Docket #0088 Date Filed: 04/15/2026

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 MICHAEL O'HARA OF JEFFERIES LLC IN SUPPORT OF THE DEBTORS' EMERGENCY MOTION FOR ENTRY OF ORDER (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

I, Michael O'Hara, hereby declare as follows under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I submit this declaration (this "Declaration") in support of the *Debtors' Emergency Motion for Entry of Order (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* [Docket No. 50] (the "Bid Procedures Motion").[2]

2. Except as otherwise indicated, all statements set forth in this Declaration are based upon: (a) my personal knowledge; (b) information supplied to me by members of the Debtors' management, my colleagues at Jefferies, or the Debtors' other professionals; (c) my

[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.

[2] Capitalized terms used but not defined in this Declaration shall have the meanings ascribed in the Bid Procedures Motion or the *First Day Declaration of Linh Austin in Support of the Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 11] (the "First Day Declaration"), as applicable.

review of relevant documents; or (d) my opinion based upon my experience and knowledge of the Debtors' business, financial condition, and sale process. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration. The Debtors have authorized me to submit this Declaration.

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

4. I am over the age of twenty-one (21) years, and if called upon to testify in this matter, my testimony would be consistent with this Declaration.

Professional Background and Qualifications

5. I am a Managing Director and Co-Head of Capital Structure Solutions Group at Jefferies LLC ("Jefferies"), an investment banking and financial advisory firm with principal offices located at 520 Madison Avenue, New York, New York 10022.

6. Jefferies, together with affiliated investment banking advisors, has over 5,900 employees in over 45 offices around the world. Jefferies' team has extensive expertise in advising financially distressed companies in restructurings and reorganizations, including in proceedings under chapter 11 of the Bankruptcy Code.

7. Jefferies provides a broad range of corporate advisory services to its clients including, without limitation, services relating to the following: (a) general financial advice; (b) mergers, acquisitions, and divestitures; (c) special committee assignments; (d) capital raising; and (e) corporate restructurings. Jefferies and its senior professionals have extensive experience in the reorganization and restructuring of distressed companies, both out of court and in chapter 11 proceedings. Jefferies has advised debtors, creditor and equity constituencies, and purchasers in numerous reorganizations in the United States and worldwide. Since 2007, Jefferies has been involved in over 250 restructurings representing over $550 billion in restructured liabilities.

8. I have advised companies in financial restructurings and distressed mergers and acquisitions, raised capital for troubled companies, and represented debtors and creditor constituencies in bankruptcy proceedings. Before joining Jefferies in 2020, I was a partner in the restructuring & reorganization group of PJT Partners, and before that, I worked at the Blackstone Group as a Managing Director. I have an MBA from the Columbia School of Business and a BA from Georgetown University.

Background

9. Since the Fall of 2025, members of my team and I have worked closely with the Debtors' management and other advisors in connection with the Debtors' evaluation of strategic alternatives, liquidity needs, capital structure, marketing efforts, and prospective financing and sale alternatives. Through that work, I have become familiar with the Debtors' operations, assets, financial position, restructuring objectives, and the alternatives available to the Debtors both inside and outside of chapter 11.

10. As noted in the First Day Declaration, the Debtors entered these chapter 11 cases against the backdrop of acute liquidity constraints caused by construction delays and cost overruns at Apex 1, operating limitations at Apex 0, and sustained commodity price pressure affecting Black Mass, lithium carbonate, and pCAM. These challenges were further exacerbated by the dispute with Turner-Kokosing Joint Venture, asserted lien claims by subcontractors and suppliers, and the substantial capital required to complete and commercialize the Debtors' facilities.

11. Beginning in the Fall of 2025, the Debtors' management and advisors were pursuing an out-of-court financing process to address these constraints. As liquidity tightened, the Debtors engaged Jefferies to undertake a comprehensive review of strategic alternatives, including both out-of-court and in-court options. During this period, the Debtors implemented weekly cash-management and spend controls, negotiated bridge financing with a group of

noteholders, and discussed the possibility of existing stakeholders providing additional capital to support liquidity. With Jefferies' assistance, the Debtors also evaluated a range of financing, restructuring, and sale alternatives; developed a targeted universe of potential strategic and financial counterparties, including parties that could be interested in the Debtors' operating platform, facilities, equipment, and intellectual property. Jefferies conducted outreach to those parties and, where appropriate, facilitated follow-up discussions regarding the Debtors' business, liquidity needs, operational profile, and potential transaction structures, while also continuing discussions with existing stakeholders. Thereafter, existing shareholders elected to provide additional capital to enable the Debtors to explore further out-of-court financing alternatives with a group of noteholders issuing the Senior Notes in December 2025. In March 2026, however, liquidity issues reemerged, and Jefferies was reengaged to reassess available options. It became clear to the Debtors that an out-of-court solution was impracticable given the Debtors' legacy liabilities, continuing operational challenges, liquidity pressures, and deteriorating vendor relationships.

12. Therefore, the Debtors commenced a prepetition marketing process with the assistance of Jefferies in order to pursue a value-maximizing transaction. Jefferies contacted approximately 120 potentially interested parties and engaged in diligence discussions with the parties that expressed interest. Jefferies also coordinated the execution of aproximatel 18 confidentiality agreements, made diligence materials available through a virtual data room, and worked with the Debtors and their advisors to respond to diligence requests and evaluate preliminary indications of interest for all or a portion of the Debtors' assets. The Debtors intend to continue that marketing process in these chapter 11 cases pursuant to the Bid Procedures. At present, however, no Stalking Horse Bidder has been designated, no stalking horse agreement is before the Court, and the Debtors seek approval only of the Bid Procedures and related sale process relief. The Debtors instead propose to make a form asset purchase agreement available

in the data room, and any bidder submitting a bid will be required to provide a marked version of that form agreement as part of its bid package by the Bid Deadline. The Assets to be marketed and sold include substantially all of the Debtors' facilities, related equipment, intellectual property, contracts, and other assets necessary for the continued operation of the business.

The Bid Procedures

13. The proposed Bid Procedures are designed to maximize value by encouraging competitive bidding while providing the certainty and structure necessary to consummate a going-concern or other value-maximizing transaction on an expedited timeline. Among other things, the Bid Procedures provide a framework for the Debtors to review, analyze, and compare all bids to determine which bids are in the best interests of their estates and stakeholders. In my judgment, the proposed Bid Procedures are appropriate under the circumstances and preserve the Debtors' flexibility to designate one or more Stalking Horse Bidders later in the process if doing so would maximize value for the estates.

14. I believe that the proposed sale timeline is necessary under the circumstances. As noted in the Bid Procedures Motion, the sale timeline contemplates an Indication of Interest Deadline of May 1, 2026, a Stalking Horse Designation Deadline of May 7, 2026, an Assumption and Assignment Notice Deadline of May 9, 2026, an Assumption and Assignment Objection Deadline five days after service of the Assumption and Assignment Notice, a Bid Deadline of May 9, 2026, an Auction on May 12, 2026 if more than one Qualified Bid is received, a Notice of Successful Bidder Deadline one day after the conclusion of the Auction, a Sale Objection Deadline three days after the conclusion of the Auction, a Sale Hearing on May 17, 2026.

15. Moreover, the timeline is structured around the milestones required by the Prepetition Secured Parties, which I understand was a condition to obtaining their consent for

the use of Cash Collateral. As described in the First Day Declaration and *Declaration of Adam Titus in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection for the Use of Cash Collateral, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* ("Titus Declaration") [Docket No. 19], I also understand the Debtors have limited liquidity. At this time, the Debtors have not obtained postpetition financing.

16. The proposed Bid Procedures establish customary requirements for interested parties to participate in the sale process and submit Qualified Bids. After executing a Confidentiality Agreement and satisfying the participation requirements, Prospective Bidders may obtain access to the Debtors' Data Room and submit binding bids supported by the required financial and adequate assurance information and, except with respect to any Credit Bid to the extent provided in the Bid Procedures, a Good Faith Deposit equal to ten percent of the proposed purchase price.

17. To qualify, a bid must, among other things, identify the Assets to be acquired and any liabilities to be assumed, specify the form and amount of consideration, include a proposed asset purchase agreement marked against the form made available in the Data Room and a proposed sale order, and demonstrate the bidder's corporate authority and financial wherewithal. Qualified Bids may not be conditioned on financing or further due diligence. The Debtors will evaluate bids based on, among other factors, value, certainty of closing, treatment of liabilities, required regulatory approvals, and overall impact on the Debtors' estates.

18. The Bid Procedures also preserve the Debtors' ability to consider bids for all or some of the Assets, including partial bids that may be combined with other bids or evaluated together with the liquidation value of assets not otherwise sold. If the Debtors receive more than one Qualified Bid, they may conduct an auction using a Baseline Bid and minimum

overbid increments of $500,000, and they may select both a Successful Bidder and a Backup Bidder based on the highest or otherwise best offer in the exercise of their business judgment.

19. No Stalking Horse Bidder has been designated and no Bid Protections are being requested at this time. The Bid Procedures, however, preserve the Debtors' ability to designate a stalking horse bidder at a later stage and to seek approval of any related bid protections in accordance with the procedures set forth therein if doing so would maximize value.

20. The Debtors will continue to market the Assets through a transparent process supported by a form asset purchase agreement in the Data Room and a requirement that bidders submit a marked agreement with their bids.

Conclusion

21. As detailed above, the Debtors' business has been marketed to a range of potential strategic and financial parties. Prospective bidders have received, and will continue to receive, access to information sufficient to evaluate the Assets and submit informed, binding bids in accordance with the proposed timeline.

22. Based on the foregoing, I believe the Bid Procedures will promote a fair and competitive process and position the Debtors to maximize value for the benefit of their estates and stakeholders.

23. Finally, I understand that the Debtors have requested that the hearing on the Bid Procedures be held on shortened notice. As set forth in the First Day Declaration and Titus Declaration, the Debtors have limited available liquidity. As noted, the Debtors' proposed timeline is critical to the Debtors' ability to comply with the Cash Collateral milestones and preserve and maximize the value of their assets. If the Debtors do not obtain the relief sought in the Bid Procedures Motion within the proposed timeline, the Debtors' continued use of Cash Collateral and ability to move forward with the Sale Process may be jeopardized.

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.

Dated: April 15, 2026

/s/ Michael O'Hara
Michael O'Hara
Managing Director
Jefferies LLC