

Financial report 2023

Lehman Brothers Treasury Co. B.V.
(in liquidation)

Amsterdam, the Netherlands

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Report of the Liquidators

This report of the liquidators of Lehman Brothers Treasury Co. B.V. (*in liquidation*) (the “Company” or “LBT”) covers the calendar year 2023.

LBT was a wholly-owned subsidiary of Lehman Brothers UK Holdings (Delaware) Inc, an entity wholly owned by Lehman Brothers Holdings Inc. (“LBHI”), the holding company of the Lehman Brothers group of companies (the “Lehman Brothers Group”). LBT was incorporated for the financing of the business activities of the Lehman Brothers Group by issuing financial instruments, in particular “(structured) notes”, to institutional and retail investors. LBHI entered into voluntary US Chapter 11 proceedings on 15 September 2008. LBT was declared bankrupt by the Amsterdam District Court on 8 October 2008 with the appointment of Rutger Schimmelpenninck and, on 13 October 2009, Frédéric Verhoeven as bankruptcy trustees.

On 10 December 2012, LBT offered a composition plan to its creditors (the “Composition Plan”). After approval by its creditors, the Amsterdam District Court confirmed (*gehomologeerd*) the Composition Plan on 22 March 2013. On 3 April 2013, the Composition Plan became effective. As a result, LBT emerged from bankruptcy. Subsequently, on 3 April 2013, LBT was placed in voluntary liquidation, and the former bankruptcy trustees of LBT were appointed as liquidators of LBT (the “Liquidators”) by Stichting Lehman Brothers Treasury Co. (the “Stichting”). As of 1 January 2024, Rutger Schimmelpenninck has stepped down as liquidator of LBT. Rutger Schimmelpenninck has been appointed to the board of directors of the Stichting as of that date. Also as of that date, Karien van Boekel was appointed as co-liquidator of LBT. Therefore, as from 1 January 2024 onwards, the definition for Liquidators refers to Frédéric Verhoeven and Karien van Boekel.

Since 28 February 2012, the Stichting has been the sole shareholder of LBT. The Stichting supervises the implementation and execution of the Composition Plan.

Partial Wind-Down of LBT

In 2019, LBT concluded a Partial Wind-Down, which included a solicitation process with its creditors, the sale of a portion of LBT’s intercompany claim against LBHI, and a final distribution to certain of its creditors funded in large part by the proceeds of this sale transaction. The objectives of the Partial Wind-Down were simplification of the LBT estate, reduction of operating costs and preparation of the LBT estate for a final wind-down. Based on the solicitation process, noteholders representing 56.8% of the LBT allowed claims pool of EUR 24.8 billion opted to receive Substitute Notes in exchange for their eligible notes. Holders of 30.3% of the allowed claims pool received a final cash distribution. This final distribution (the “Final Distribution”) was in large part funded by LBT’s sale of USD 10.5 billion of its intercompany claim against LBHI. The sale was executed on 20 March 2019 and generated gross sale proceeds of USD 179.5 million.

The former affiliates LBHI and LBSF (representing 12.9% of the allowed claims pool) received an in-kind distribution, by way of an assignment of a portion of LBT’s intercompany claim against LBHI with a principal amount of USD 4.4 billion, and a final cash distribution of USD 8.5 million.

On 2 April 2019, LBT issued 19,648,952,905 substitute notes (“Substitute Notes”), including 22,502,313 treasury notes. Each Substitute Note has a nominal amount of USD 1.00, and all payments on these Substitute Notes are made in US Dollars. At the conclusion of the Partial Wind-Down, LBT has retained USD 19.6 billion of its intercompany claim against LBHI and has reduced the allowed claims pool to EUR 14.1 billion, represented by the Substitute Notes on issue. The treasury notes were cancelled by the end of 2019.

The Partial Wind-Down resulted in a simplified structure of the LBT estate. This simplified structure provides the Liquidators with a good position to assess and pursue options to end LBT’s liquidation. LBT shall continue to consider – also taking into account market conditions – all options, such as to either continue with the distributions on the Substitute Notes until LBHI makes a final payment on LBT’s intercompany claim against LBHI, or until – for example – the sale of LBT’s intercompany claim against LBHI. At present, the Liquidators do not foresee that the liquidation of LBT will end earlier than in the course of 2027.

Distributions

During 2023, LBT received two gross distributions from LBHI: distributions 26 and 27. The distributions received by LBT are based on LBT’s allowed intercompany claim against LBHI (the “Class 4A Claim”) of USD 19.6 billion. LBT’s allowed Class 4A Claim was USD 34.5 billion before the start of the Partial Wind-Down.

The gross distributions received by LBT from LBHI on the allowed Class 4A Claim are set forth below:

Lehman Brothers Treasury Co. B.V. (in liquidation), Amsterdam, the Netherlands

Period	Distribution Amount (in USD)	LBT's allowed Class 4A Claim (in USD)	Distribution percentage based on allowed Class 4A Claim
Pre-Composition Plan	2,672,723,776	34,548,000,000	7.74%
2013	2,969,657,963	34,548,000,000	8.60%
2014	3,084,874,526	34,548,000,000	8.93%
2015	1,579,417,097	34,548,000,000	4.57%
2016	968,532,451	34,548,000,000	2.80%
2017	964,472,370	34,548,000,000	2.79%
2018	353,763,228	34,548,000,000	1.02%
2019	27,465,126	24,072,155,587	0.11%
2019 (post completion of the Partial Wind-Down)	84,909,137	19,626,452,736	0.43%
2020	24,048,489	19,626,452,736	0.12%
2021	59,556,497	19,626,452,736	0.30%
2022	9,343,003	19,626,452,736	0.05%
2023	6,428,867	19,626,452,736	0.03%
Total	12,805,192,530		37.49%

Since 3 April 2013, LBT has made fifteen distributions, including the Final Distribution, on Acknowledged Claims under the Composition Plan to Noteholders and Other Ordinary Creditors, as defined in and in accordance with the Composition Plan. In addition, LBT has made eleven distributions on the Substitute Notes in accordance with the Composition Plan and in accordance with the terms and conditions of the Substitute Notes. Gross cash distributions paid by LBT are set forth below.

Cash distributions by LBT to Noteholders and Other Ordinary Creditors (excluding Substitute Notes)

Date of distribution	Distribution Amount (in USD)	Admitted claim amount (in EUR)	Distribution percentage based on admitted claim amount¹
8 May 2013	3,947,176,931	24,755,245,548	12.16%
24 October 2013	1,611,127,816	24,755,245,548	4.72%
28 April 2014	1,735,103,503	24,755,245,548	5.06%
28 October 2014	1,328,877,953	24,755,245,548	4.22%
27 April 2015	906,764,650	24,755,245,548	3.36%
29 October 2015	690,080,299	24,755,245,548	2.52%
28 April 2016	192,801,698	24,755,245,548	0.69%
14 July 2016	282,048,654	24,755,245,548	1.03%
29 November 2016	497,864,660	24,755,245,548	1.89%
4 May 2017	377,963,485	24,755,245,548	1.40%
23 October 2017	241,820,707	24,755,245,548	0.83%
16 January 2018	345,426,888	24,755,245,548	1.14%
2 May 2018	132,466,570	24,755,245,548	0.44%
23 October 2018	214,074,413	24,755,245,548	0.75%
2 May 2019 (Final Distribution)	187,026,996	7,506,428,759	2.21%
Sub-total	12,690,625,224		42.40%
2 May 2019: Final Distribution to LBHI and LBSF	8,496,621		
Total	12,699,121,845		

The Final Distribution to Noteholders and Other Ordinary Creditors who did not receive Substitute Notes included an amount of USD 1,311,473 that was withheld for operational reasons. LBT finally paid this amount on 9 September 2020.

¹The distribution percentage is based on the foreign exchange rate at the date of the distribution.

Cash distributions by LBT to holders of Substitute Notes

Date of distribution	Distribution Amount (in USD)	Substitute Notes on issue² (in USD)	Distribution percentage of Substitute Notes³
2 May 2019	7,461,941	19,648,952,905	0.04%
30 July 2019	49,694,290	19,648,952,905	0.25%
8 October 2019	40,868,268	19,648,952,905	0.21%
7 April 2020	9,278,773	19,626,450,592	0.05%
6 October 2020	12,265,733	19,626,450,592	0.06%
6 April 2021	48,034,548	19,626,450,592	0.24%
12 October 2021	10,490,816	19,626,450,592	0.05%
11 April 2022	7,953,275	19,626,450,592	0.04%
11 October 2022	2,609,876	19,626,450,592	0.01%
12 April 2023	958,320	19,626,450,592	0.01%
9 October 2023	2,541,231	19,626,450,592	0.01%
Total	192,157,071		0.96%

On 5 April 2024, LBT received the twenty-eight distribution of USD 16.7 million from LBHI. On 10 April 2024, LBT paid a twelfth distribution of USD 17.4 million to holders of Substitute Notes.

Amsterdam, the Netherlands, 15 May 2024

The Liquidators of LBT

F. Verhoeven

K.H. van Boekel

²By the end of 2019, Substitute Notes held in treasury by LBT amounting to USD 22,502,313 were cancelled.

³Distributions by LBT are made in US dollars. Distribution Amounts expressed as percentages are based on the Aggregate Nominal Amount of Substitute Notes on issue.

Financial statements

Balance sheet

As at 31 December

(after appropriation of result)

Assets (in thousands)	Note	2023 USD	2022 USD
<i>Non-current assets</i>			
Receivables from former affiliated companies	6.	33,758	34,935
<i>Current assets</i>			
Receivables			
Taxes	7.	74	66
Other receivables	8.	115	0
		<u>189</u>	<u>66</u>
Cash and cash equivalents	9.	19,680	17,538
		<u>53,627</u>	<u>52,539</u>
Total Assets			
		<u>53,627</u>	<u>52,539</u>
Shareholders' equity and Liabilities			
(in thousands)	Note	2023 USD	2022 USD
Shareholders' equity			
Ordinary share capital	10. 11.	2,210	2,134
Other reserves	12.	(2,210)	(2,134)
		<u>0</u>	<u>0</u>
Liabilities			
<i>Non-current liabilities</i>			
Claims payable	13.	42,174	40,134
Future operating expenses	14.	11,453	12,405
		<u>53,627</u>	<u>52,539</u>
		<u>53,627</u>	<u>52,539</u>
Total Shareholders' equity and Liabilities			
		<u>53,627</u>	<u>52,539</u>

Income statement

For the years ended 31 December

(in thousands)	Note	2023	2022
		USD	USD
Interest and similar expenses	15.	0	(3)
Interest and similar income	16.	413	
Net changes in the value of assets and liabilities	17.	(413)	3
Operating result		0	0
Result before tax		0	0
Income tax expense		0	0
Result after tax		0	0

Statement of cash flows

For the years ended 31 December

(in thousands)	<u>2023</u> USD	<u>2022</u> USD
<i>Receipts for the period:</i>		
Distributions received from former affiliated companies	6,429	9,344
Interest received	298	0
Value-added taxes refunds received	114	87
<i>Total Receipts</i>	<u>6,841</u>	<u>9,431</u>
<i>Payments for the period:</i>		
Distributions to creditors	(3,500)	(10,563)
Operating expenses (including any applicable value-added taxes)	(1,200)	(989)
Interest paid	0	(3)
<i>Total Payments</i>	<u>(4,700)</u>	<u>(11,555)</u>
<i>Cash flows from operating activities</i>	<u>2,141</u>	<u>(2,124)</u>
Foreign exchange gains/(losses) on cash and cash equivalents	1	(53)
Net increase/(decrease) in cash and cash equivalents	<u>2,142</u>	<u>(2,177)</u>
Cash and cash equivalents at start of the year	17,538	19,715
Movements during the period	2,142	(2,177)
Cash and cash equivalents at the end of the year	<u>19,680</u>	<u>17,538</u>

Notes to the financial statements

1. General notes

1.1. Activities

Lehman Brothers Treasury Co. B.V. (*in liquidation*) (the “Company” or “LBT”) was incorporated in the Netherlands (with registration number 33267322 with the Chamber of Commerce of Amsterdam) as a private limited company on 8 March 1995. The Company was incorporated for the financing of the business activities of the Lehman Brothers Group.

The Company was a wholly-owned subsidiary of Lehman Brothers UK Holdings (Delaware) Inc., which in turn was wholly-owned by Lehman Brothers Holdings Inc. (“LBHI”), the holding company of Lehman Brothers Group. All outstanding shares in the Company were transferred to Stichting Lehman Brothers Treasury Co. on 28 February 2012, and the Company has remained wholly-owned by Stichting Lehman Brothers Treasury Co.

LBT was declared bankrupt by the Amsterdam District Court on 8 October 2008. Subsequently, a Composition Plan was approved by the required majority of creditors and confirmed by the Amsterdam District Court wherein – *inter alia* – the Composition Plan defined and agreed the amount of each Noteholder’s and Other Ordinary Creditor’s allowed claim on a binding basis. In accordance with the Composition Plan, distributions from LBT to Noteholders and Other Ordinary Creditors are limited to their *pro-rata* share (based on the Admissible Amount of the allowed claim as set forth in the Composition Plan) of cash received by LBT from LBHI or otherwise arising in the liquidation. LBT has made 26 distributions as at 31 December 2023, and distributions are expected to occur in the future as cash becomes available to LBT.

Following the confirmation of the Composition Plan, the Company emerged from bankruptcy and was put into voluntary liquidation on 3 April 2013. On that date, the Composition Plan became effective.

In 2019, LBT concluded a Partial Wind-Down, including a solicitation process with its creditors, the sale of a portion of LBT’s intercompany claim against LBHI, and a Final Distribution to certain of its creditors, funded in a large part by the proceeds of this sale transaction.

LBT finalised the solicitation process on 18 March 2019 pursuant to which certain qualified noteholders were given the option to receive Substitute Notes in exchange for their outstanding eligible notes. Based on the solicitation, noteholders representing 56.8% of the LBT allowed claims pool of EUR 24.8 billion opted to receive Substitute Notes in exchange for their existing eligible notes. Holders of 30.3% of the allowed claims pool received a final cash distribution. The former affiliates LBHI and LBSF (representing 12.9% of the allowed claims pool) received an in-kind distribution of their portion of LBT’s intercompany claim against LBHI with a principal amount of USD 4.4 billion and a final cash distribution of USD 8.5 million.

On 20 March 2019, LBT sold USD 10.5 billion of its intercompany claim against LBHI and realised gross proceeds of USD 179.5 million. These proceeds, after the deduction of sales-related costs and the addition of a *pro rata* part of available cash, were used to fund a Final Distribution of USD 187.0 million to creditors who did not receive Substitute Notes (other than former affiliates).

On 2 April 2019, LBT issued 19,648,952,905 Substitute Notes, including 22,502,313 in treasury, to noteholders who opted to receive Substitute Notes. Each Substitute Note has a nominal amount of USD 1.00, and all payments on these Substitute Notes are made in US Dollars. By the end of 2019 the treasury notes had been cancelled, and the total Substitute Notes on issue amount to USD 19,626,450,592.

At the conclusion of the Partial Wind-Down, LBT had retained USD 19.6 billion of its intercompany claim against LBHI and reduced the allowed claims pool to EUR 14.1 billion, represented by the Substitute Notes now on issue.

1.2. Registered office, legal form and registration number at the chamber of commerce

LBT has its registered office at Herikerbergweg 88, 1101 CM, Amsterdam, the Netherlands and is registered at the Chamber of Commerce under number 33267322.

1.3. Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Liquidators to exercise judgement in the process of applying the Company's accounting policies. If necessary, for the purposes of providing the view required under Section 362, subsection 1, Book 2 of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the corresponding notes to the financial statements.

2. General principles

2.1. General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the Guidelines for Annual Reporting in the Netherlands.

These financial statements have been prepared on a liquidation basis. Accordingly, assets have been valued at their net realisable value and liabilities at the best estimate of the amounts to be paid. The balance sheet, income statement and statement of cash flows include references to the notes.

2.2. Comparison with previous year

Unless otherwise stated, the valuation principles and method of determining the result are the same as those used in the previous reporting period.

2.3. Foreign currencies

2.3.1. Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in US Dollars ("USD"), which is the functional and presentation currency of the Company.

2.3.2. Transactions, assets and liabilities

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

2.4. Statement of cash flows

The statement of cash flows has been prepared using the direct method. The cash items disclosed in the statement of cash flows are comprised of cash and cash equivalents including deposits with maturities of less than 12 months.

All cash flows during the year relate to cash flows from operating activities. Cash flows denominated in foreign currencies have been translated at average exchange rates for the year. Exchange differences affecting cash items are shown separately in the statement of cash flows. Interest paid and received are included in cash from operating activities. Transactions not resulting in an inflow or outflow of cash are not recognised in the statement of cash flows.

3. Accounting principles applied to the measurement of assets and liabilities

3.1. Receivables from former affiliated companies

3.1.1. LBHI receivable

The LBHI receivable is recognised at its estimated net realisable value. The ultimate amount of the recovery on the Company's receivable from LBHI is not known with certainty and any estimates are subject to change. LBHI is currently in liquidation and its ability to distribute funds is difficult to estimate. Distributions from LBHI depend on several unpredictable factors which include the settlement of remaining disputes (including litigation) and the receipt by LBHI of funds from its affiliates.

3.1.2. LBCCA receivable

The claims receivable is recognised at its net realisable value.

3.2. Receivables

Receivables are recognised at net realisable value.

3.3. Cash and cash equivalents

Cash and cash equivalents include bank balances and deposits with maturities of less than 12 months. Cash and cash equivalents are stated at face value.

3.4. Claims payable

Liabilities are recognised at the Liquidators' best estimate of the amount required to settle the liabilities in accordance with the provisions of the Composition Plan and the terms of the Substitute Notes with no regard to LBT's own credit risk. Claims payable are measured based on the estimated net realisable value of the Company's claim on former affiliated companies less estimated future operating expenses.

3.5. Future operating expenses

As the Company is in liquidation, the Liquidators have estimated the future operating expenses that will be required during the liquidation period to cover the costs of liquidating the Company. The estimate of the expenses to be incurred includes Liquidators' fees, legal fees, accounting fees, wind-down costs, audit fees, banking related fees as well as other operating expenses. Estimated future operating expenses are measured on a non-discounted, best estimate basis, and the estimate is updated at each balance sheet date.

4. Principles for the determination of the result

4.1. General

The net results of the Company are determined as the difference between the income from assets and the net changes in the value of the assets and liabilities for the period.

4.2. Exchange rate differences

Exchange differences that arise from the settlement or translation of monetary items are recorded in the income statement in the period in which they occur.

4.3. Interest income and expense

Interest income and interest expense are recognised in the income statement when received or paid.

4.4. Net changes in the value of assets and liabilities

Changes in the value of assets and liabilities comprise the unrealised change in the estimated value of the receivable from former affiliated companies, changes in the value of claims payable to LBT creditors under the Composition Plan, changes in the value of the estimate of future operating expenses, and currency translation results.

4.5. Income tax expense

Income tax is calculated on the result before tax in the income statement, considering any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

Given the liquidation of the Company, it is currently expected that there will be no corporate income tax liability in respect of 2023.

5. *Financial instruments and risk management*

5.1. *Currency risk*

The Company mainly operates in the Netherlands. The Company's main asset is denominated in US Dollars (the Company's functional currency) but most of the Company's operating expenses are in Euros. The Company's liabilities to creditors under the Composition Plan are, after the conclusion of the Partial Wind-Down, settled in US Dollars.

The Company does not bear any significant currency risk. Distributions received by the Company are received in US Dollars and distributions by the Company are made in US Dollars.

The Company maintains cash balances in Euros in order to mitigate the currency risk on future operating expenses, which are largely in Euros.

5.2. *Credit risk*

The Company is exposed to credit risk on its receivables. The Company has a concentration of credit risk, as the greatest part of the receivable is due from one single party (LBHI).

Furthermore, the Company is also exposed to credit risk resulting from cash and cash equivalents on deposit at a large international bank.

In accordance with the Composition Plan, any credit-related losses will reduce future distributions to creditors and will therefore be absorbed by these creditors.

5.3. *Liquidity risk*

Given the terms of the Composition Plan, the Company's creditors are only entitled to receive distribution payments if the Company has Available Cash (as defined in the Composition Plan). If the Liquidators determine that the Company has insufficient Available Cash for a distribution to creditors, then no such payments will be made at that time.

Claims arising from transactions after the Company's emergence from bankruptcy proceedings are not subject to the Composition Plan. The Liquidators are not aware of any such claims.

6. *Receivables from former affiliated companies*

The movements can be specified as follows:

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Balance at 1 January	34,935	86,929
Distributions received from LBHI	(6,429)	(9,343)
Distribution received from LBCCA	0	(1)
Change in estimated value of receivable	5,252	(42,650)
Balance at 31 December	<u>33,758</u>	<u>34,935</u>

The balance concisely:

	<u>31 December 2023</u>	<u>31 December 2022</u>
(in thousands)	USD	USD
LBHI receivable	<u>33,758</u>	<u>34,935</u>

LBHI entered into a voluntary US Chapter 11 proceeding on 15 September 2008. The Company has an intercompany claim against LBHI. In the LBHI US Chapter 11 proceedings, the LBT intercompany claim due was agreed to be a Class 4A Claim at an amount of USD 34,548,000,000 ("Admitted LBHI Amount") in LBHI's amended plan, which was confirmed in December 2011. As described in note 1.1, at the conclusion of the Partial Wind-Down, as at 31 December 2019 and 31 December 2020 LBT retained USD 19.6 billion of its claim against LBHI.

During 2023, LBT received distributions from LBHI amounting to USD 6,428,867.

LBT's intercompany claim on LBHI is a Class 4A Claim on LBHI (the "LBHI Receivable"). If observable data on the price at which actual transactions in Class 4A Claims have occurred on or around the balance sheet date is available, the net realisable value of the LBHI Receivable is estimated on the basis of these prices.

If such data is not available, and provided the market remains active, the net realisable value of the LBHI Receivable is estimated on the basis of broker quotes of the price at which LBHI Class 3 Claims would trade at the balance sheet date. The net realisable value of the LBHI Receivable is derived from a Class 3 Claim price quotation after adjustment of the Class 3 Claim price quotation for the effect of differences in Class features. This adjustment is made by comparing the magnitude of historic distributions received by the holders of Class 4A Claims relative to the holders of Class 3 Claims on LBHI. In the past, the market in Class 3 Claims was generally a more liquid market than the market in Class 4A Claims.

To the best of LBT's knowledge, LBT did not observe trades in either the Class 3 or Class 4A market during 2023. LBT decided to determine the net realisable value of its Class 4A Claim using the Estimated Remaining Recovery published by LBHI in the unaudited LBHI Plan Trust Form 8-K filed on 28 March 2024 with a reporting date as of 31 December 2023. LBHI has disclosed that the Estimated Remaining Recovery is based on Estimated Cash Available For Distributions which includes cash and investments, and total cash flow estimates. LBHI has disclosed that the Estimated Remaining Recovery does not include potential recoveries from excluded recoveries counterparties such as LB GP No. 1 Ltd ("ECAPs") and LBIE vs. AG Financial Products ("AGR") and cash held on behalf of disputed claims.

LBT cannot obtain any information that would enable it to estimate such recoveries and thereby adjust the Estimated Remaining Recovery. Consequently, LBT has used the Estimated Remaining Recovery as published by LBHI without further adjustment. As such, LBT maintained the valuation methodology consistent with that used in 2022.

As of 31 December 2023, the net realisable value of the LBHI Receivable was estimated to be 0.172% of the nominal amount of the LBHI Receivable on the basis of Estimated Remaining Recovery published by LBHI.

Any estimate of the timing and number of future distributions that will be paid by LBHI and of the net realisable value of the LBHI Receivable is characterised by significant uncertainty. An indeterminable portion of the LBHI receivable is expected to be received within 12 months after the balance sheet date.

On 18 November 2022, LBT received a distribution of USD 640 from LBCCA (in 2021 LBT received USD 9,579). At this stage, no further material distributions from LBCCA are expected by LBT's liquidators. The value of the LBCCA receivable as of 31 December 2023 is therefore estimated to be nil (2022: nil).

7. **Taxes**

	<u>31 December 2023</u>	<u>31 December 2022</u>
(in thousands)	USD	USD
Value-added tax receivable	<u>74</u>	<u>66</u>

8. **Other receivables**

	<u>31 December 2023</u>	<u>31 December 2022</u>
(in thousands)	USD	USD
Accrued interest income	<u>115</u>	<u>0</u>

9. **Cash and cash equivalents**

As at 31 December 2023, the Company retained cash reserves for expected future operating expenses and contingent expenses.

10. Shareholders' equity

	<u>Share capital</u>	<u>Other reserves</u>	<u>Total</u>
(in thousands)	USD	USD	USD
Balance as at 1 January 2022	2,266	(2,266)	0
Movements			
Foreign exchange differences	(132)	132	0
Balance as at 31 December 2022	2,134	(2,134)	0
Movements			
Foreign exchange differences	76	(76)	0
Balance as at 31 December 2023	<u>2,210</u>	<u>(2,210)</u>	<u>0</u>

11. Ordinary share capital

The authorised share capital of LBT amounts to EUR 3,405,000 divided into 7,500 ordinary shares of EUR 454 per share. Issued share capital consists of 4,406 ordinary shares. The share capital has been converted to US Dollars at 31 December 2023 at a foreign exchange rate of 1.1050 (31 December 2022: 1.0666).

12. Other reserves

Since the Company is in liquidation and the share capital is not expected to be repaid to the shareholder, other reserves have been created to reduce the share capital to nil.

13. Claims payable

	<u>31 December 2023</u>	<u>31 December 2022</u>
(in thousands)	USD	USD
Payable to holders of Substitute Notes and other creditors under the Composition Plan and the terms of the Substitute Notes	<u>42,174</u>	<u>40,134</u>

The movements can be specified as follows:

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Balance at 1 January	40,134	94,796
Gross distributions made	(3,500)	(10,563)
Change in value of claims payable	5,540	(44,099)
Balance at 31 December	<u>42,174</u>	<u>40,134</u>

The amount of claims payable and the timing of payments are unknown, as payments are highly dependent on distributions received from LBHI. An indeterminable portion of the claims payable is expected to be paid more than 12 months after the balance sheet date.

14. Future operating expenses

	<u>31 December 2023</u>	<u>31 December 2022</u>
(in thousands)	USD	USD
Estimated future operating expenses	<u>11,453</u>	<u>12,405</u>

The movements can be specified as follows:

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Balance at 1 January	12,405	11,913
Operating expenses paid during the year	(1,078)	(900)
(Decrease)/increase in the liability due to change in estimate	(280)	2,022
Currency translation result	406	(630)
Balance at 31 December	<u>11,453</u>	<u>12,405</u>

As at 31 December 2023, LBT re-estimated the future operating expenses, this assessment takes into account current and expected expense levels and potential liquidation scenarios. At present, the Liquidators do not foresee that the liquidation of LBT will end earlier than in the course of 2027. LBT continues to consider – also taking into account market conditions – all options, such as to either continue with the distributions on the Substitute Notes until LBHI makes its final payment on LBT's intercompany claim against LBHI or until – for example – the sale of LBT's intercompany claim against LBHI.

Operating expenses paid during the year can be specified as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
(in thousands)	USD	USD
Liquidators and legal related fees paid to Liquidator's law firm (see note 20)	309	243
Insurance, distribution and other professional services	672	589
Stichting LBT related payments (see note 19)	97	68
Total operating expense payments during the period	<u>1,078</u>	<u>900</u>

Payments in respect of future operating expenses are expected to be made over the liquidation period of the Company. An indeterminable portion of these operating expenses will be paid more than 12 months after the balance sheet date.

15. Interest and similar expenses

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Interest on cash and deposit accounts	<u>0</u>	<u>(3)</u>

The interest expense is the result of a negative interest rate on a cash account with a Dutch bank.

16. Interest and similar income

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Interest on cash and deposit accounts	<u>413</u>	<u>0</u>

17. Net changes in the value of assets and liabilities

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Currency translation result	(405)	576
Change in value of estimated future operating expenses	280	(2,022)
Revaluation of receivable from former affiliated companies	5,252	(42,650)
Change in value of claims payable	(5,540)	44,099
Net income/(expense)	<u>(413)</u>	<u>3</u>

18. Audit fees

The following audit fees relate to the reporting period:

	<u>2023</u>	<u>2022</u>
(in thousands)	USD	USD
Audit of the financial statements	<u>73</u>	<u>52</u>

These are the fees paid for the audit of the financial statements, regardless of whether the work was performed during the financial year.

19. Average number of employees

During the year ended 31 December 2023, no employees were employed (2022: none).

20. Related party transactions

During the year, the Company paid expenses on behalf of its sole shareholder, Stichting Lehman Brothers Treasury Co., amounting to USD 97,203 (2022: USD 67,908). These expenses relate to remuneration costs and out of pocket expenses of the sole shareholder and represent amounts paid during the year.

21. Liquidators' remuneration

The Liquidators are a partner and a former partner in a law firm. This law firm was paid fees for both legal assistance and administration of the Company for a total amount of USD 308,873 in 2023 (2022: USD 243,439).

22. Events occurring after the balance sheet date

On 1 January 2024 Stichting LBT appointed Karien van Boekel as co-liquidator of LBT replacing Rutger Schimmelpenninck.

On 5 April 2024, LBT received the twenty-eight distribution of USD 16.7 million from LBHI. On 10 April 2024, LBT paid a twelfth distribution of USD 17.4 million to holders of Substitute Notes.

Amsterdam, the Netherlands, 15 May 2024
Lehman Brothers Treasury Co. B.V. (in liquidation)

The Liquidators

F. Verhoeven

K.H. van Boekel

Independent auditor's report

To: the shareholders of Lehman Brother Treasury Co B.V. *in liquidation*

A. Report on the audit of the financial statements 2023 included in the financial report

Our opinion

We have audited the financial statements 2023 of Lehman Brothers Treasury Co B.V. *in liquidation* based in Amsterdam.

WE HAVE AUDITED	OUR OPINION
The financial statements comprise: 1. The balance sheet as at 31 December 2023. 2. The profit and loss account for 2023. 3. The notes comprising of a summary of the accounting policies and other explanatory information.	In our opinion, the accompanying financial statements give a true and fair view of the financial position of Lehman Brothers Treasury Co B.V. <i>in liquidation</i> as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Lehman Brothers Treasury Co B.V. *in liquidation* in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.



Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 749,000. The materiality has been calculated as 1.5% of the total assets which is the primary consideration of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the liquidators that misstatements in excess of USD 37,450, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the liquidators. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

VALUATION OF RECEIVABLE FROM FORMER AFFILIATED COMPANIES	OUR AUDIT APPROACH
<p>Lehman Brothers Treasury Co. B.V. <i>in liquidation</i> has recognized a claim against Lehman Brothers Holdings Inc. ('LBHI') in the financial statements amounting to USD 33.8 million as at 31 December 2023 based on the estimated net realizable value.</p> <p>The liquidators have described the uncertainty regarding the estimated recoverability of the claim against LBHI in note 1.1, note 3.1 and note 6 to the financial statements. This also results in an uncertainty regarding the claims payable, as described in note 3.4 and note 13, as this liability is estimated at the amount as equivalent to the net realizable value of the claim against LBHI less the administration cost provision and plus any interest income. The actual recoverability of the claim against LBHI may be at variance with the estimated value of the claim against LBHI which also impacts the claims payable. The claim against LBHI is valued using the Estimated Remaining Recovery Amount published by LBHI in the LBHI Plan Trust Form 8-K as of 31 December 2023.</p>	<p>As part of our audit procedures, we assessed the reasonableness of the liquidators' estimation method for the claim against LBHI, described in note 1.1, note 3.1 and note 6 to the financial statements.</p> <p>We reviewed the appropriateness and mathematical accuracy of the calculations made in the estimation method. We have reconciled the underlying basis of the calculation to the LBHI Plan Trust Form 8-K as of 31 December 2023. Furthermore, we have searched for other pricing information that could be used to calculate the value of the claims against LBHI to assess the reasonableness of the estimation method.</p> <p>We also considered the appropriateness of the related disclosures in the financial statements to determine if these disclosures appropriately describe the inherent degree of subjectivity in the estimates.</p> <p>We draw attention to these notes to the financial statements, which describe the uncertainty relating to the valuation of this claim against LBHI and the related liability.</p>

<p>We considered the valuation of the claim against LBHI to be a key audit matter due to the magnitude of this balance, together with the judgements required to be made when assessing the valuation of this claim against LBHI.</p>	
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Emphasis of the basis for preparation of the financial statements

On 3 April 2013, Lehman Brothers Treasury Co. B.V. *in liquidation* emerged from bankruptcy and was put into voluntary liquidation (refer to note 1.1 to the financial statements). Following these conditions the financial statements have been prepared on a liquidation basis. Accordingly, assets have been valued at their net realizable value. Our opinion is not modified in respect of this matter.

Emphasis of uncertainty with respect to the valuation of the claim against LBHI and the claims payable

We draw attention to notes 3.1 and note 6 to the financial statements, in which the liquidators have described the uncertainty regarding the valuation of the claim against LBHI. As described in these notes, there is no active market to obtain prices of actual transactions involving similar or comparable securities observed. The liquidators estimated the recoverability and valuation of the claim against LBHI based on a data published by LBHI in the LBHI Plan Trust Form 8-K as of 31 December 2023. This data and thus the valuation excludes potential recoveries from certain counterparties and cash held on behalf of disputed claims. Given the limited information indicated in the published data, the estimated valuation is therefore highly uncertain. This also means that the valuation of the claims payable is highly uncertain, as this liability is estimated at the amount as equivalent to the net realizable value of the claim against LBHI less the administration cost provision and plus any interest income. Our opinion is not modified in respect of this matter.

C. Report on other information included in the financial report

In addition to the financial statements and our auditor's report thereon, the financial report contains other information that consists of:

- ▶ The report of the liquidators.
- ▶ Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements.
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the report of the liquidators and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.



By performing these procedures, we comply with the requirements of Part 9 of Book 2 and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The liquidators are responsible for the preparation of the other information, including the report of the liquidators in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement

We were engaged by the liquidators as auditor of Lehman Brother Treasury Co B.V. *in liquidation* on 12 February 2014, as of the audit for financial year 2013 and have operated as statutory auditor ever since that financial year.

E. Description of responsibilities regarding the financial statements

Responsibilities of the liquidators for the financial statements

The liquidators are responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the liquidators are responsible for such internal control as the liquidators determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Lehman Brothers Treasury Co. B.V. *in liquidation* was declared bankrupt by the Amsterdam District Court on 8 October 2008 and was put into voluntary liquidation on 3 April 2013. Based on the financial reporting framework mentioned, the liquidators should prepare the financial statements on liquidation basis. As part of our audit of the financial statements, we concur with the liquidators' use of the liquidation basis of accounting in the preparation of the financial statements.

The liquidators are responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the liquidators.
- ▶ Concluding on the appropriateness of the liquidators' use of the liquidation basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the liquidators regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the liquidators with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the liquidators, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 15 May 2024

For and on behalf of BDO Audit & Assurance B.V.,

drs. H.W. Opentij RA
