Docket #0366 Date Filed: 05/21/2026

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)
	)	**Re: Docket No. 8**

DECLARATION OF ADAM TITUS IN SUPPORT OF REJECTION OF INITIAL LEASES AND CONTRACTS

I, Adam Titus, declare as follows under penalty of perjury:

1. I am the Chief Restructuring Officer ("CRO") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") and a Senior Director at Alvarez & Marsal North America, LLC ("A&M"), the proposed financial advisor to the Debtors.

2. I am over the age of 18 and I am authorized to submit this declaration (the "Declaration") on behalf of the Debtors.

3. Unless otherwise indicated, the statements set forth in this Declaration are based upon (a) my personal knowledge of the Debtors' business, (b) information learned from my review of relevant documents, (c) information I received from my team at A&M working under my supervision, (d) information I received from the Debtors' management team or other professional advisors, or (e) my experience as a restructuring professional, which is described in greater detail in the *Declaration of Adam Titus in Support of the 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* [Docket No. 19] (the "Cash Collateral Declaration"). If called

[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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to testify, I could and would testify competently to the facts and opinions set forth in this Declaration.

The Rejection Motion

4. On April 9, 2026 (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). Contemporaneously therewith, the Debtors filed their *Motion for Entry of an Order (I) Authorizing the Debtors to Reject the Initial Lease and Certain Executory Contracts, (II) Authorizing the Abandonment of Certain Personal Property, if any, (III) Approving and Establishing Procedures to Reject Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* [Docket No. 8] (the "Rejection Motion").[2]

5. Pursuant to the Rejection Motion, the Debtors seek to establish procedures governing the rejection of executory contracts and unexpired leases to which the Debtors are party in accordance with section 365(a) of the Bankruptcy Code. Based on my review of the Rejection Motion and my experience in prior chapter 11 cases of similar size and complexity, I believe the proposed procedures are a fair, efficient, and value-preserving mechanism for addressing burdensome contracts and leases. The procedures will allow the Debtors to avoid the needless expense and delay of filing a separate motion each time they determine that a contract or lease should be rejected, while still providing affected counterparties and other parties in interest with appropriate notice and an opportunity to object. In my view, those procedures are fair, reasonable, and in the best interests of the Debtors, their estates, and all stakeholders, and they should be approved.

6. The Rejection Motion also identified certain executory contracts and unexpired leases that the Debtors seek to reject as of the Petition Date.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Rejection Motion.

7. These executory contracts and unexpired leases (collectively, the "Initial Contracts") include: (i) the 78 Barnum Road Lease, (ii) the PwC Engagement Letter, and (iii) the PowerTech Hopkinsville MSA[3], each as listed on **Exhibit 1** to the proposed Order attached to the Motion. The Debtors also seek authority to abandon personal property, if any, in connection with rejected contracts and leases as set forth in the Rejection Motion.

8. In addition, I believe it is appropriate for the Court to authorize rejection of the Initial Contracts effective as of the Petition Date. Those agreements continue to drain value from the Debtors' estates each day they remain in place, even though the Debtors do not use or need the premises, equipment, or services contemplated by the Initial Contracts in their current contractual form. Retroactive relief will help prevent additional unnecessary administrative burdens and preserve value for creditors.

9. I have reviewed, along with my team at A&M, the Debtors' management, and the Debtors' other professional advisors, the Initial Contracts.

10. Based on my review, I believe that each of these agreements is burdensome, provides no meaningful value to the Debtors' estates, and is unlikely to benefit a potential purchaser of the Debtors' assets. Continued performance would impose significant administrative and financial burdens at a time when the Debtors must conserve liquidity and focus on stabilizing their business and pursuing a value-maximizing transaction. Each agreement should therefore be rejected as of the Petition Date for the reasons set forth below.

11. I also believe that, to the extent any personal property remains at premises subject to a rejected contract or lease, abandonment should be approved where that property is no longer necessary for the Debtors' continued operations and either is of inconsequential value

[3] For the avoidance of doubt, the PowerTech Hopkinsville MSA relates solely to Ascend's Hopkinsville, Kentucky facility.

or the cost of removing, storing, marketing, or selling it would exceed any likely net recovery. In those circumstances, abandonment is in the best interests of the estates and their creditors.

The 78 Barnum Road Lease

12. On November 1, 2023, Debtor Ascend Elements entered into a non-residential real property lease with 78 Barnum Road LLC for certain premises located at 78 Barnum Road, Devens, Massachusetts. The lease covers approximately 66,064 square feet of space, and requires the Debtor to pay base rent of $110,106.67 per month.

13. With respect to the 78 Barnum Road Lease, the Debtors have never occupied or used the leased premises and have received no value from the lease. The space was leased with the expectation that it could be used as a manufacturing facility for the development of battery materials; however, the 78 Barnum Road landlord failed to satisfy its obligations to deliver the premises in a usable condition. As a result, the Debtors were unable to commence any operations at the site. On February 23, 2024, Ascend delivered a letter terminating the lease effective immediately based on material landlord breaches, including building code violations, ADA non-compliance, and the inability to obtain a certificate of occupancy. When the landlord disputed that termination, Ascend filed a complaint on October 1, 2024 asserting claims arising from the landlord's breaches of the lease and has consistently disputed the lease's validity thereafter.

14. Accordingly, the Debtors seek rejection of the 78 Barnum Road Lease through the Motion only out of an abundance of caution to the extent the 78 Barnum Road Lease is determined not to have been terminated previously, notwithstanding the Debtors' prepetition termination and pending litigation concerning the landlord's breaches.

15. The Debtors have received no value from the lease, and maintaining the 78 Barnum Road Lease would require the Debtors to continue paying substantial monthly rent and related charges, including base rent of $110,106.67 per month, plus taxes and operating

expenses, for premises the Debtors do not use, cannot use, and do not need. Those ongoing obligations would unnecessarily deplete estate assets and diminish recoveries for creditors. Rejection of the 78 Barnum Road Lease therefore reflects a sound exercise of the Debtors' business judgment and will preserve value for the estates.

The PwC Engagement Letter

16. On October 29, 2025, Ascend Elements, Inc. entered into the PwC Engagement Letter pursuant to which PricewaterhouseCoopers Advisory Services LLC agreed to provide finance transformation consulting and managed services for Ascend Elements, Inc.'s accounts payable, accounts receivable, general ledger accounting, financial reporting, and payroll accounting functions. The engagement has an estimated end date of December 1, 2030 and fixed fees totaling $3,185,000, with monthly fees ranging from $89,250 in the first year to approximately $42,917 to $47,417 thereafter, plus expenses.

17. Similar to the 78 Barnum Road Lease, continued performance under the PwC Engagement Letter would impose significant costs on the estates, and the scope of services is not aligned with the Debtors' current operational needs. The Debtors do not require these internal finance and accounting services in their present form because those functions have been appropriately insourced and replaced with lower-cost alternatives, and continuing to fund them at contractual rates would unnecessarily deplete estate resources without supporting the Debtors' ongoing operations or restructuring efforts, including any potential sale process. Rejection of the PwC Engagement Letter therefore reflects a sound exercise of the Debtors' business judgment and will preserve value for the estates.

The PowerTech Hopkinsville MSA

18. On July 11, 2023, Ascend Elements, Inc. entered into the PowerTech Hopkinsville MSA pursuant to which PowerTech Water, Inc. d/b/a ElectraMet agreed to provide cartridge services, ElectraLink remote monitoring services, software licenses, and

technical support. The PowerTech Hopkinsville MSA provides for a 48-month term, a total monthly service fee of $217,000 for the Phase 1 and Phase 2 systems, an incremental monthly service fee of $98,000 for the Phase 2 System and further provides that if refurbished cartridges must be replaced by new cartridges, the incremental monthly service fee increases to $191,000.

19. On February 8, 2024, Ascend Elements, Inc. entered into the PowerTech Hopkinsville Addendum, which revised payment terms so that payments begin at successful FAT, continue under the original MSA for up to six months, and then are recalculated or paused depending on when installation and use of equipment occurs, with the annual lease amount not to exceed $1,428,000 during the 12 months after installation and use of equipment.

20. The PowerTech Hopkinsville MSA likewise imposes significant ongoing obligations on the estates without corresponding value. The services provided under the PowerTech Hopkinsville MSA are no longer needed because there are no ongoing operations at the Hopkinsville facility and the related equipment is not currently in use. Continuing to perform under the PowerTech Hopkinsville MSA would burden the estates with substantial ongoing charges, including the monthly service fees contemplated by the services schedule, without a corresponding benefit to current operations, restructuring efforts, or a potential purchaser. Rejection therefore reflects a sound exercise of the Debtors' business judgment and will preserve value for the estates.

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

Houston, Texas
Dated: May 21, 2026

/s/Adam Titus
Senior Director
Alvarez & Marsal North America, LLC