Docket #0619 Date Filed: 08/07/2026

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)

DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) EXTENDING THE DEBTORS' EXCLUSIVE PERIODS TO FILE AND SOLICIT A PLAN; AND (II) GRANTING RELATED RELIEF

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing.

Represented parties should act through their attorney.

Ascend Elements, Inc. and its affiliated debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") respectfully state as follows in support of this motion (this "Motion"):

Preliminary Statement[2]

1. Just over four months into these cases, the Debtors have made significant progress toward the goals that prompted the filing of these Chapter 11 Cases: preserving enterprise value, conducting an orderly sale process under section 363 of the Bankruptcy Code,

[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 otherwise defined in this Preliminary Statement shall have the meanings ascribed to such terms in the Motion below.

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maximizing recoveries for creditors and other stakeholders, and resolving the substantial liabilities arising from the construction of the Debtors' Apex 1 facility. The Debtors originally commenced these Chapter 11 Cases after experiencing significant liquidity constraints driven by construction delays and cost overruns at Apex 1, operational challenges at Apex 0, declining battery materials prices, and limited access to additional capital. Under these circumstances, the Debtors determined that a court-supervised sale process and orderly wind down represented the best available path to maximize and preserve value for their stakeholders. Since that time, these cases have progressed on an expedited timeline, and the Debtors have substantially completed the monetization of their operating assets and have transitioned to a wind-down of their estates.

2. The Debtors have already filed a *Combined Disclosure Statement and Plan of Liquidation*, which has been conditionally approved by the Court. *See* Docket No. 575. The Debtors anticipate receiving final approval of the Combined Disclosure Statement and confirming the Plan of Liquidation at the hearing scheduled by the Court on August 17, 2026, but out of an abundance of caution file the Motion to preserve exclusivity. In order to ensure that these Chapter 11 Cases are not disrupted at this critical juncture, the Debtors seek an extension of their exclusive periods to file and solicit acceptances of a plan by 91 days. For the reasons set forth herein, the Motion should be approved.

Relief Requested

3. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto (the "Order"): (i) extending by 91 days (a) the period during which the Debtors have the exclusive right to file a chapter 11 plan (the "Exclusive Filing Period") through and including November 6, 2026, and (b) the period during which the Debtors have the exclusive right to solicit a plan (the "Exclusive Solicitation Period" and, together with the Exclusive Filing Period, the "Exclusive Periods") through and including January 5, 2027 without

prejudice to the Debtors' rights to seek further extensions of the Exclusive Periods, and (ii) granting related relief. The Debtors' initial Exclusive Filing Period and Exclusive Solicitation Period are currently set to expire on August 7, 2026, and October 6, 2026, respectively.[3]

Jurisdiction and Venue

4. The United States Bankruptcy Court for the Southern District of Texas (this "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and the Court may enter a final order consistent with Article III of the United States Constitution.

5. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The statutory bases for the relief requested herein are pursuant to section 1121 of title 11 of the United States Code (the "Bankruptcy Code"), rule 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Bankruptcy Rules"), and the Procedures for Complex Cases in the Southern District of Texas.

Background

7. On April 9, 2026 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

8. On April 26, 2026, the United States Trustee for the Southern District of Texas (the "US Trustee") appointed the Official Committee of Unsecured Creditors (the "Committee") pursuant to section 1102 of the Bankruptcy Code [Docket No. 139]. No party has requested the appointment of a trustee or examiner in these Chapter 11 Cases.

[3] Rule K.30 of the Procedures for Complex Cases in the Southern District of Texas provides that "if a motion is filed that complies with these procedures to extend the time to take any action before the expiration of the period prescribed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Local Rules . . . the time for taking the action is automatically extended until the Court rules on the motion." By filing this Motion prior to the expiration of the Exclusive Periods, such deadlines are automatically extended until the Court resolves the Motion.

9. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors' Chapter 11 Cases, is set forth in the *Declaration of Linh Austin in Support of the Debtors' Chapter 11 Petitions and First Day Motions [Docket No. 11]* (the "First Day Declaration"), which is incorporated herein by reference. As described therein and in the Combined Disclosure Statement and Plan, the Debtors commenced these Chapter 11 Cases to preserve enterprise value, stabilize operations, conduct an orderly sale process under section 363 of the Bankruptcy Code, maximize recoveries for creditors and other stakeholders, and resolve the substantial liabilities arising from the construction of the Debtors' Apex 1 facility.

Progress of the Chapter 11 Cases to Date

10. The Debtors filed the Chapter 11 Cases approximately four months ago. Since commencing such cases, these Chapter 11 Cases have progressed on an expedited timeline. In addition to obtaining various forms of "first day" relief that afforded the Debtors a smooth entry into Chapter 11 from an operational standpoint, the Court approved the Debtors' use of cash collateral and entered the Bid Procedures Order [Docket No. 120], establishing a comprehensive marketing and sale process for substantially all of the Debtors' assets. Following an extensive marketing process, the Debtors determined that separate transactions for their Poland and intellectual property assets, the Hopkinsville assets, and the Covington assets represented the highest or otherwise best means of maximizing value for their estates.

11.

12. On May 20, 2026, the Debtors filed their respective Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the "Schedules") [Docket Nos. 356-359].

13. On May 22, 2026, the Court entered the order approving the sale of the Debtors' Polish operations and intellectual property to Bluegrass Infrastructure Partners Holdings, LLC

[Docket No. 393] (the "Poland/IP Sale"). That transaction closed on May 26, 2026 [Docket No. 403]. The transaction consisted of $3.0 million in cash, the assumption of specified liabilities, and a $98 million credit bid of secured note obligations, generating significant value for the estates and preserving the Debtors' intellectual property platform through a going-concern transaction.

14. The Debtors next completed the sale of their Hopkinsville assets following a competitive auction conducted pursuant to the Bid Procedures Order (the "Hopkinsville Sale"). Turner-Kokosing Joint Venture was selected as the successful bidder, the Court approved the transaction on June 5, 2026 [Docket No. 469], and the sale closed on June 11, 2026 [Docket No. 474]. In addition to generating value for the estates, the transaction materially reduced the Debtors' secured indebtedness through a credit bid and the purchaser's agreement to waive an additional $40 million of secured debt, resulting in an aggregate reduction of approximately $50 million of secured claims.

15. Following the closing of those transactions, the Debtors focused on completing the sale of their remaining operating assets. On June 20, 2026, after no competing qualified bids were received, the Debtors designated R3 Lithium, Inc. as the successful bidder for the Covington assets and cancelled the scheduled auction. [Docket No. 487]. On June 30, 2026, the Court entered the order approving the sale of the Covington assets to R3 Lithium, Inc. [Docket No. 534] (the "Covington Sale"). The transaction consisted of approximately $3 million in cash, the assumption of specified liabilities, and payment of the purchaser's allocated portion of cure costs.

16. On June 23, 2026, the Court entered an order [Docket No. 497] (the "Bar Date Order") which established July 18, 2026 as the deadline for non-governmental creditors to file proofs of claim for claims arising before the Petition Date. The deadline for governmental creditors to file claims is October 6, 2026.

17. At the same time, the Debtors continued their wind-down efforts, and the Court entered the *De Minimis Asset Procedures Order* on June 30, 2026 [Docket No. 532], authorizing the Debtors to implement streamlined procedures to sell, transfer, or abandon residual assets that were excluded from the principal sale transactions and that continued to impose storage, maintenance, insurance, and other carrying costs on the estates. The Debtors filed notice of a sale of such residual assets on July 22, 2026. [Docket No. 590] (the "De Minimis Sale").

18. On June 18, 2026, the Debtors filed a motion [Docket No. 484] seeking approval, pursuant to Bankruptcy Rule 9019, of a settlement agreement with the United States of America, acting through the Department of Justice on behalf of the Department of Energy (the "DOE Settlement"). The DOE Settlement resolved the United States' potential civil claims arising from certain reimbursement requests submitted under a federal grant agreement for a settlement payment of $7,497,555.65, to be satisfied entirely through the United States' exercise of setoff or recoupment rights, requiring no cash payment from the Debtors' estates. The DOE Settlement eliminated a potential liability of $15,948,453 and removed a significant source of uncertainty from the Debtors' wind-down.

19. On July 8, 2026, the Debtors filed their proposed *Combined Disclosure Statement and Joint Plan of Liquidation for Ascend Elements, Inc., et al*. [Docket No. 551] (the "Combined Disclosure Statement and Plan"). The Debtors filed an amended Combined Disclosure Statement and Plan on July 14, 2026. [Docket No. 570]. After notice and hearing, the Court entered an order conditionally approving the adequacy of the disclosure statement, approving the solicitation and notice procedures, approving the form of ballot and notices, approving a timeline for solicitation and confirmation of a plan, and setting a combined hearing for combined final approval of the disclosure statement and confirmation of the plan for August 17, 2026. [Docket No. 575].

20. The Debtors have substantially completed the monetization of their operating assets and have transitioned from operating their businesses to a wind-down of their estates. The remaining tasks primarily consist of disposing of remaining assets, resolving claims and executory contract issues, reconciling administrative and priority claims, and implementing the proposed General Unsecured Claims Trust. Accordingly, the Debtors have reached the stage of these chapter 11 cases where confirmation of the already-filed Combined Disclosure Statement and Plan represents the most efficient path to conclude the administration of their estates, distribute remaining value to creditors, and complete the wind-down process. The Debtors wish to avoid any risk of further litigation or delay in completing the wind-down of their estates, and therefore file the instant Motion.

Basis for Relief

21. Against the backdrop of this significant progress and out of an abundance of caution to prevent any unnecessary litigation or disruptive filings that may interfere with the orderly and efficient resolution of these Chapter 11 Cases, the Debtors now seek to extend the Exclusive Periods.

22. The Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to file a chapter 11 plan. 11 U.S.C. § 1121(b). The Bankruptcy Code further provides that if a debtor files a plan within that 120-day period, it has a 180-day period from its petition date to solicit acceptance of its plan. 11 U.S.C. § 1121(c)(3). This time of exclusivity affords a debtor an opportunity to propose a chapter 11 plan and solicit acceptances thereof without the potential value deterioration and disruption to business operations that would ensue from the filing and solicitation of competing plans by non-debtor parties.

23. Under section 1121(d)(1) of the Bankruptcy Code, the Court may extend the Exclusive Periods "for cause." Although the Bankruptcy Code does not define the term

"cause" for purposes of section 1121(d), or establish formal criteria for an extension of the Exclusive Periods, the legislative history indicates that "cause" should be interpreted in such a way "to allow the debtor to reach an agreement." H.R. Rep. No. 95-595, at 231-32 (1978), as reprinted in 1978 U.S.C.C.A.N. 5963, 6191. Bankruptcy courts are accorded broad discretion in determining whether an extension of exclusivity is likely to promote the orderly, consensual, and successful reorganization of a debtor's affairs and, therefore, cause for such extension exists. *See, e.g.*, *In re Timbers of Inwood Forest Assocs., Ltd.*, 808 F.2d 363, 372 (5th Cir. 1987) ("cause" under section 1121 should be viewed in the context of the Bankruptcy Code's goal of fostering reorganization); *In re Mirant Corp.*, 2004 WL 2250986, at *2 (N.D. Tex. Sept. 30, 2004) (extension is often granted where the "debtor has shown substantial progress toward reorganization"); *see also In re Burns & Roe Enters., Inc.*, 2005 WL 6289213, at *4 (D.N.J. Nov. 2, 2005) (noting that the exclusive periods under section 1121 of the Bankruptcy Code are intended "to promote an environment in which the debtor's business may be rehabilitated and a consensual plan may be negotiated" (quoting H.R. Rep. No. 103-835, at 36 (1994), as reprinted in 1994 U.S.C.C.A.N. 3340, 3344)).

24. Courts may consider a variety of factors in determining whether "cause" exists to extend a debtor's exclusive period for filing a plan, including:

a) the size and complexity of the case;

b) the need for sufficient time to permit the debtor to negotiate a plan of reorganization and prepare adequate information;

c) whether the debtor has made progress in negotiations with its creditors;

d) the existence of good-faith progress toward reorganization;

e) whether the debtor is seeking to extend exclusivity to pressure creditors to accede to the debtor's reorganization demands;

f) whether the debtor has demonstrated reasonable prospects for filing a viable plan;

g) the fact that the debtor is paying its bills as they become due;

h) the amount of time which has elapsed in the case; and/or

i) whether an unresolved contingency exists.

See, e.g., *In re New Millennium Mgmt., LLC*, 2014 WL 792115, at *6 (Bankr. S.D. Tex. Feb. 25, 2014) (listing factors relevant to whether "cause" exists to extend exclusivity periods) (citing *In re GMG Cap. Partners III, L.P.*, 503 B.R. 596 (Bankr. S.D.N.Y. 2014)).

25. Not all factors are relevant to every case, and the presence of only a subset of the above-listed factors may be sufficient to extend a debtor's exclusivity periods. *See, e.g.*, *In re Express One Int'l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (listing all nine factors but relying on only four in determining whether there was "cause" to extend exclusivity); *In re United Press Int'l, Inc.*, 60 B.R. 265, 269 (Bankr. D.D.C. 1986) (finding that the debtor showed "cause" to extend exclusivity based upon three of the factors); *In re Pine Run Trust, Inc.*, 67 B.R. 432, 435 (Bankr. E.D. Pa. 1986) (relying on two factors in holding that cause existed to extend exclusivity). The application of these factors to the facts and circumstances of the Chapter 11 Cases demonstrates that the requested extension of the Exclusive Periods is both appropriate and necessary.

26. *First*, the size and complexity of the Debtors' business and industry, which requires Debtors to navigate complex issues in these Chapter 11 Cases warrants approval of the requested relief. The Debtors owned and operated a lithium battery-recycling company with multiple facilities across the country that had raised approximately $650 million in equity and debt capital and obtained commitments for approximately $480 million in DOE funding, creating a large and complex capital structure. The cases have involved numerous first and second day motions, employment of a broad slate of professionals, the effectuation of the Poland/IP Sale, Hopkinsville Sale, Covington Sale, and De Minimis Sale, and the administration of assets and claims for each of the Debtors.

27. *Second*, termination of the Exclusive Periods at the statutory dates would adversely impact the Debtors' efforts to preserve and maximize the value of their estates and advance these Chapter 11 Cases. The Debtors have already filed the Combined Disclosure Statement and Plan, and anticipate proceeding to the confirmation hearing in just over one week. The Debtors undertook substantive work to prepare a confirmable plan and disclosure statement. After careful consideration and consultation with the Committee, the Debtors determined that a joint plan of liquidation represented the most efficient and cost-effective means to conclude these Chapter 11 Cases and maximize recoveries for unsecured creditors.

28. Between these recent developments and the fact that less than four months have passed since the Petition Date, the Debtors posit that the Combined Disclosure Statement and Plan represent the best path forward for all parties, especially considering the severely limited liquidity of the Debtors. If exclusivity were terminated, the Debtors could face the prospect of competing plans, which would introduce uncertainty and potentially delay the progress made toward a value-maximizing resolution. Granting the requested extensions will allow the Debtors to move toward plan confirmation without the distraction, cost, and delay of a competing plan process. *See In re Energy Conversion Devices, Inc.*, 474 B.R. 503, 507 (Bankr. E.D. Mich. 2012) ("In enacting 11 U.S.C. § 1121, Congress intended to allow the debtor a reasonable time to obtain confirmation of a plan without the threat of a competing plan. It was intended that . . . a debtor should be given the unqualified opportunity to negotiate a settlement and propose a plan of reorganization without interference from creditors and other interests.") (citation and internal quotation marks omitted).

29. *Third*, notwithstanding the short duration of these cases, the Debtors have made substantial progress to date. As discussed above, the Debtors have (i) secured critical first and second day relief, (ii) retained a variety of necessary professionals to successfully and efficiently administer the Debtors' estates, as well as obtained Court approval of related

compensation procedures, (iii) drafted and filed the Schedules, (iv) obtained Court approval of both the Bid Procedures and four separate sales of the Debtors' assets, (v) established bar dates for the filing of proofs of claim and the approval of procedures for the filing of omnibus claims objections, (vi) established assumption and rejection procedures for the Debtors' executory contracts, (vii) designed and effectuated the strategy for the implementation of the sale transactions and the wind-down of the Debtors' estates through ongoing negotiations with key parties in interest, and (viii) filed the Combined Disclosure Statement and Plan and obtained conditional Court approval. The Debtors' advancement of their restructuring efforts demonstrates meaningful progress toward a successful reorganization and satisfaction of the third and fourth factors.

30. *Fourth*, the Debtors do not seek the extension of the Exclusive Periods as a means to exert pressure on the relevant parties in interest. Instead, the extension will allow the Debtors to continue making progress with key stakeholders on the Combined Disclosure Statement and Plan. The Debtors seek the requested extension of the Exclusive Periods out of an abundance of caution to ensure the progress made to date is not upended by a potential loss of their Exclusive Periods. In the context of these Chapter 11 Cases, granting the requested extensions of the Exclusive Periods will not pressure the Debtors' creditor constituencies or grant the Debtors any unfair bargaining leverage. Accordingly, the fifth factor weighs in favor of extending the Exclusive Periods.

31. *Finally*, the Debtors continue to make timely payments on their undisputed postpetition obligations. Accordingly, the seventh factor weighs in favor of extending the Exclusive Periods. For each and all of the foregoing reasons, good cause exists to extend the Exclusive Periods pursuant to section 1121(d) of the Bankruptcy Code.

Notice

32. Notice of this Motion will be given to the parties on the Debtors' Master Service List and all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

33. A copy of this Motion is available on (a) the Court's website, at www.txs.uscourts.gov, and (b) the website maintained by the Debtors' Claims and Noticing Agent, Stretto, Inc., at https://www.veritaglobal.net/ascend.

WHEREFORE, the Debtors respectfully request that the Court enter the Order, granting the relief requested in this Motion and such other and further relief as may be just and proper.

Dated: August 7, 2026

Respectfully submitted,

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Counsel to the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on August 7, 2026, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Ryan Manns
Ryan Manns

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)

ORDER (I) EXTENDING THE DEBTORS' EXCLUSIVE PERIODS TO FILE AND SOLICIT A PLAN; AND (II) GRANTING RELATED RELIEF
[Relates to Docket No. ___]

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (the "Debtors") for entry of an order (this "Order") (i) extending by 91 days (a) the period during which the Debtors have the exclusive right to file a chapter 11 plan (the "Exclusive Filing Period") through and including November 6, 2026, and (b) the period during which the Debtors have the exclusive right to solicit a plan (the "Exclusive Solicitation Period" and, together with the Exclusive Filing Period, the "Exclusive Periods") through and including January 5, 2027, without prejudice to the Debtors' rights to seek further extensions of the Exclusive Periods, and (ii) granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that

[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 herein have the meanings given to them in the Motion.

venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and the Court having found that the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no other or further notice is necessary; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion and the hearing, if any, with respect to the Motion establish just cause for the relief granted herein; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Debtors' Exclusive Filing Period is extended through and including November 6, 2026.

3. The Debtors' Exclusive Solicitation Period is extended through and including January 5, 2027.

4. The extension of the Exclusive Periods granted herein is without prejudice to the Debtors' right to seek further extensions pursuant to section 1121(d) of the Bankruptcy Code.

5. All time periods set forth in the Motion or this Order shall be calculated in accordance with Rule 9006(a) of the Federal Rules of Bankruptcy Procedure.

6. Notice of the Motion as provided therein is good and sufficient notice of such Motion, and the requirements of the Bankruptcy Rules and the Local Bankruptcy Rules are satisfied by such notice.

7. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

8. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.