UNITED STATES BANKRUPTCY COURT

Southern DISTRICT OF Texas

Houston Division

In Re. Ascend Elements, Inc. §
§
§
Debtor(s) §

Case No. 26-90440

Lead Case No. 26-90440

☒ Jointly Administered

# Monthly Operating Report

Chapter 11

Reporting Period Ended: 07/31/2026

Petition Date: 04/09/2026

Months Pending: 4

Industry Classification: 3 3 5 9

Reporting Method: Accrual Basis ◉ Cash Basis ○

Debtor's Full-Time Employees (current): 9

Debtor's Full-Time Employees (as of date of order for relief): 102

**Supporting Documentation** (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Ryan E. Manns
Signature of Responsible Party

Ryan E. Manns
Printed Name of Responsible Party

08/24/2026
Date

1550 Lamar Street, Suite 2000, Houston TX 77010
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefo
1320.4(a)(2) applies.

2690440260827000000000001

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

| Part 1: Cash Receipts and Disbursements | | Current Month | Cumulative |
|---|---|---|---|
| a. | Cash balance beginning of month | $14,227,285 | |
| b. | Total receipts (net of transfers between accounts) | $3,132,629 | $26,277,308 |
| c. | Total disbursements (net of transfers between accounts) | $7,568,556 | $34,794,516 |
| d. | Cash balance end of month (a+b-c) | $9,791,358 | |
| e. | Disbursements made by third party for the benefit of the estate | $0 | $0 |
| f. | Total disbursements for quarterly fee calculation (c+e) | $7,568,556 | $34,794,516 |

| Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.) | | Current Month |
|---|---|---|
| a. | Accounts receivable (total net of allowance) | $533,553 |
| b. | Accounts receivable over 90 days outstanding (net of allowance) | $254,398 |
| c. | Inventory (Book ◉ Market ○ Other ○ (attach explanation)) | $0 |
| d | Total current assets | $11,562,136 |
| e. | Total assets | $24,172,464 |
| f. | Postpetition payables (excluding taxes) | $5,319,579 |
| g. | Postpetition payables past due (excluding taxes) | $401,250 |
| h. | Postpetition taxes payable | $2,930 |
| i. | Postpetition taxes past due | $0 |
| j. | Total postpetition debt (f+h) | $5,322,508 |
| k. | Prepetition secured debt | $0 |
| l. | Prepetition priority debt | $219,007 |
| m. | Prepetition unsecured debt | $368,528,256 |
| n. | Total liabilities (debt) (j+k+l+m) | $374,069,771 |
| o. | Ending equity/net worth (e-n) | $-349,897,307 |

| Part 3: Assets Sold or Transferred | | Current Month | Cumulative |
|---|---|---|---|
| a. | Total cash sales price for assets sold/transferred outside the ordinary course of business | $3,000,000 | $21,000,000 |
| b. | Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business | $0 | $0 |
| c. | Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b) | $3,000,000 | $21,000,000 |

| Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.) | | Current Month | Cumulative |
|---|---|---|---|
| a. | Gross income/sales (net of returns and allowances) | $-93,342 | |
| b. | Cost of goods sold (inclusive of depreciation, if applicable) | $281,134 | |
| c. | Gross profit (a-b) | $-374,476 | |
| d. | Selling expenses | $0 | |
| e. | General and administrative expenses | $2,208,149 | |
| f. | Other expenses | $-2,594,641 | |
| g. | Depreciation and/or amortization (not included in 4b) | $0 | |
| h. | Interest | $0 | |
| i. | Taxes (local, state, and federal) | $0 | |
| j. | Reorganization items | $-57,706,638 | |
| k. | Profit (loss) | $57,718,653 | $-704,043,005 |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

**Part 5: Professional Fees and Expenses**

| | | | | Approved Current Month | Approved Cumulative | Paid Current Month | Paid Cumulative |
|---|---|---|---|---|---|---|---|
| a. | Debtor's professional fees & expenses (bankruptcy) *Aggregate Total* | | | $3,019,927 | $5,367,500 | $3,175,024 | $5,221,415 |
| | *Itemized Breakdown by Firm* | | | | | | |
| | | Firm Name | Role | | | | |
| | i | Alvarez and Marsal | Financial Professional | $2,241,942 | $2,241,942 | $2,241,942 | $2,241,942 |
| | ii | Jefferies Financial Group Inc. | Financial Professional | $60,000 | $300,000 | $60,000 | $300,000 |
| | iii | Norton Rose Fulbright US LLP | Lead Counsel | $581,143 | $2,304,904 | $581,143 | $2,304,904 |
| | iv | Verita Global | Other | $136,841 | $520,653 | $291,939 | $374,568 |
| | v | | | | | | |
| | vi | | | | | | |
| | vii | | | | | | |
| | viii | | | | | | |
| | ix | | | | | | |
| | x | | | | | | |
| | xi | | | | | | |
| | xii | | | | | | |
| | xiii | | | | | | |
| | xiv | | | | | | |
| | xv | | | | | | |
| | xvi | | | | | | |
| | xvii | | | | | | |
| | xviii | | | | | | |
| | xix | | | | | | |
| | xx | | | | | | |
| | xxi | | | | | | |
| | xxii | | | | | | |
| | xxiii | | | | | | |
| | xxiv | | | | | | |
| | xxv | | | | | | |
| | xxvi | | | | | | |
| | xxvii | | | | | | |
| | xxviii | | | | | | |
| | xxix | | | | | | |
| | xxx | | | | | | |
| | xxxi | | | | | | |
| | xxxii | | | | | | |
| | xxxiii | | | | | | |
| | xxxiv | | | | | | |
| | xxxv | | | | | | |
| | xxxvi | | | | | | |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | xxxvii | | | | | | |
| | xxxvii | | | | | | |
| | xxxix | | | | | | |
| | xl | | | | | | |
| | xli | | | | | | |
| | xlii | | | | | | |
| | xliii | | | | | | |
| | xliv | | | | | | |
| | xlv | | | | | | |
| | xlvi | | | | | | |
| | xlvii | | | | | | |
| | xlviii | | | | | | |
| | xlix | | | | | | |
| | l | | | | | | |
| | li | | | | | | |
| | lii | | | | | | |
| | liii | | | | | | |
| | liv | | | | | | |
| | lv | | | | | | |
| | lvi | | | | | | |
| | lvii | | | | | | |
| | lviii | | | | | | |
| | lix | | | | | | |
| | lx | | | | | | |
| | lxi | | | | | | |
| | lxii | | | | | | |
| | lxiii | | | | | | |
| | lxiv | | | | | | |
| | lxv | | | | | | |
| | lxvi | | | | | | |
| | lxvii | | | | | | |
| | lxviii | | | | | | |
| | lxix | | | | | | |
| | lxx | | | | | | |
| | lxxi | | | | | | |
| | lxxii | | | | | | |
| | lxxiii | | | | | | |
| | lxxiv | | | | | | |
| | lxxv | | | | | | |
| | lxxvi | | | | | | |
| | lxxvii | | | | | | |
| | lxxviii | | | | | | |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | lxxix | | | | | | |
| | lxxx | | | | | | |
| | lxxxi | | | | | | |
| | lxxxii | | | | | | |
| | lxxxiii | | | | | | |
| | lxxxiv | | | | | | |
| | lxxxv | | | | | | |
| | lxxxvi | | | | | | |
| | lxxxvi | | | | | | |
| | lxxxvi | | | | | | |
| | lxxxix | | | | | | |
| | xc | | | | | | |
| | xci | | | | | | |
| | xcii | | | | | | |
| | xciii | | | | | | |
| | xciv | | | | | | |
| | xcv | | | | | | |
| | xcvi | | | | | | |
| | xcvii | | | | | | |
| | xcviii | | | | | | |
| | xcix | | | | | | |
| | c | | | | | | |
| | ci | | | | | | |

| | | | | Approved Current Month | Approved Cumulative | Paid Current Month | Paid Cumulative |
|---|---|---|---|---|---|---|---|
| b. | Debtor's professional fees & expenses (nonbankruptcy) *Aggregate Total* | | | $2,232 | $4,880 | $2,232 | $4,880 |
| | *Itemized Breakdown by Firm* | | | | | | |
| | | Firm Name | Role | | | | |
| | i | Davis, Malm, & D'Agostine, PC | Other | $2,232 | $4,880 | $2,232 | $4,880 |
| | ii | | | | | | |
| | iii | | | | | | |
| | iv | | | | | | |
| | v | | | | | | |
| | vi | | | | | | |
| | vii | | | | | | |
| | viii | | | | | | |
| | ix | | | | | | |
| | x | | | | | | |
| | xi | | | | | | |
| | xii | | | | | | |
| | xiii | | | | | | |
| | xiv | | | | | | |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | xv | | | | | | |
| | xvi | | | | | | |
| | xvii | | | | | | |
| | xviii | | | | | | |
| | xix | | | | | | |
| | xx | | | | | | |
| | xxi | | | | | | |
| | xxii | | | | | | |
| | xxiii | | | | | | |
| | xxiv | | | | | | |
| | xxv | | | | | | |
| | xxvi | | | | | | |
| | xxvii | | | | | | |
| | xxviii | | | | | | |
| | xxix | | | | | | |
| | xxx | | | | | | |
| | xxxi | | | | | | |
| | xxxii | | | | | | |
| | xxxiii | | | | | | |
| | xxxiv | | | | | | |
| | xxxv | | | | | | |
| | xxxvi | | | | | | |
| | xxxvii | | | | | | |
| | xxxvii | | | | | | |
| | xxxix | | | | | | |
| | xl | | | | | | |
| | xli | | | | | | |
| | xlii | | | | | | |
| | xliii | | | | | | |
| | xliv | | | | | | |
| | xlv | | | | | | |
| | xlvi | | | | | | |
| | xlvii | | | | | | |
| | xlviii | | | | | | |
| | xlix | | | | | | |
| | l | | | | | | |
| | li | | | | | | |
| | lii | | | | | | |
| | liii | | | | | | |
| | liv | | | | | | |
| | lv | | | | | | |
| | lvi | | | | | | |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | lvii | | | | | | |
| | lviii | | | | | | |
| | lix | | | | | | |
| | lx | | | | | | |
| | lxi | | | | | | |
| | lxii | | | | | | |
| | lxiii | | | | | | |
| | lxiv | | | | | | |
| | lxv | | | | | | |
| | lxvi | | | | | | |
| | lxvii | | | | | | |
| | lxviii | | | | | | |
| | lxix | | | | | | |
| | lxx | | | | | | |
| | lxxi | | | | | | |
| | lxxii | | | | | | |
| | lxxiii | | | | | | |
| | lxxiv | | | | | | |
| | lxxv | | | | | | |
| | lxxvi | | | | | | |
| | lxxvii | | | | | | |
| | lxxviii | | | | | | |
| | lxxix | | | | | | |
| | lxxx | | | | | | |
| | lxxxi | | | | | | |
| | lxxxii | | | | | | |
| | lxxxiii | | | | | | |
| | lxxxiv | | | | | | |
| | lxxxv | | | | | | |
| | lxxxvi | | | | | | |
| | lxxxvi | | | | | | |
| | lxxxvi | | | | | | |
| | lxxxix | | | | | | |
| | xc | | | | | | |
| | xci | | | | | | |
| | xcii | | | | | | |
| | xciii | | | | | | |
| | xciv | | | | | | |
| | xcv | | | | | | |
| | xcvi | | | | | | |
| | xcvii | | | | | | |
| | xcviii | | | | | | |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | xcix | | | | | | |
| | c | | | | | | |
| c. | All professional fees and expenses (debtor & committees) | | | $0 | $0 | $0 | $0 |

| Part 6: Postpetition Taxes | | Current Month | Cumulative |
|---|---|---|---|
| a. | Postpetition income taxes accrued (local, state, and federal) | $0 | $0 |
| b. | Postpetition income taxes paid (local, state, and federal) | $0 | $0 |
| c. | Postpetition employer payroll taxes accrued | $2,930 | $2,930 |
| d. | Postpetition employer payroll taxes paid | $110,441 | $867,987 |
| e. | Postpetition property taxes paid | $0 | $4,987 |
| f. | Postpetition other taxes accrued (local, state, and federal) | $0 | $0 |
| g. | Postpetition other taxes paid (local, state, and federal) | $0 | $0 |

**Part 7: Questionnaire - During this reporting period:**

| | | | |
|---|---|---|---|
| a. | Were any payments made on prepetition debt? (if yes, see Instructions) | Yes ◉ | No ○ |
| b. | Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) | Yes ○ | No ◉ |
| c. | Were any payments made to or on behalf of insiders? | Yes ◉ | No ○ |
| d. | Are you current on postpetition tax return filings? | Yes ◉ | No ○ |
| e. | Are you current on postpetition estimated tax payments? | Yes ◉ | No ○ |
| f. | Were all trust fund taxes remitted on a current basis? | Yes ◉ | No ○ |
| g. | Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) | Yes ○ | No ◉ |
| h. | Were all payments made to or on behalf of professionals approved by the court? | Yes ◉ | No ○ N/A ○ |
| i. | Do you have: Worker's compensation insurance? | Yes ◉ | No ○ |
| | If yes, are your premiums current? | Yes ◉ | No ○ N/A ○ (if no, see Instructions) |
| | Casualty/property insurance? | Yes ◉ | No ○ |
| | If yes, are your premiums current? | Yes ◉ | No ○ N/A ○ (if no, see Instructions) |
| | General liability insurance? | Yes ◉ | No ○ |
| | If yes, are your premiums current? | Yes ◉ | No ○ N/A ○ (if no, see Instructions) |
| j. | Has a plan of reorganization been filed with the court? | Yes ◉ | No ○ |
| k. | Has a disclosure statement been filed with the court? | Yes ◉ | No ○ |
| l. | Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? | Yes ◉ | No ○ |

Debtor's Name Ascend Elements, Inc. Case No. 26-90440

**Part 8: Individual Chapter 11 Debtors (Only)**

| | | |
|---|---|---|
| a. | Gross income (receipts) from salary and wages | $0 |
| b. | Gross income (receipts) from self-employment | $0 |
| c. | Gross income from all other sources | $0 |
| d. | Total income in the reporting period (a+b+c) | $0 |
| e. | Payroll deductions | $0 |
| f. | Self-employment related expenses | $0 |
| g. | Living expenses | $0 |
| h. | All other expenses | $0 |
| i. | Total expenses in the reporting period (e+f+g+h) | $0 |
| j. | Difference between total income and total expenses (d-i) | $0 |
| k. | List the total amount of all postpetition debts that are past due | $0 |
| l. | Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? | Yes ○ No ◉ |
| m. | If yes, have you made all Domestic Support Obligation payments? | Yes ○ No ○ N/A ◉ |

**Privacy Act Statement**

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

**I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.**

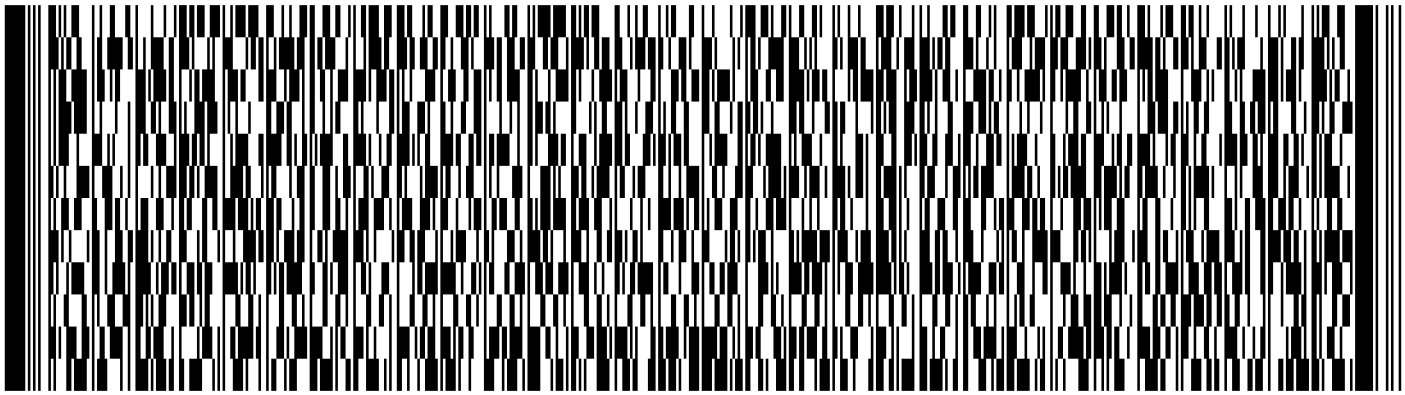
/s/ Adam Titus
Signature of Responsible Party

Adam Titus
Printed Name of Responsible Party

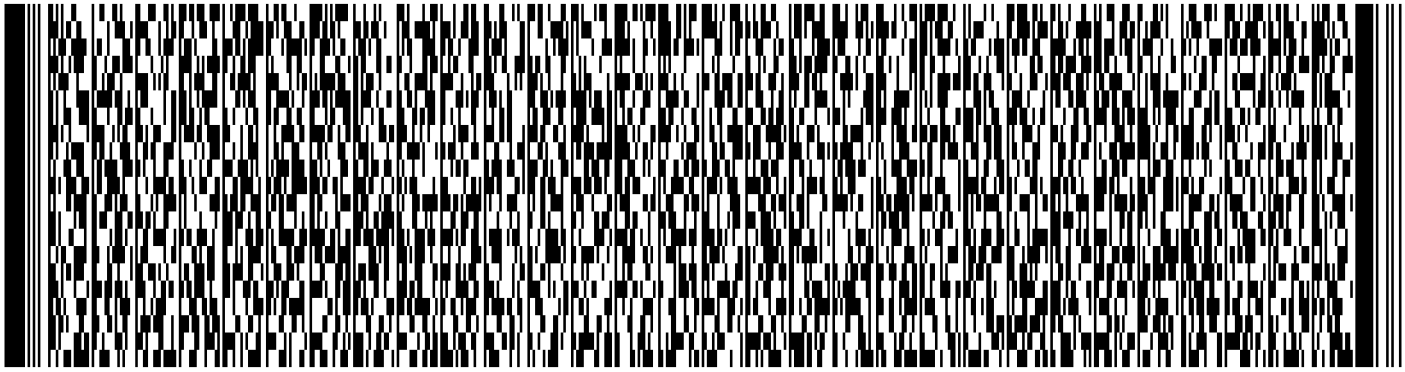
Chief Restructuring Officer
Title

08/24/2026
Date

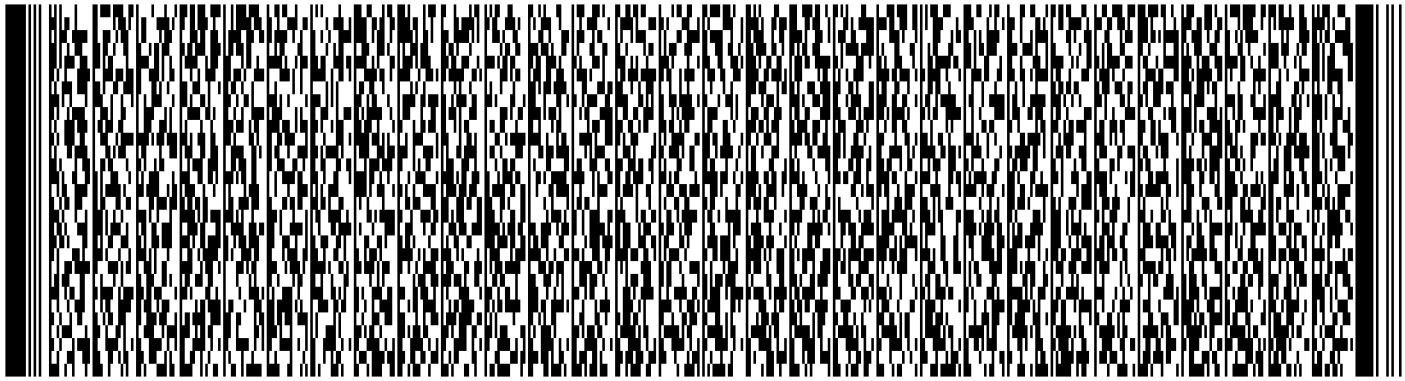
Debtor's Name Ascend Elements, Inc. Case No. 26-90440



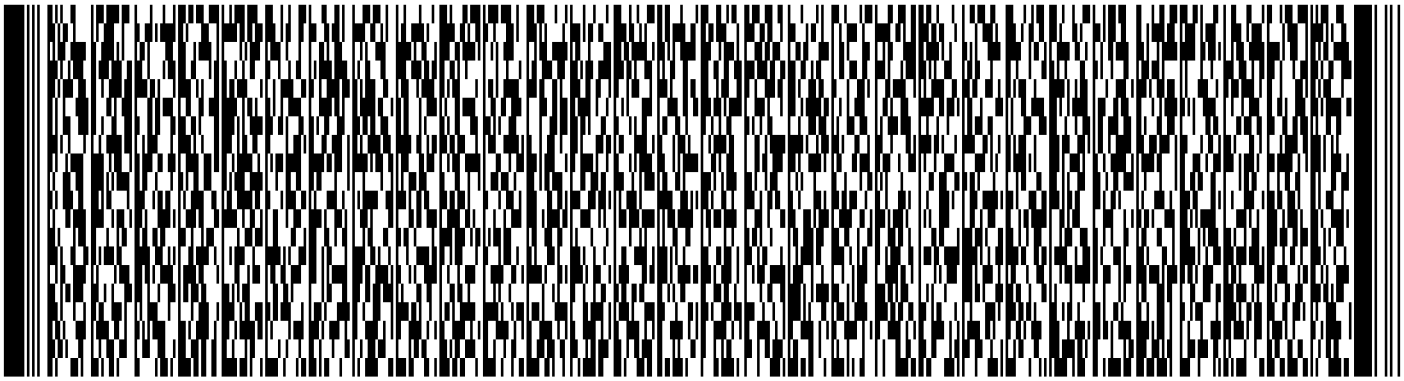
PageOnePartOne



PageOnePartTwo

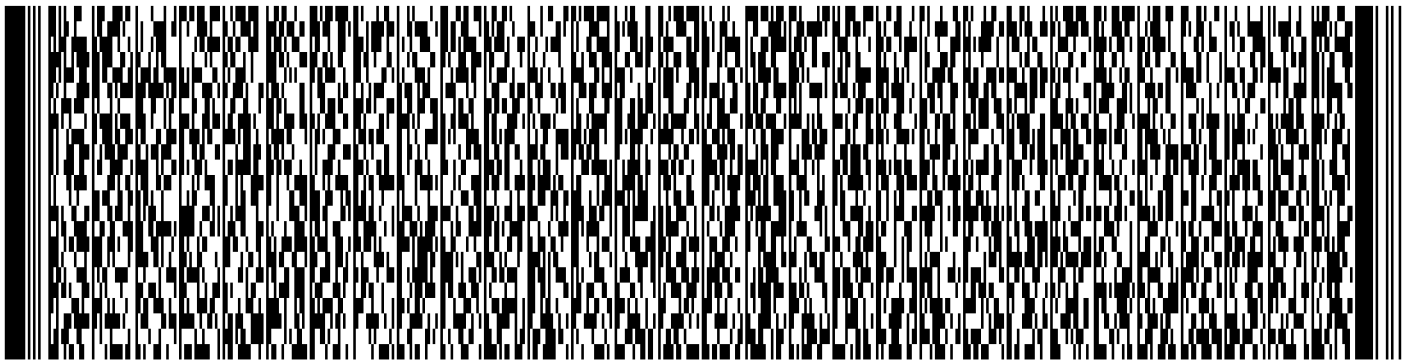


PageTwoPartOne

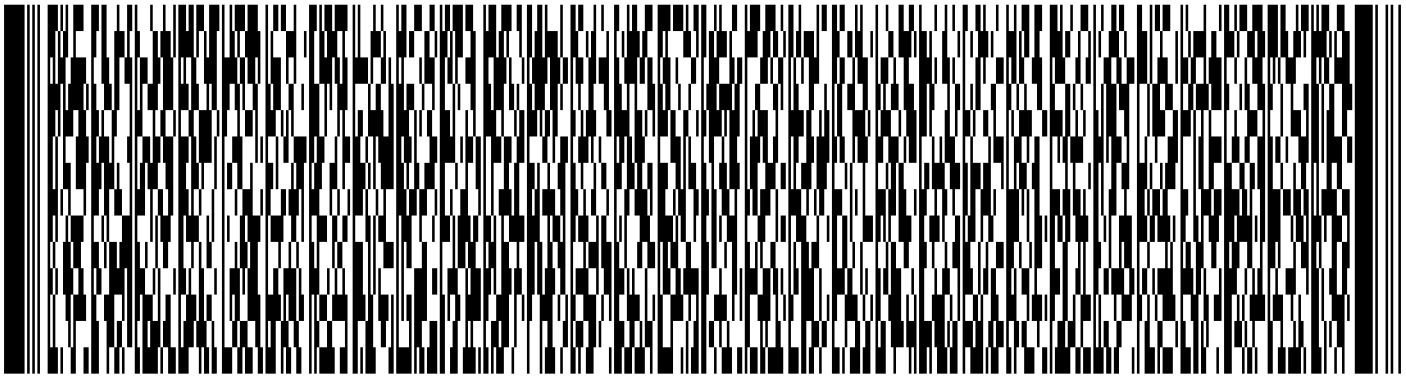


PageTwoPartTwo

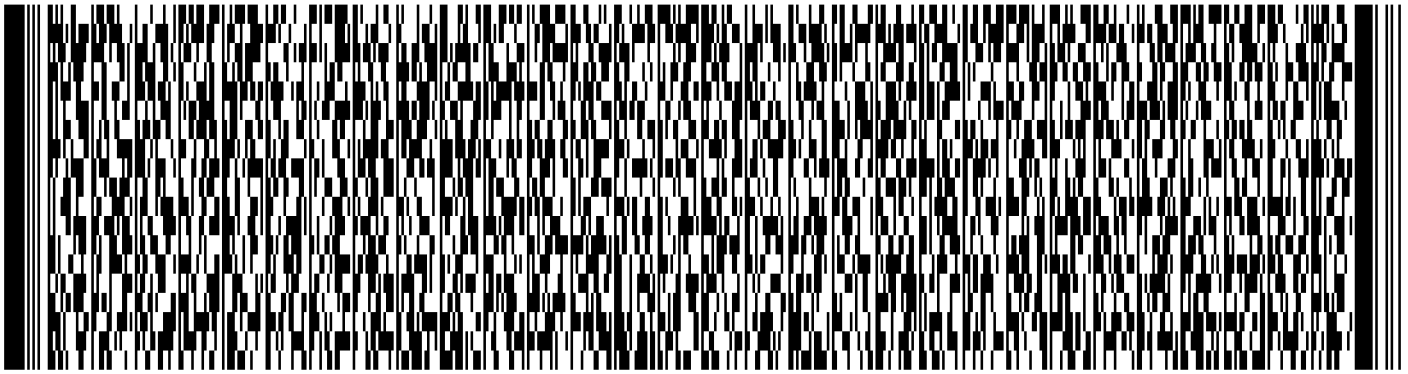
Debtor's Name Ascend Elements, Inc. Case No. 26-90440



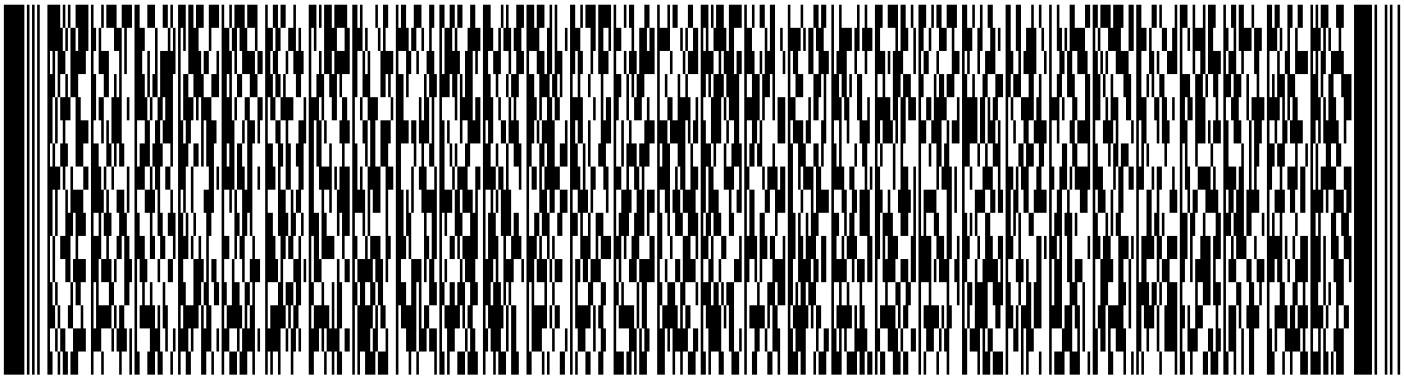
Bankruptcy1to50



Bankruptcy51to100

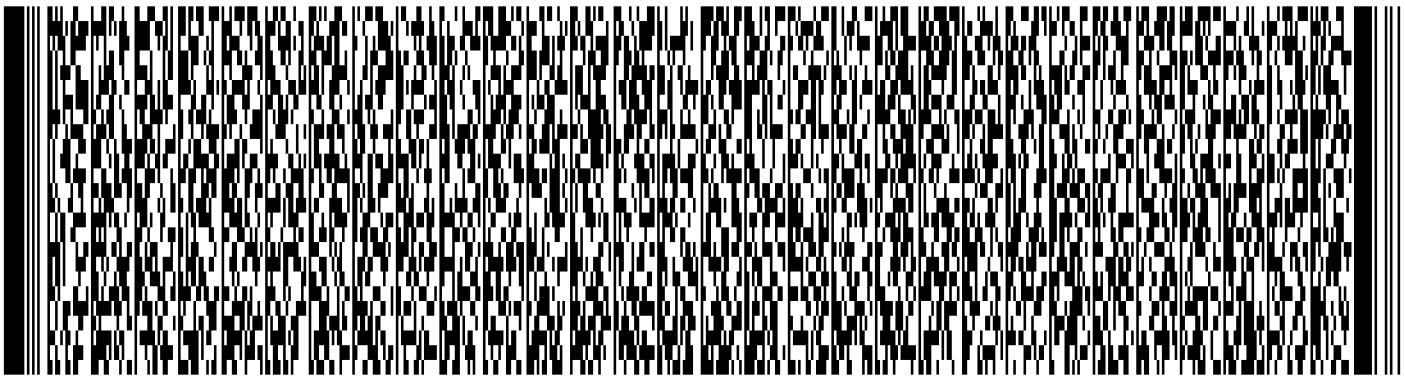


NonBankruptcy1to50

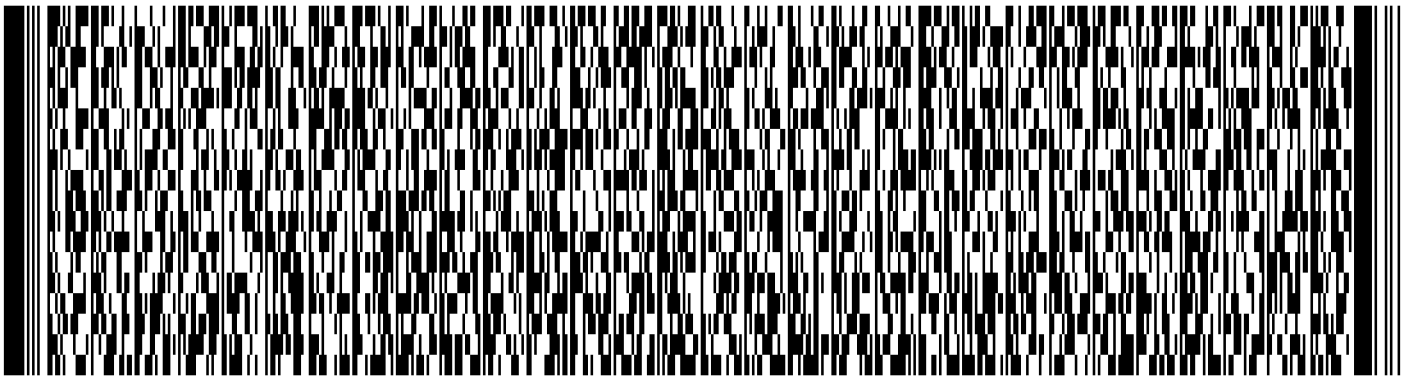


NonBankruptcy51to100

Debtor's Name Ascend Elements, Inc. Case No. 26-90440



PageThree



PageFour

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

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

**GLOBAL NOTES AND**
**STATEMENTS OF LIMITATIONS, METHODOLOGY, AND DISCLAIMER**
**REGARDING DEBTORS' CONSOLIDATED MONTHLY OPERATING REPORT**

On April 9, 2026 (the "**Petition Date**"), Ascend Elements, Inc. and its debtor affiliate, as debtors and debtors in possession in the above-captioned chapter 11 cases (together, the "**Debtors**") filed voluntary petitions for relief with the Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases are being jointly administered for procedural purposes pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Bankruptcy Local Rules for the Southern District of Texas under Case No. **26-90440 (CML)**. On April 26, 2026, the Office of the United States Trustee for the Southern District of Texas (the "**U.S. Trustee**") appointed the Official Committee of Unsecured Creditors [Docket No. 140]. No trustee or examiner has been appointed in these chapter 11 cases.

Additional information about these chapter 11 cases, court filings, and claims information is available on the Debtors' restructuring website: https://www.veritaglobal.net/ascend.

The following notes and statements and limitations should be referred to, and referenced in connection with, any review of the MOR (as defined below).

**General Methodology**

The Debtors are filing this consolidated monthly operating report (the "**MOR**") for the period including July 1, 2026 through July 31, 2026 (the "**Reporting Period**"), for purposes of complying with the monthly operating reporting requirements applicable in the Debtors' chapter 11 cases. The MOR is unaudited and has not been prepared in accordance with accounting principles generally accepted in the United States of America ("**U.S. GAAP**") and does not include all of the information and footnotes required by U.S. GAAP. The MOR is not intended to reconcile

[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.

to any financial statements otherwise prepared or distributed by the Debtors. The MOR is in a format acceptable to the U.S. Trustee. The MOR should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of any of the Debtors or their affiliates, as the results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future.

**Basis of Presentation**

In preparing the MOR, the Debtors relied on financial information from the books and records available to them at the time of such preparation. The financial information contained herein is derived from the Debtors' books and records without, among other things, all adjustments or reclassification that may be necessary or typical for consolidated financial statements or to accord with U.S. GAAP.

The Debtors have attempted to attribute assets and liabilities, certain required financial information, and various cash disbursements to the appropriate Debtor entity in the MOR. Because the Debtors' accounting systems were developed to produce consolidated financial statements, rather than financial statements by legal entity, it is possible that not all assets, liabilities, income, or expenses have been recorded on the correct legal entity. For additional information regarding the Debtors' intercompany transactions and related cash management protocols, refer to the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Existing Cash Management System; (B) Maintain Their Existing Bank Accounts; (C) Pay Related Prepetition Obligations; and (D) Continue to Perform Intercompany Transactions; and Granting Related Relief* [Docket No. 7] (the "**Cash Management Motion**").

For purposes of this MOR, the Debtors estimated the portion of accrued employee paid time off that may be entitled to priority treatment using available records, including employee carryover paid time off balances from the prior year, and a first-in, first-out methodology, because the Debtors do not maintain reports identifying accrued paid time off earned per pay period. This estimated amount is subject to change, including upon further review of applicable statutory priority treatment.

This information has not been subjected to procedures that would typically be applied to financial information presented in accordance with U.S. GAAP or any other recognized financial reporting framework. If such procedures were applied, the Debtors believe that the financial information presented in the MOR could be subject to change, including material change.

Although the Debtors made efforts to ensure the accuracy and completeness of the MOR, given the complexity of the Debtors' business, inadvertent errors or omissions may occur. Accordingly, the Debtors hereby reserve all rights to dispute the nature, validity, status, enforceability, or executory nature of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

Moreover, given, among other things, the uncertainty surrounding the valuation and ownership of certain assets and the valuation and nature of certain liabilities, to the extent a Debtor shows more assets than liabilities, it is not an admission that the Debtor was solvent as of the Petition Date or at any time prior to the Petition Date. Likewise, to the extent a Debtor shows more liabilities than assets, it is not an admission that the Debtor was insolvent at the Petition Date or any time prior to the Petition Date.

For the reasons discussed above, there can be no assurance that the consolidated financial information presented herein is complete, and readers are strongly cautioned not to place undue reliance on the MOR.

**Reporting Period**

Unless otherwise noted herein, the MOR generally reflects the Debtors' books and records for the applicable Reporting Period. Unless otherwise noted herein, no adjustments have been made for activity occurring after the close of the Reporting Period.

**Accuracy**

The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors and their advisors are not liable for and undertake no responsibility to indicate variations from securities laws herein or for any evaluations of the Debtors, including of their financial condition, based on this financial information or any other information.

**Payment of Prepetition Claims Pursuant to First Day Orders**

Pursuant to certain orders of the Bankruptcy Court in the Debtors' chapter 11 cases entered on or about April 10, 2026, April 13, 2026 and May 7, 2026, as applicable (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of employees, claims of taxing authorities, insurance-related obligations, and obligations to critical vendors and parties with claims arising under section 503(b)(9) of the Bankruptcy Code. Accordingly, these liabilities may have been or may be satisfied in accordance with such First Day Orders. To the extent any payments were made on account of prepetition claims following the commencement of these chapter 11 cases pursuant to the authority granted to the Debtors by the Bankruptcy Court under the First Day Orders, such payments have been included in the MOR (subject to the notes and statements and limitations provided herein).

**Reservation of Rights**

The Debtors reserve all rights to amend or supplement the MOR in all respects, as may be necessary or appropriate. Nothing contained in this MOR shall constitute a waiver of any of the Debtors' rights or an admission with respect to any claim against the Debtors or otherwise in connection with these chapter 11 cases.

**Specific MOR Disclosures**

**Notes to Part 1:**

- In accordance with the UST Form 11-MOR Instructions, Part 1 omits intercompany cash activity, resulting in variances between cash balances at the end of the month as presented in Part 1 and cash and cash equivalent balances as presented in the Balance Sheet attachment. These variances are reconciled within the Cash Activity attachment.

- Figures include cash as reported in the bank statements. Reconciling differences will exist between bank statement balances and balance sheet cash balances due to ordinary course timing differences between payment execution in the Debtors' financial system and disbursement of funds from Debtor bank accounts.

- Pursuant to the (a) Asset Purchase Agreement, dated as of June 19, 2026, by and between Debtor Ascend Elements, Inc. (as Seller) and R3 Lithium Inc. (as Purchaser) and (b) Transition Services Agreement (the "TSA"), effective as of July 7, 2026, between Debtor Ascend Elements, Inc. and R3 Lithium Inc., Ascend was obligated to make certain disbursements on behalf of R3 and R3 was required to reimburse the Seller for such disbursements. In addition, any funds received by Ascend on behalf of R3 were required to be remitted to R3. Accordingly, and pursuant thereto, the Debtors made various disbursements on behalf of R3 and were reimbursed by R3 for such disbursements. Such cash disbursements and cash receipts made or received on behalf of R3 are excluded from Part 1 of the MOR.

**Notes to Part 2:**

- See "Basis of Presentation" above regarding certain adjustments or reclassifications applied at a consolidated level.

- Solely for purposes of this MOR, "Liabilities Subject to Compromise," as reported on the balance sheets, includes (i) the full amount of prepetition unsecured liabilities of the Debtors and (ii) the full amount of prepetition secured liabilities of the Debtors. The Debtors' inclusion or exclusion of any amounts in the presentation of "Liabilities Subject to Compromise" in the balance sheets is solely for accuracy and expediency in preparing this MOR pursuant to the Debtors' reporting obligations and does not indicate a view, of the Debtors or of any other person, as to whether and to what extent the respective liabilities may be impaired.

- Prepetition priority debt (item 2(l)). The amount reported in item 2(l) includes amounts attributable to accrued employee paid time off, as estimated using the methodology as described above.

- All prepetition invoices are classified in Prepetition unsecured debt (item 2(m)) irrespective of creditors filing liens against the Debtors.

**Note to Part 3:**

- On May 22, 2026, the Bankruptcy Court entered the Poland Sale Order[2] approving that certain *Third Amended and Restated Asset Purchase Agreement*, dated as of May 22, 2026, providing for the sale of the Acquired Assets (as defined in the Poland APA).
- On June 5, 2026, the Bankruptcy Court entered the Hopkinsville Sale Order[3] approving that certain *Asset Purchase Agreement,* dated as of June 2, 2026, providing for the sale of the Acquired Assets (as defined in the Hopkinsville APA).
- On June 30, 2026, the Court entered the Covington Sale Order[4] approving that certain Asset Purchase Agreement, dated as of June 19, 2026 (as defined in the Convington APA).
- The financial impact of the sale transactions will be reflected in Part 3 of the MOR for the period in which the Sale closes. For further information regarding the Sale, refer to the Sale Order.

**Notes to Part 4:**

- *See* "Basis of Presentation" above regarding certain adjustments or reclassifications applied at a consolidated level.

- The MOR has not been subjected to certain income tax provision procedures that would typically be applied at fiscal year-end. The information presented herein may materially differ if such procedures were applied.

**Note to Part 5: Professional Fees and Expenses**

- Periodically, the Debtors transfer funds to a segregated escrow account held and exclusively available for the payment of fees and expenses of Professional Persons.[5] The escrow payments are included in the disbursements section of Part 1. Amounts escrowed for future payment of professional fees and expenses but not yet paid to the Professional Persons are not reported as payments to professionals in Part 5. All releases of escrowed

---

[2] *Order (I) Approving the Sale of Certain of the Debtors' Assets and Interests Free and Clear of Claims, Liens, and Encumbrances, (II) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* (Docket No. 393) (the "**Poland Sale Order**").

[3] *Order (I) Approving the Sale of the Debtors' Interests in the Hopkinsville, Kentucky 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* [Docket No. 469] (the "**Hopkinsville Sale Order**").

[4] *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of Claims, Liens, and Encumbrances, (II) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases and (III) Granting Related Relief* [Docket No. 534] (the "**Covington Sale Order**").

[5] The term "Professional Persons" refers to persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code and the Official Committee of Unsecured Creditors pursuant to sections 328 or 1103 of the Bankruptcy Code.

fees and expenses to Professional Persons are reported on Ascend Elements, Inc.'s MOR and recorded on such Debtor's books and records.

- Part 5 does not include payments made to professionals retained by the Debtors' prepetition secured lenders.

- On June 4, 2026, the Bankruptcy Court entered the Ordinary Course Professional Order[6] authorizing the Debtors to retain and compensate Davis, Malm & D'Agostine, PC (the "OCP") in accordance with the terms and procedures set forth therein. In the Monthly Operating Report for the period ended June 30, 2026 (the "June MOR"), the Debtors disclosed a payment made to the OCP during that period. Subsequent to the June MOR payment, the Debtors discovered that the OCP had not filed a Declaration of Disinterestedness as required under the OCP Order as a condition to receiving payment thereunder. On August 18, 2026, the OCP filed its Declaration of Disinterestedness with the Court. The Debtors advise that the June 2026 Monthly Operating Report should be reviewed in conjunction with the disclosure above regarding the payment made to Davis, Malm & D'Agostine, PC.

**Note to Part 6: Postpetition Taxes**

- In the ordinary course of business, the Debtors collect, withhold, and incur (i) property taxes, (ii) income taxes (iii) franchise taxes, and (iv) regulatory and other taxes and fees.

**Notes to Part 7:**

- Ascend Elements, Inc. MOR - (a) Pursuant to the relief granted in the Debtors' various First Day Orders, the Debtors made payments on account of prepetition debts as they came due in the ordinary course. Where applicable, details of these payments have been delivered to the required notice parties pursuant to the reporting requirements contained within the First Day Orders.

**Supporting Documentation**

- Under the TSA between Debtor Ascend Elements, Inc. and R3 Lithium Inc. as part of the Covington sale transaction, Ascend made payments on behalf of R3 to former management of the Seller and was subsequently reimbursed for those payments by R3. The former management members were paid by Ascend on 7/10/2026 and 7/24/2026, which was after their effective termination date of 7/6/2026. As such, certain payments to former management insiders are excluded from the supporting Schedule of Payments to Insiders for Debtor Ascend Elements, Inc.

[6] *Order Authorizing the Retention and Compensation of Certain Professionals Used in the Ordinary Course of Business* [Docket No. 467] (the "**OCP Order**").

**In re: Ascend Elements**
**Case No:** 26-90440 (CML)
Debtor Cash Receipts and Disbursements for the Period from July 1 through July 31, 202

*($s in 000s)*

| Case Number: | Total All Debtors | Ascend Elements, Inc | Ascend Elements US, LLC |
|---|---|---|---|
| **Beginning Bank Cash Value** | $14,327 | $14,227 | $100 |
| Receipts: | | | |
| Non-Intercompany Receipts | $3,413 | $3,413 | $0 |
| TSA / Capital Call Reimbursements from R3 | ($281) | ($281) | $0 |
| Intercompany Receipts - Debtor | $0 | $0 | $0 |
| Intercompany Receipts - Non-Debtor | $0 | $0 | $0 |
| Disbursements: | | | |
| Non-Intercompany Disbursements | ($7,849) | ($7,849) | $0 |
| TSA / Capital Call Reimbursements from R3 | $281 | $281 | $0 |
| Intercompany Disbursements - Debtor | $0 | $0 | $0 |
| Intercompany Disbursmenets - Non-Debtor | $0 | $0 | $0 |
| **Ending Cash Bank Balance** | **$9,891** | **$9,791** | **$100** |

In re: Ascend Elements, Inc., et al
Case No. 26-90440 (CML)
7/31/26 Balance Sheet
($ in 000s)

| | Ascend Elements, Inc. | Ascend Elements US, LLC | Total |
|---|---|---|---|
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 9,891 | $ 100 | $ 9,991 |
| Accounts Receivable | 534 | - | 534 |
| Inventories | - | - | - |
| Other Current Assets | 1,137 | - | 1,137 |
| Total current assets | 11,562 | 100 | 11,662 |
| Property Plant & Equipment, net | 3,406 | - | 3,406 |
| Long-Term Investments | 9,204 | - | 9,204 |
| Total assets | $ 24,172 | $ 100 | $ 24,272 |
| **Liabilities and Stockholders' Equity** | | | |
| Current liabilities: | | | |
| Accounts payable | 5,320 | $ 100 | $ 5,420 |
| Accrued expenses | 92 | - | 92 |
| Total current liabilities | 5,411 | 100 | 5,511 |
| Liabilities subject to compromise | 368,658 | - | 368,658 |
| Total liabilities | $ 374,070 | $ 100 | $ 374,170 |
| Stockholders' equity: | | | |
| Common stock | 11 | $ - | $ 11 |
| Treasury stock | (98) | - | (98) |
| Additional paid-in-capital | 987,322 | - | 987,322 |
| Accumulated deficit | (1,337,132) | - | (1,337,132) |
| Accumulated other comprehensive income (loss) | - | - | - |
| Total stockholders' equity | $ (349,897) | $ - | $ (349,897) |
| Total liabilities and stockholders' equity | $ 24,172 | $ 100 | $ 24,272 |

In re: Ascend Elements, Inc., et al
Case No. 26-90440 (CML)
7/31/26 Income Statement
($ in 000s)

| | Ascend Elements, Inc. | Ascend Elements US, LLC | Total |
|---|---|---|---|
| Revenue | $ (93) | $ - | $ (93) |
| Cost of goods sold | 281 | - | 281 |
| Gross loss | (374) | - | (374) |
| Selling, general and administrative | 2,208 | - | 2,208 |
| Total operating expenses | 2,208 | - | 2,208 |
| Loss from operations | (2,583) | - | (2,583) |
| Other income (expenses): | | | |
| Gain from Asset Transactions | 2,700 | | 2,700 |
| Interest income | 44 | - | 44 |
| Other income (loss) | (150) | - | (150) |
| Interest expense | - | - | - |
| Reorganization items | 57,707 | | 57,707 |
| Total other income (expense) | 60,301 | - | 60,301 |
| Net income (loss) | $ 57,719 | $ - | $ 57,719 |

In re: Ascend Elements, Inc., et al
Case No. 26-90440 (CML)
Schedule of Payments to Insiders

| Case No. | Debtor | Insider | Amount |
|---|---|---|---|
| 26-90440 | Ascend Elements, Inc. | Current Officer #1 | $ 24,166 |
| 26-90440 | Ascend Elements, Inc. | Current Director #1 | $ 80,000 |
| 26-90440 | Ascend Elements, Inc. | Current Director #2 | $ 20,000 |