Docket #0552 Date Filed: 07/08/2026

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)

NOTICE OF FILING EXHIBIT A TO THE COMBINED DISCLOSURE STATEMENT AND JOINT PLAN OF LIQUIDATION FOR ASCEND ELEMENTS, INC., ET AL.

PLEASE TAKE NOTICE THAT on July 8, 2026, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the Combined Disclosure Statement and Joint Plan of Liquidation for Ascend Elements, Inc., *et al.* [Docket No. 550] (the "Combined Disclosure Statement and Plan").

PLEASE TAKE FURTHER NOTICE THAT the Debtors hereby file **Exhibit A** to the Combined Disclosure Statement and Plan. Exhibit A is incorporated into and forms a part of the Combined Disclosure Statement and Plan as if fully set forth therein.

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[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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Dated: July 8, 2026

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

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EXHIBIT A

Liquidation Analysis

EXHIBIT A – LIQUIDATION ANALYSIS

INTRODUCTION

Often referred to as the "best interests of creditors" test, section 1129(a)(7) of the Bankruptcy Code requires that a Bankruptcy Court find, as a condition to confirmation of a chapter 11 plan , that, with respect to each impaired class of claims or interests, each holder of a claim or interest in such class (i) has accepted the plan; or (ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

To conduct this liquidation analysis (this "Liquidation Analysis"), the Debtors and their advisors have taken the following steps:

i) estimated the cash proceeds that a chapter 7 trustee (a "Chapter 7 Trustee") would generate if each Debtor's chapter 11 case was converted to a chapter 7 case on the Effective Date and the assets of such Debtor's Estate were liquidated in accordance with chapter 7 of the Bankruptcy Code (the "Liquidation Proceeds");

ii) determined the distribution that each Holder of a Claim or Interest would receive from the Liquidation Proceeds under the priority scheme set forth in chapter 7 (the "Liquidation Distribution"); and

iii) compared each Holder's Liquidation Distribution to the value such Holder would receive under the Plan if it were confirmed and consummated.

This Liquidation Analysis represents an estimate of Liquidation Distributions and recovery percentages based on a hypothetical chapter 7 liquidation of the Debtors' assets. It is therefore a hypothetical analysis based on certain assumptions discussed herein and in the Disclosure Statement. As such, asset values and Claims discussed herein may differ materially from amounts referred to in the Plan and Disclosure Statement. The Liquidation Analysis should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety, as well as the notes and assumptions set forth below.

The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtors' assets in a chapter 7 case involves the use of estimates and assumptions that, although considered reasonable by the Debtors based on their business judgment and input from their advisors, are subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors, their management, and their advisors. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable, good faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended, and should not be used, for any other purpose.

All of the limitations and risk factors set forth in the Disclosure Statement are applicable to this Liquidation Analysis and are incorporated by reference herein. The underlying financial information supporting the Liquidation Analysis was prepared using policies that are generally

consistent with those applied in historical financial statements but was not compiled or examined by independent accountants and was not prepared to comply with GAAP or SEC reporting requirements.

THE DEBTORS AND THEIR ADVISORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES CONTAINED HEREIN OR A CHAPTER 7 TRUSTEE'S ABILITY TO ACHIEVE THE FORECASTED RESULTS. IN THE EVENT THESE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY FROM THE ESTIMATES SET FORTH IN THIS LIQUIDATION ANALYSIS.

BASIS OF PRESENTATION

This Liquidation Analysis assumes that each of the Debtors' chapter 11 cases is converted to a chapter 7 case on or about August [14], 2026 (the "Conversion Date"). The *pro forma* values referenced herein are projected as of the Conversion Date. The Debtors have assumed that the Conversion Date is a reasonable proxy for the anticipated Effective Date.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based on a review of the Debtors' financial statements and forecasted results of operations and cash flow over the projection period to account for estimated liabilities, as necessary. The cessation of business in a liquidation is likely to trigger certain claims and funding requirements that would otherwise not exist under the Plan absent a liquidation. Such claims could include chapter 7 administrative expense claims, including winddown costs, trustee fees, and additional professional fees for the chapter 7 trustee's professionals ("Chapter 7 Trustee Professional Fees"), among other claims. Some of these claims and funding obligations could be significant and would be entitled to administrative or priority status in payment from liquidation proceeds. The Debtors' estimates of Allowed Claims set forth in the Liquidation Analysis should not be relied on for the purpose of determining the value of any distribution to be made on account of Allowed Claims or Interests under the Plan.

NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE, OR CONSTITUTES, A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN THE LIQUIDATION ANALYSIS. THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THE ANALYSIS SET FORTH HEREIN.

Chapter 7 administrative expense claims that arise in a liquidation scenario would be paid in full from the Liquidation Proceeds prior to proceeds being made available for distribution to Holders of Allowed Claims. Under section 1129(b)(2)(B)(ii) of the Bankruptcy Code, referred to as the "absolute priority rule," with respect to a class of Unsecured Claims, the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property and, with respect to a class of Interests, the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property, unless the claims or interests of such class are paid in

full. The assumed distributions to creditors as reflected in the Liquidation Analysis are estimated in accordance with the absolute priority rule.

This Liquidation Analysis does not include any recoveries or related litigation costs resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions that may be available under the Bankruptcy Code because of the cost of such litigation, the uncertainty of the outcome, and potential disputes regarding these matters. In addition, the Liquidation Analysis assumes all unexpired leases and executory contracts are terminated on the Conversion Date. Rejection damages Claims have been estimated for purposes of this analysis, however, actual Claims could materially differ from estimates. Any additional diminution of value Claims would further reduce Liquidation Distributions on account of Unsecured Claims. Finally, the Liquidation Analysis does not include estimates for the tax consequences that may be triggered upon the liquidation and sale of assets in the manner described above. Such tax consequences could be material.

LIQUIDATION PROCESS

The Debtors' liquidation would be conducted pursuant to chapter 7 of the Bankruptcy Code. The Debtors have assumed that their liquidation would occur over a two-to-four months period during which the Chapter 7 Trustee would efficiently administer and wind down the Estates.

As part of the Chapter 7 Trustee's liquidation process, the initial step would be to develop a liquidation plan designed to generate proceeds from the sale of any remaining assets that it would then distribute to Holders of Claims. This liquidation process would have three major components:

i) Cash proceeds from asset sales ("Gross Distribution Proceeds");

ii) Costs to liquidate the Debtors' assets and administer the Estates under chapter 7 ("Liquidation Adjustments"); and

iii) Remaining proceeds available for distribution to claimants ("Net Distribution Proceeds").

i) Gross Distribution Proceeds

The Gross Distribution Proceeds reflect the proceeds the Chapter 7 Trustee would generate from a hypothetical chapter 7 liquidation. Under section 704 of the Bankruptcy Code, a Chapter 7 Trustee must, among other duties, collect and convert property of the Estates as expeditiously as is compatible with the best interests of parties in interest, which could result in potentially distressed recoveries. This Liquidation Analysis assumes the Chapter 7 Trustee will market the assets on an accelerated timeline and consummate the sale transactions within [one] month from the Conversion Date. Notwithstanding the foregoing, the Liquidation Analysis assumes that the estimated recoveries from the sale of any remaining assets and critical minerals inventory are consistent across both the chapter 11 and chapter 7 scenarios, as the Debtors have received [binding or] near-final bids from prospective purchasers that are expected to be consummated in advance of or concurrent with the Conversion Date. Accordingly, the Debtors do not anticipate that the accelerated timeline, loss of personnel with institutional knowledge, or the generally forced nature of a Chapter 7 liquidation would materially reduce the recoveries from such assets relative to the Chapter 11 scenario.

As set forth in the Combined Disclosure Statement and Plan, the Debtors dispute that AMCON's asserted lien attaches to the sale proceeds generated from the Covington Sale. In the Covington

Sale Order, the Debtors agreed to hold $1.9 million of the sale proceeds in the Covington Proceeds Escrow pending resolution of that dispute in a proceeding in the Bankruptcy Court in advance of the Effective Date. Solely for purposes of this Liquidation Analysis, , the Debtors have assumed that Amcon's asserted lien claims against the Debtors' estates are treated as secured claims in the amount of $1.9 million, with any remaining amounts treated as general unsecured deficiency claims. The treatment reflects a conservative assumption given that the proceedings against Amcon remain ongoing and the ultimate resolution of Amcon's asserted lien claims has not yet been determined. In the event the Debtors prevail in such proceedings, Amcon's claims would be reclassified in their entirety as general unsecured claims, the $1.9 million in the Covington Proceeds Escrow would be released to the Debtors' estates and recovered at 100%. The estimated recoveries for holders of Allowed General Unsecured Claims would be higher than those reflected herein. Proceeds will be available as unrestricted cash for distribution to holders of Allowed Claims in accordance with the priority scheme set forth in the Plan. Nothing contained in this Liquidation Analysis is intended to be, or shall constitute, a concession, admission, or waiver with respect to the validity, priority, or extent of Amcon's asserted lien claims, and the Debtors expressly reserve all rights with respect to the pending proceeding and the treatment of Amcon's claims thereunder.

The Debtors hold intercompany receivables of approximately $9.1 million owed by non-Debtor affiliates as of May 31, 2026. The Liquidation Analysis assumes no recoveries from such intercompany receivables, as the non-Debtor affiliates are assumed to have insufficient assets to satisfy amounts owed to the Debtors after satisfying their own obligations. Additionally, the Debtors currently hold a 50% interest in the Poland joint venture, AE Elemental SP Z.O.O, though Bluegrass Infrastructure Partners Holdings LLC holds an option to acquire such interest for no additional consideration that expires on July 10, 2026. Regardless of whether the option is exercised, it is assumed that no proceeds from such entity would be available for distribution to the Debtors' estates, whether through dividend, equity redemption, or otherwise, and accordingly no recovery has been attributed to the Debtors' interest in AE Elemental SP Z.O.O. in either the chapter 11 or chapter 7 scenario.

ii) The Liquidation Adjustments

The Liquidation Adjustments reflect the costs the Trustee would incur to monetize the Debtors' assets and wind down the Estates in chapter 7 and include Chapter 7 Professional Fees and Chapter 7 Trustee Fees. See below for details.

iii) Net Distribution Proceeds

The Net Distribution Proceeds reflect amounts available to Holders of Claims after the Liquidation Adjustments are netted against the Gross Distribution Proceeds. Under this analysis, the Net Distribution Proceeds are distributed to Holders of Claims against and Interests in the Debtors in accordance with the Bankruptcy Code's priority scheme:

- Unclassified Claims – Claims as a result of (i) 503(b)(9) Claims, (ii) Professional Fee Claims, (iii) Priority Tax Claims, (iv) U.S. Trustee Fees, and (v) Administrative Claims (including post-petition accounts payable and employee obligations) (as defined in the Plan).

- Other Priority Claims – Claims consisting of the Debtors' remaining employee

obligations, including any employee wage, salary, commission, or PTO-related priority claims to the extent not previously paid or otherwise satisfied

- Other Secured Claims - Amcon's asserted lien claim, if any, or any other lien not otherwise satisfied, released, assumed, or resolved in connection with the Sale Orders (as defined in the Plan).
- General Unsecured Claims – Claims including prepetition trade payables, unsecured deficiency claims, as well as contract rejection Claims and other non-priority employee and tax Claims.

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[1] Although the Liquidation Analysis assumes the liquidation process would occur over a two-to-four month period, it is possible the disposition and recovery from certain assets could take shorter or longer to realize.

CONCLUSION

The Debtors have determined, as summarized in the table below that, on the Effective Date, the Plan will provide all Holders of Allowed Claims and Interests with a recovery that is not less than what they would otherwise receive pursuant to a liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code. Accordingly, the Plan satisfies the requirement of section 1129(a)(7) of the Bankruptcy Code.

	Chapter 11 Plan Recoveries			Chapter 7 Liquidation Recoveries		
	Low	Mid	High	Low	Mid	High
Class 1 - Other Priority Claims	100%	100%	100%	78%	89%	100%
Class 2 - Other Secured Claims	100%	100%	100%	78%	89%	100%
Class 3 - General Unsecured Claims	0.0%	0.2%	0.4%	0.0%	0.0%	0.0%
Class 4 - Intercompany Claims	--	--	--	--	--	--
Class 5 - Intercompany Interests	--	--	--	--	--	--
Class 6 - Interests in Ascend Elements	--	--	--	--	--	--

The Liquidation Analysis should be reviewed with the accompanying "Specific Notes to the Liquidation Analysis" set forth on the following pages. The table below reflects the consolidation of all Debtors' and non-Debtors' liquidation analyses.

($ in millions)

	Est. Claims	Recovery - % Chapter 11 Plan Low	Recovery - % Chapter 11 Plan Mid	Recovery - % Chapter 11 Plan High	Ch 11 Recovery ($) Low	Ch 11 Recovery ($) Mid	Ch 11 Recovery ($) High	Recovery - % Chapter 7 Liquidation Low	Recovery - % Chapter 7 Liquidation Mid	Recovery - % Chapter 7 Liquidation High	Ch 7 Recovery ($) Low	Ch 7 Recovery ($) Mid	Ch 7 Recovery ($) High	Notes
Gross Liquidation Proceeds														
Pro Forma Cash Balance at the Conversion Date					$ 15.3	$ 15.3	$ 15.3				$ 15.3	$ 15.3	$ 15.3	[A]
Ordinary Course Sale of Critical Minerals					0.2	0.2	0.2				0.2	0.2	0.2	[B]
Remaining De Minimis Asset Sales					0.2	0.2	0.2				0.2	0.2	0.2	[C]
Amcon Litigation Escrow Release					1.9	1.9	1.9				1.9	1.9	1.9	[D]
Total Liquidation Proceeds					**$ 17.6**	**$ 17.6**	**$ 17.6**				**$ 17.6**	**$ 17.6**	**$ 17.6**	
Chapter 7 Costs														
Less: Ch 7 Trustee Fees					$ -	$ -	$ -				$ (0.5)	$ (0.5)	$ (0.5)	[E]
Less: Ch 7 Professionals					-	-	-				(1.3)	(1.0)	(0.8)	[F]
Less: Other Administrative Costs					-	-	-				(0.2)	(0.2)	(0.2)	[G]
Total Ch 7 Costs					**$ -**	**$ -**	**$ -**				**$ (1.9)**	**$ (1.7)**	**$ (1.4)**	
Wind Down Costs														
Less: GUC Trustee					$ (1.3)	$ (1.0)	$ (0.8)				$ -	$ -	$ -	[H]
Less: Other Wind Down & Overhead Expenses					(0.2)	(0.2)	(0.2)				-	-	-	[I]
Total Wind Down Costs					**$ (1.4)**	**$ (1.2)**	**$ (0.9)**				**$ -**	**$ -**	**$ -**	
Net Estimated Proceeds from Liquidation Available for Distribution					**$ 16.2**	**$ 16.5**	**$ 16.7**				**$ 15.7**	**$ 15.9**	**$ 16.2**	
Illustrative Claims & Recovery														
Unclassified Claims														
503(b)9 Claims	$ 0.0	100.0%	100.0%	100.0%	$ 0.0	$ 0.0	$ 0.0	100.0%	100.0%	100.0%	$ 0.0	$ 0.0	$ 0.0	
Estate Professional Fee Claims	13.5	100.0%	100.0%	100.0%	13.5	13.5	13.5	100.0%	100.0%	100.0%	13.5	13.5	13.5	
Priority Tax Claims	0.1	100.0%	100.0%	100.0%	0.1	0.1	0.1	100.0%	100.0%	100.0%	0.1	0.1	0.1	
U.S. Trustee Fees	0.3	100.0%	100.0%	100.0%	0.3	0.3	0.3	100.0%	100.0%	100.0%	0.3	0.3	0.3	
Other Administrative Claims	0.2	100.0%	100.0%	100.0%	0.2	0.2	0.2	100.0%	100.0%	100.0%	0.2	0.2	0.2	
Total Administrative Claims and Recovery	**$ 14.0**	**100.0%**	**100.0%**	**100.0%**	**$ 14.0**	**$ 14.0**	**$ 14.0**	**100.0%**	**100.0%**	**100.0%**	**$ 14.0**	**$ 14.0**	**$ 14.0**	[1]
Net Proceeds Available after Administrative Claims					**$ 2.2**	**$ 2.4**	**$ 2.7**				**$ 1.7**	**$ 1.9**	**$ 2.2**	
Priority Claims														
Class 1 - Other Priority Claims	0.2	100.0%	100.0%	100.0%	0.2	0.2	0.2	77.7%	89.4%	100.0%	0.2	0.2	0.2	[2]
Class 2 - Other Secured Claims	1.9	100.0%	100.0%	100.0%	1.9	1.9	1.9	77.7%	89.4%	100.0%	1.5	1.7	1.9	[3]
Total Secured Claims and Recovery	**$ 2.1**	**100.0%**	**100.0%**	**100.0%**	**$ 2.1**	**$ 2.1**	**$ 2.1**	**77.7%**	**89.4%**	**100.0%**	**$ 1.7**	**$ 1.9**	**$ 2.1**	
Net Proceeds Available after Secured Claims					**$ 0.1**	**$ 0.3**	**$ 0.6**				**$ -**	**$ -**	**$ 0.0**	
Unsecured Claims														
Class 3 - General Unsecured Claims	149.6	0.0%	0.2%	0.4%	0.1	0.3	0.6	0.0%	0.0%	0.0%	-	-	0.0	[4]
Class 4 - Intercompany Claims	-	--	--	--	-	-	-	--	--	--	-	-	-	[5]
Class 5 - Intercompany Interests	-	--	--	--	-	-	-	--	--	--	-	-	-	[6]
Class 6 - Interests in Ascend Elements	-	--	--	--	-	-	-	--	--	--	-	-	-	[7]
Total General Unsecured Claims and Recovery	**$ 149.6**	**0.0%**	**0.2%**	**0.4%**	**$ 0.1**	**$ 0.3**	**$ 0.6**	**0.0%**	**0.0%**	**0.0%**	**$ -**	**$ -**	**$ 0.0**	
Remaining Distributable Value after Unsecured Claims					**$ -**	**$ -**	**$ -**				**$ -**	**$ -**	**$ -**	

SPECIFIC NOTES TO THE LIQUIDATION ANALYSIS

Gross Distribution Proceeds from External Assets

A. Cash Balance at the Conversion Date

The Debtors' estimated balance of unrestricted cash and cash equivalents as of the Conversion Date is approximately $15.3 million including amounts held in escrow or reserve to cover various administrative claims and expenses.. The cash balance reflected herein consists of all unrestricted cash and restricted cash escrowed in the Professional Fee Escrow Account. Unrestricted cash is considered fully recoverable. Restricted cash in the Professional Fee Escrow Account will be applied solely toward the recovery accrued and unpaid fees and expenses of retained professionals in accordance with terms of the Final Cash Collateral Order and the interim compensation procedures approved by the Court.

In both the chapter 11 and chapter 7 scenarios, the Liquidation Analysis assumes that, as of the Conversion Date or Effective Date, the beneficiaries of the Debtors' outstanding letters of credit draw on such letters of credit and the holders thereof take the associated cash collateral pledged to secure such obligations. The cash collateral securing the letters of credit has been excluded from the cash balance available for distribution and any Claims related to the letters of credit have been removed from the Claims pool.

B. Ordinary Couse Sale of Critical Minerals

The Liquidation Analysis assumes that critical minerals, including black mass, nickel sulfate, and manganese, inventory on hand will be sold through the Debtors' ordinary course commercial channels in both the chapter 11 and chapter 7 scenarios. The estimated recoveries reflect management's good-faith estimates and the latest informal bids received from third-party purchasers.

C. Remaining De Minimis Asset Sales

The Debtors' have assumed that the transactions contemplated by the De Minimis Asset Sale Procedures are consummated after the Conversion Date. The estimated recoveries reflect the sale of machinery and equipment assets that were not sold as part of the 363 sales. Such assets include processing and production equipment, laboratory and analytical testing instrumentation, and other personal property located at the Debtors' Westborough facility. In both the chapter 11 and chapter 7 scenarios, the Debtors assume full recovery of the estimated sale proceeds based on management's good-faith estimates and the latest informal bid received from prospective purchasers.

D. Amcon Litigation Escrow Release

As explained in the Combined Disclosure Statement and Plan, the Debtor's dispute Amcon's lien and have agreed to litigation of the dispute

in a proceeding in the Bankruptcy Court in advance of the Effective Date. Out of an abundance of caution and solely for the purposes of the Liquidation Analysis, the Liquidation Analysis assumes that Amcon's lien attaches to the sale proceeds in the Covington Proceeds Escrow, and the proceeds are released and utilized to satisfy the allowed secured claim.

Liquidation Adjustments

E. Chapter 7 Trustee Fees

Section 326(a) of the Bankruptcy Code provides that Trustee fees are not to exceed 25% on the first $5,000 or less, 10% on any amount in excess of $5,000 but not in excess of $50,000, 5% on any amount in excess of $50,000 but not in excess of $1,000,000, and reasonable compensation not to exceed 3% of such moneys in excess of $1,000,000, upon all moneys disbursed or turned over in the case by the trustee to parties in interest. The Liquidation Analysis assumes the Trustee fees in the amount of 3% of Gross Distribution Proceeds.

F. Chapter 7 Professionals

The post-conversion Chapter 7 Professional Fees include estimates for certain professionals that will provide assistance and services during the wind-down period. The Liquidation Analysis assumes the Trustee will retain lawyers and financial advisors to assist in the liquidation. These advisors will assist in litigating claims and resolving tax litigation matters and resolving other matters relating to the wind-down of the Debtors' Estates. The Liquidation Analysis estimates these professional fees for two months in the low scenario and four months in the high scenario.

G. Other Administrative Costs

The post-conversion Chapter 7 Other Administrative Costs reflect estimated expenses necessary to support the orderly wind-down of the Debtors' estates during the chapter 7 liquidation period following the Conversion Date. These costs include estimated compensation and related expenses for employees and independent contractors, and information technology expenses for the maintenance and wind-down of systems critical to claims administration, financial reporting, and other estate wind-down functions.

H. Chapter 11 Professionals

Estimated fees and expenses of the GUC Trustee and his or her team appointed pursuant to the Plan to oversee the wind-down of the Debtors' remaining estates and administer the distribution of proceeds of holders of Allowed Claims. The GUC Trustee's responsibilities include, but are not limited to, liquidating remaining estate assets, reconciling and resolving outstanding Claims, and preparing and filing final tax returns.

I. Other Wind Down Costs & Overhead Expenses

The amounts in the chapter 11 scenario reflect an estimate of costs to wind-down the Debtors' Estates. These costs consist primarily of general and administrative support functions that would be required to wind-down the Estates in Chapter 11, including personnel, information technology and other costs. These wind down functions are assumed to occur over the entirety of the estimated two-to-four months wind-down period. For those persons that are retained during the liquidation process, the analysis includes estimated salary and benefits.

Net Distribution Proceeds Available for Distribution

Based on the Liquidation Analysis, the Net Distribution Proceeds available for distribution to Holders of Claims and Interests range from approximately $16.2 million to $16.7 million in the chapter 11 scenario and $15.7 million to $16.2 million in the chapter 7 scenario.

Claims sizing is based on a combination of book value of certain liabilities as of March 31, 2026, claims filed in the chapter 11 cases to date and estimates as to various other claims expected to be filed as a result of anticipated contract and lease rejections and other developments in the bankruptcy cases.

Claims

1. Administrative Claims

The Liquidation Analysis assumes approximately:

- $40 thousand in 503(b)(9) Claims.
- $13.8 million in Professional Fee Claims as of the Conversion Date. The estimate of Professional Fee Claims includes accrued and unpaid monthly fees for Professionals through confirmation.
- $0.1 million of Priority Tax Claims related to state and franchise taxes.
- $0.3 million of U.S. Trustee fees.
- $0.2 million of Other Administrative Claims held in connection with accrued and unpaid payroll as of Conversion Date and employee PTO obligations of the Debtors.

2. Class 1 – Other Priority Claims

Class 1 consists of $0.2 million of Allowed Other Priority Claims, and includes non-administrative accrued employee PTO obligations of the Debtors as of the Conversion Date.

3. Class 2 – Other Secured Claims

Class 2 consists of $1.9 million of Secured Claims as of the Conversion Date related to Amcon's lien. As explained in the Combined Disclosure Statement and Plan, the Debtor's dispute Amcon's lien and have agreed to litigation of the dispute in a proceeding in the Bankruptcy Court in advance of the Effective Date. Out of an abundance of caution and solely for the purposes of the Liquidation Analysis, the Liquidation Analysis assumes Amcon's lien attaches to the sale proceeds in the Covington Proceeds Escrow, which results in an allowed claim in the amount escrowed at the Covington sale closing. Remaining amounts of Amcon's lien are treated as general unsecured deficiency claims.

4. Class 3 – General Unsecured Claims

Class 3 consists of $149.6 million of General Unsecured Claims as of the Conversion Date. The main components are $96.9 million of unsecured deficiency claims, $39.8 million of non-priority, prepetition claims held by vendors, $12.6 million of 502(b)(6) lease rejections, and $0.3 million of unsecured employee claims and accrued employee PTO benefit plans.

5. Class 4 – Intercompany Claims

Class 4 consists of all Intercompany Claims. Intercompany Claims consist of approximately $[9.1] million owed by non-Debtor affiliates to the Debtors for prepetition and postposition intercompany activity.

6. Class 5 – Intercompany Interests

Class 5 consists of all Intercompany Interests. Intercompany Interests consist of the Debtors' de minimis equity interests in non-Debtor affiliates.

7. Class 6 – Interests in Ascend Elements

Class 6 consists of all Interests in Ascend Elements.