignment of Certain Contracts, and (C) Granting Related Relief* (the "Bid Procedures Motion"), the Bid Procedures Order, or the APA (as defined below), as applicable.

7. As CRO, I have been directly involved in the matters leading up to the Debtors' chapter 11 cases, the Debtors' postpetition operations, and the evaluation and pursuit of sale transactions, including the Debtors' efforts to market and sell distinct asset groups through these chapter 11 cases. In that capacity, I have worked closely with the Debtors and their advisors regarding the proposed sale of the Debtors' Covington, Georgia assets and the evaluation of available alternatives.

8. I am familiar with the sale process, the negotiations related to the APA, and the Debtors' process for selecting R3 Lithium's bid as the highest or otherwise best transaction available for the Covington assets.

I. The Sale Process Produced the Best Available Transaction

9. On April 17, 2026, the Court entered the Bid Procedures Order[3] establishing procedures and a timeline for the marketing and sale of substantially all of the Debtors' assets.

10. Following entry of the Bid Procedures Order, the Debtors, together with Jefferies LLC ("Jefferies") and their other advisors, conducted an extensive marketing process for the Debtors' business and assets. Numerous parties executed confidentiality agreements, conducted diligence, participated in management discussions, and evaluated a variety of potential transaction opportunities.

11. Through the marketing process, the Debtors received interest from parties pursuing different transaction structures. Certain bidders expressed interest in acquiring substantially all of the Debtors' assets, while others focused on specific businesses, facilities, intellectual property, or other discrete asset groups. As a result, the Debtors evaluated multiple pathways for maximizing value, including both enterprise-wide and asset-specific transactions.

[3] Bid Procedures Order means an *Order (A) Approving Bid Procedures, (B) Authorizing Designation of a Stalking Horse Bidder, (C) Scheduling an Auction, Related Deadlines, and a Sale Hearing, and (D) Granting Related Relief* [Dkt. No. 120].

12. As the process developed, the Debtors determined that the highest value for the estates would likely be achieved through separate transactions for distinct asset groups rather than a single enterprise-wide transaction. After evaluating both enterprise-wide and asset-specific alternatives, the Debtors concluded that asset-specific transactions represented the most actionable path to maximize value for stakeholders.

13. On May 25, 2026, the Debtors successfully closed the sale of their Poland and intellectual property assets.[4] The Debtors also subsequently closed the sale of their Hopkinsville assets.[5] Following those closings, the Debtors focused on completing the marketing and sale process for the Covington assets and maximizing value for the remaining assets of the estates.

14. Throughout the process, the Debtors, Jefferies and their other advisors, in consultation with the Committee advisors, evaluated the various bids received based on a variety of factors, including overall value, likelihood of closing, transaction structure, timing, and the benefits to the Debtors' estates and stakeholders.

15. Throughout the marketing process, the Debtors and Jefferies contacted numerous strategic and financial parties regarding potential acquisition opportunities. Interested parties were afforded access to diligence materials, management presentations, and opportunities to conduct site visits and engage with management. Despite these efforts, the Debtors did not receive any competing Qualified Bids for the Debtors' Covington assets.

II. The Covington Sale Represents the Highest or Otherwise Best Transaction Available.

16. The Covington assets (the "Covington Assets") consist primarily of the Debtors' interests in the Apex 0 facility in Covington, Georgia, including leasehold interests, assigned

[4] *See Notice of Closing of Transaction Contemplated by Third Amended and Restated Asset Purchase Agreement* [Dkt. No. 403].

[5] *See Notice of Closing of Transaction Contemplated by Asset Purchase Agreement* [Dkt. No. 474].

contracts, equipment, inventory, permits, and other operating assets included in the proposed Sale. The Covington facility currently produces Black Mass and has achieved commercial-scale lithium carbonate production, but additional capital expenditures and utility upgrades are required to expand production capabilities and ramp toward run-rate capacity. These circumstances affected the universe of potential buyers capable of acquiring and operating the facility.

17. The terms of the proposed Sale are set forth in that certain Asset Purchase Agreement, dated as of June 19, 2026, by and between Ascend Elements, Inc., as seller, and R3 Lithium as purchaser (the "APA"). Under the APA, the Purchaser has agreed to acquire the Covington Assets in exchange for $3 million in cash, the assumption of specified liabilities, and payment of Purchaser's Allocated Portion of Cure Costs, subject to the terms and conditions set forth therein.

18. The APA also contemplates the assumption and assignment of associated executory contracts and unexpired leases and includes closing deliverables for a lease assignment agreement, a Covington IP License Assignment, and a Transition Services Agreement, all of which enhance the executability of the transaction.

19. Pursuant to the Bid Procedures Order, the Debtors solicited bids for the Covington Assets through a court-supervised sale process. No Qualified Bids were received for the Covington Assets other than the bid submitted by R3 Lithium. Accordingly, the Debtors designated R3 Lithium as the successful bidder and canceled the auction with respect to the Covington Assets.

20. Unlike the Debtors' Hopkinsville facility, the Covington facility is currently operating, producing Black Mass, and has achieved commercial-scale lithium carbonate production from recycled battery content. As reflected in the APA, the proposal submitted by R3 Lithium contemplates $3 million in cash, the assumption of specified liabilities, and

payment of Purchaser's Allocated Portion of Cure Costs. Those assumed liabilities include post-closing obligations under the Assigned Contracts, certain post-closing environmental remediation liabilities, property taxes allocable to the acquired leased real property for the 2025 and 2026 tax years and post-closing tax periods, Purchaser's Allocated Portion of Cure Costs, liabilities relating to amounts required to be paid or actions required to be taken by Purchaser under the APA, and liabilities relating to Transferred Employees that arise after closing.

21. The APA also contemplates that the Purchaser may extend employment offers to employees and service providers associated with the Covington business. It is my understanding that approximately 39 Covington employees are expected to receive offers and remain employed following the closing.

22. Based upon my understanding and the advice of counsel regarding the asserted mechanics' lien claims relating to the Covington facility, including claims asserted by AM Construction and certain other parties, those claims are asserted against the Debtors' leasehold and real property interests and do not attach to the Debtors' personal property assets.

23. It is my understanding that, prior to the Petition Date, the Debtors became involved in a dispute with A.M. Construction, Inc. d/b/a AMCON Industrial ("AMCON") arising from construction services performed at the Debtors' Apex-0 facility in Covington, Georgia. On or about August 8, 2025, AMCON commenced litigation against the Debtors in the Superior Court of Newton County, Georgia, alleging that the Debtors failed to pay approximately $7.5 million for labor, materials, equipment, and other services provided in connection with the project. The Debtors disputed AMCON's allegations, contending that they were contractually entitled to withhold certain payments in good faith based on alleged billing discrepancies and overcharges identified during an audit. Thereafter, the parties agreed to stay the litigation and submit their dispute to private arbitration. In connection with its claims, AMCON recorded a Claim of Lien on Leasehold Estate and Interests in the Newton County,

Georgia real property records on August 8, 2025, asserting a mechanics' lien against the Debtors' leasehold interest in the Covington facility in the amount of approximately $6.23 million. Based upon my understanding and the advice of counsel, the liens are asserted solely against the Debtors' leasehold and other real property interests and do not attach to the Debtors' personal property assets.

24. In my judgment, nearly all of the economic value reflected in the R3 Lithium transaction is attributable to the personal property, inventory, equipment, and operating assets being acquired. The landlord for the Debtors' lease of the Covington facility has asserted claims of not less than $838,000 for alleged damages to the property that, if established, would constitute substantial liabilities for the estates and would be assumed under the APA.

25. Based on my involvement in the sale process and my review of the available alternatives, it is my opinion that the proposed Sale represents the highest or otherwise best transaction available for the Covington Assets and constitutes a sound exercise of the Debtors' business judgment. The transaction provides immediate cash consideration, transfers significant liabilities and operational obligations to the Purchaser, preserves employment opportunities for a substantial number of employees, and allows the Covington facility to continue operating as a going concern. In contrast, a liquidation or wind-down scenario would likely result in materially lower recoveries, substantial shutdown costs, environmental and property-related obligations remaining with the estates, and the loss of going-concern value. Accordingly, the sale is in the best interests of the Debtors, their estates, creditors, and all parties in interest.

[*Signature on following page*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

June 27, 2026

/s/ Adam Titus
Adam Titus