

Glitnir HoldCo ehf.
Financial Statements
31 December 2024

Glitnir HoldCo ehf.
Langholtsvegur 111
104 Reykjavík
Iceland

Reg. no. 550500-3530

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Endorsement by the Board of Directors and CEO

The Financial Statements of Glitnir HoldCo ehf. ("Glitnir" or the "Company") for 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Operations during the reporting period

The purpose of Glitnir's operation is to realise its remaining assets and pay all considerations received to its noteholders, net of any cash needed for its daily operations. Substantially all assets have now been realised and the key activities of the Company have been to resolve outstanding claims.

Total payments to Glitnir's noteholders during 2016 and 2017 were € 1,328.9 million. No payments have been made to noteholders since December 2017.

Apart from the assets presented in the balance sheet, the Company is also holding in escrow €1.8 million (off balance sheet) representing unclaimed amounts due to 30 creditors arising from the payments due on Composition and subsequent distributions to Noteholders. Considerable effort has been made to track down creditors and the amount held in escrow has significantly reduced since composition. By way of comparison, the amount held in escrow at 31 December 2023 was €2.3 million due to 41 creditors and at 31 December 2022 the amount was €3.0 million due to 60 creditors.

In accordance with the Composition (and the declaration relating to the Custody Arrangements as described in the Explanatory Memorandum) these unclaimed amounts must be held for ten years from the date of Composition, i.e. until December 2025. Any cash at Custody at the end of the ten years period will revert to the Company. The Company will therefore not be liquidated until after that time.

The final payment to noteholders is expected to be made at the end of December 2025 or in January 2026. After the payment, the remaining balance of the note is scheduled to be converted into share capital, and the company will subsequently be wound up.

Share capital and shareholders

The total nominal value of shares issued as at 31 December 2024 is € 47.3 million. Glitnir's own shares are € 0.001 million.

The number of shareholders as of 31 December 2024 is 1,182, compared to 1,191 at the beginning of the year. The ten largest shareholders and their ownership is as follows:

	No. of shares	Ownership
Deutsche Bank AG, Frankfurt.....	18.717.343	39,6%
TCA Opportunity Investments S.A.R.L.	9.467.872	20,0%
Morgan Stanley & Co International PLC.....	4.821.893	10,2%
Barclays Bank PLC.....	3.813.986	8,1%
Merrill Lynch International.....	2.452.487	5,2%
Icelandic Holdings Limited.....	1.819.530	3,9%
Citigroup Global Markets Limited.....	1.132.376	2,4%
Credit Agricole Vita S.p.A.....	748.011	1,6%
Aristeia Master, LP.....	675.419	1,4%
Contrarian Funds, LLC.....	338.033	0,7%
Total 10 largest shareholders.....	43.986.950	93,1%

Endorsement by the Board of Directors and CEO, contd.

Statement by the Board of Directors and the CEO

To our best knowledge, these Financial Statements for the year 2024 have been prepared in accordance with IFRS.

The Board of Directors and the CEO have today discussed and approved the Financial Statements of Glitnir HoldCo ehf. for 2024 and confirm them by means of their signature.

Reykjavík, 28 January 2025.

The Board of Directors

Mike Wheeler

Steen Parsholt

Tom Gröndahl

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Mike Wheeler

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Steen Parsholt

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Signed by:

Tom Gröndahl

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Chief Executive Officer:

Ingólfur Hauksson

Signed by:

Ingólfur Hauksson

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Independent Auditor's Report

To the Board of Directors and Shareholders of Glitnir HoldCo ehf.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Glitnir HoldCo ehf. (the Company), which comprise the statement of financial position as at 31 December 2024, and the statements of income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and additional Icelandic disclosure requirement in accordance with Icelandic Financial Statements Act no. 3/2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Iceland and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and CEO for the Financial Statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union and additional Icelandic disclosure requirement in accordance with Icelandic Financial Statements Act no. 3/2006, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and CEO are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors and CEO are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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.

Independent Auditors' Report, contd.

Auditor's Responsibilities for the Audit of the Financial Statements, cont.:

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

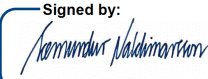
Report on Other Legal and Regulatory Requirements

Pursuant to the legal requirement under Article 104, Paragraph 2 of the Icelandic Financial Statements Act No. 3/2006, we confirm that, to the best of our knowledge, the report of the Board of Directors and CEO accompanying the financial statements includes the information required by the Financial Statements Act if not disclosed elsewhere in the financial statements.

Reykjavík, 28 January 2025.

KPMG ehf.

Sæmundur Valdimarsson

Signed by:

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Income Statement

	Notes	2024	2023
Financial income and expenses	5	216.230	196.777
Net income from financial instruments at fair value	6	93.771	33.557
Changes in valuation of notes	11	(89.331)	31.896
		<u>220.670</u>	<u>262.230</u>
 Administrative expenses	 7	 (220.670)	 (262.230)
 Profit for the year		 <u><u>0</u></u>	 <u><u>0</u></u>

Balance Sheet as st 31 December 2024

	Notes	2024	2023
Assets			
Cash and cash equivalents	10	5.399.072	5.355.243
Other assets		36.600	105
Total assets		5.435.672	5.355.348
Liabilities			
Notes	11	5.427.931	5.338.600
Other liabilities	12	7.741	16.748
Total liabilities		5.435.672	5.355.348
Equity			
Share capital	13	47.270.112	47.270.112
Accumulated deficit		(47.270.112)	(47.270.112)
Total equity		0	0
Total liabilities and equity		5.435.672	5.355.348

Statement of Changes in Equity

	Share capital	Accumulated deficit	Total
Equity as at 1 January 2023	47.270.112	(47.270.112)	0
Profit for the year		0	0
Equity as at 31 December 2023	47.270.112	(47.270.112)	0
Profit for the year		0	0
Equity as at 31 December 2024	47.270.112	(47.270.112)	0

Statement of Cash Flows

	Notes	2024	2023
Cash inflow			
Interest income		213.028	201.519
Other inflow		93.771	33.557
Total cash inflow		306.799	235.076
Cash outflow			
Administrative expenses		(249.309)	(245.482)
Other liabilities		(16.748)	(4.153)
Total cash outflow		(266.057)	(249.635)
Increase in cash and cash equivalents		40.741	(14.560)
Effect of exchange rate fluctuations on cash		3.822	(4.808)
Cash and cash equivalents at the beginning of the year		5.355.232	5.374.610
Cash and cash equivalents at the end of the year		5.399.795	5.355.243

Notes

1. Reporting entity

Glitnir HoldCo ehf. ('Glitnir' or the 'Company'), is a company domiciled in Iceland. The address of the Company's registered office is Langholtsvegur 111, 104 Reykjavík, Iceland.

Glitnir HoldCo will have a limited life, as its purpose is to realise its remaining assets and pay all considerations received to its noteholders, net of cash needed for its daily operations. When all recoverable assets have been realised the Company will cease operations.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with IFRS as adopted by the European Union. They were authorised for issue by the Board of Directors and CEO on 28 January 2025.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024, and have not been applied in preparing these financial statements. These new standards and amendments do not affect the financial statements of the Company.

b. Relevance and importance of notes to the reader

In order to enhance the informational value of the Financial Statements, the notes are prepared based on relevance and importance for the reader. This can result in information that has been evaluated as neither important nor relevant for the reader, not being presented in the notes.

c. Basis of measurement

Notes issued by the Company are measured at fair value with fair value changes recognised in profit or loss. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the Company measures the fair value of an instrument using a quoted price in an active market for that instrument. If there is no quoted price in an active market, the Company uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The following is a description of the Company's classes of assets and liabilities and their valuation basis.

Balance sheet item

Valuation methodology

Cash and cash equivalents	Recognised at amortised cost, applying the effective interest rate method.
Notes	Recognised at fair value. Their fair value is measured by reference to the value of the Company's assets since the value of the notes (i.e. ultimate payments made to noteholders) are directly linked to the recoverability of the Company's assets.
Other liabilities	Recognised at cost.

3. Functional and presentation currency

These financial statements are presented in euro, which is the Company's functional currency.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Notes, contd.:

5. Financial income and expenses

	2024	2023
Cash and cash equivalents, interest	213.135	201.519
Cash and cash equivalents, FX changes	3.095	(4.742)
Total financial income and expenses	<u>216.230</u>	<u>196.777</u>

6. Income from financial instruments at fair value

	2024	2023
Recovery from assets	93.771	33.557
Total income from financial instruments at fair value	<u>93.771</u>	<u>33.557</u>

7. Administrative expenses

	2024	2023
Directors fee	70.298	68.718
Legal services	32.045	78.182
Other services	52.680	48.357
IT cost and other operational cost	65.647	66.973
Total administrative expenses	<u>220.670</u>	<u>262.230</u>

8. Directors fee

	2024	2023
Directors fee	70.000	70.000
Related expenses	298	(1.282)
Total directors fee and related expenses	<u>70.298</u>	<u>68.718</u>

The amount of compensation to the Board of Directors was € 70 thousand (2023; €70 thousand). Fee to CEO (included in other services) was € 45 thousand (2023; € 44 thousand).

9. Income tax

The Company is subject to income tax in Iceland as a private limited company. At year-end 2024 the Company's tax losses amount to approximately € 830.9 million. Due to the uncertainty regarding the possible use of carry-forward tax losses against taxable income in the future no deferred tax asset is recognised in the balance sheet.

10. Cash and cash equivalents

	2024	2023
Cash and balances with banks (other than ISK)	5.378.696	5.335.255
ISK balances with banks	20.376	19.988
Total cash and cash equivalents	<u>5.399.072</u>	<u>5.355.243</u>

11. Notes

The notes are directly linked to the Company's assets according to its provisions. Therefore the payments to be made on the notes will be determined by the cash realised from the Company's assets.

Notes, contd.:

11. Notes, contd.

a. Key terms of the notes and payment to noteholders

The initial aggregate principal amount of the notes on their issue date was €1,586 million. The notes are zero-coupon and convertible (see b). The final maturity date of the notes is 31 December 2030. In accordance with the provisions of the notes Glitnir is to make quarterly payments on the notes. Payments to noteholders at each quarterly redemption date shall consist of all cash and cash equivalents held by the Company that its Board of Directors believe is prudent to distribute to the noteholders on that date. Payments to noteholders will reduce the nominal value of the notes. When all the recoverable assets of the Company have been realised and paid to noteholders the balance of the notes will be converted into equity. That is expected to happen well before the final maturity date of the notes. The Company will then subsequently be liquidated. In accordance with the Company's articles of association the notes are stapled to its share capital so one of the instruments (notes or shares) can not be transferred without simultaneous transfer of the other.

b. Conversion

On the final maturity date of the notes or the relevant optional redemption date or the conversion date, both specified in the notes contract, Glitnir will issue redemption shares or conversion shares (as applicable) to the noteholders.

The notes may be converted to equity by the issue of A-shares at a rate of "P/N", where "P" equals the aggregate outstanding principal amount of the notes being converted and "N" equals the nominal value of one A-share multiplied by 100. Alternatively the notes can be converted into A-shares by a resolution of the holders of the notes, as set out in the notes contract, which resolution cannot be passed any later than the date falling 50 days before the final maturity of the notes.

c. Balance of the notes

	2024	2023
Balance of the notes 1 January	5.338.600	5.370.496
Fair value changes	89.331	(31.896)
Balance of the notes 31 December	<u>5.427.931</u>	<u>5.338.600</u>

12. Other liabilities

	2024	2023
Accounts payable	7.741	16.748
Total other liabilities	<u>7.741</u>	<u>16.748</u>

13. Equity

The share capital is denominated in euro and each share is in the nominal amount of €0.03. The nominal value of shares issued 31 December 2024 is €47.3 million. The Company's own shares are €0.001 million.

Notes, contd.:

14. Breakdown by currencies

The table below summarises Glitnir's assets by currency of denomination.

At 31 December 2024

	EUR	ISK	NOK	USD	GBP	Total
Cash and cash equivalents	5.261.666	20.376	3.726	70.391	42.913	5.399.072
Other assets	36.497	103				36.600
Total Assets	5.298.163	20.479	3.726	70.391	42.913	5.435.672
Total in %	97,5%	0,4%	0,1%	1,3%	0,8%	100,0%

At 31 December 2023

	EUR	ISK	NOK	USD	GBP	Total
Cash and cash equivalents	5.236.677	19.988	22.022	42.245	34.310	5.355.243
Other assets		105				105
Total Assets	5.236.677	20.093	22.022	42.245	34.310	5.355.348
Total in %	97,8%	0,4%	0,4%	0,8%	0,6%	100,0%

15. Risk management

The Company's holdings of financial assets give rise to market risk, being interest rate risk, foreign currency risk and other price risk. Interest rate changes affect interest bearing assets on a floating rate of interest. Foreign currency risk arises from changes in the exchange rate between the functional currency of euro and other currencies. Only 2% of Glitnir's assets are denominated in currencies other than euro (see note 14).

It should be noted that the notes issued by the Company are directly linked to the Company's assets (see note 2.c). Therefore any adverse (or favorable) changes to the valuation of assets due to the aforementioned risk variables will have a direct effect on the carrying amount of the notes, i.e. their fair value. Therefore the profit or loss impact of changes in market risk is minimal to Glitnir. However, the Company's noteholders are affected by those risk factors since changes in market risk affect the recoverability of Glitnir's assets.

16. Classification of financial assets and liabilities

The table below provides reconciliation between line items in the statement of financial position and categories of financial instruments.

31 December 2024

	Designated at fair value	Amortised cost	Total carrying amount
Cash and cash equivalents		5.399.072	5.399.072
Other assets		36.600	36.600
Total financial assets	0	5.435.672	5.435.672
Notes	5.427.931		5.427.931
Other liabilities		7.741	7.741
Total financial liabilities	5.427.931	7.741	5.435.672

Notes, contd.:

16. Classification of financial assets and liabilities, contd.

31 December 2023

	Designated at fair value	Amortised cost	Total carrying amount
Cash and cash equivalents		5.355.243	5.355.243
Other assets		105	105
Total financial assets	0	5.355.348	5.355.348
Notes	5.338.600		5.338.600
Other liabilities		16.748	16.748
Total financial liabilities	5.338.600	16.748	5.355.348

Financial instruments designated at fair value are in level 3 in the fair value hierarchy.