UNITED STATES BANKRUPTCY COURT

DISTRICT OF Delaware

In Re. Nereid Therapeutics Incorporated §
§
§
Debtor(s) §

Case No. 25-10048

Lead Case No. 25-12177

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 09/30/2026

Petition Date: 01/15/2026

Months Pending: 9

Industry Classification: 8 4 9 3

Reporting Method: Accrual Basis ◉ Cash Basis ○

Debtor's Full-Time Employees (current): 2

Debtor's Full-Time Employees (as of date of order for relief): 2

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/ Shannon A. Forshay
Signature of Responsible Party

11/03/2026
Date

Shannon A. Forshay
Printed Name of Responsible Party

1313 N. Market St., 6th Floor
Wilmington, DE 19801
Address

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

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Debtor's Name Nereid Therapeutics Incorporated Case No. 25-10048

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	$2,181,180	
b.	Total receipts (net of transfers between accounts)	$0	$3,916,461
c.	Total disbursements (net of transfers between accounts)	$470,579	$2,223,291
d.	Cash balance end of month (a+b-c)	$1,710,601	
e.	Disbursements made by third party for the benefit of the estate	$0	$0
f.	Total disbursements for quarterly fee calculation (c+e)	$470,579	$2,223,291

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month
a.	Accounts receivable (total net of allowance)	$0
b.	Accounts receivable over 90 days outstanding (net of allowance)	$0
c.	Inventory (Book ○ Market ○ Other ◉ (attach explanation))	$0
d	Total current assets	$1,751,408
e.	Total assets	$1,846,316
f.	Postpetition payables (excluding taxes)	$1,286,695
g.	Postpetition payables past due (excluding taxes)	$987,770
h.	Postpetition taxes payable	$0
i.	Postpetition taxes past due	$0
j.	Total postpetition debt (f+h)	$1,286,695
k.	Prepetition secured debt	$0
l.	Prepetition priority debt	$0
m.	Prepetition unsecured debt	$9,286,094
n.	Total liabilities (debt) (j+k+l+m)	$10,572,788
o.	Ending equity/net worth (e-n)	$-8,726,473

Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	$0	$0
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)	$0	$0

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)	$0	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	$0	
c.	Gross profit (a-b)	$0	
d.	Selling expenses	$0	
e.	General and administrative expenses	$617,971	
f.	Other expenses	$0	
g.	Depreciation and/or amortization (not included in 4b)	$11,003	
h.	Interest	$0	
i.	Taxes (local, state, and federal)	$0	
j.	Reorganization items	$0	
k.	Profit (loss)	$628,974	$2,249,030

Debtor's Name Nereid Therapeutics Incorporated Case No. 25-10048

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*			$0	$39,012	$0	$32,870
	Itemized Breakdown by Firm						
		Firm Name	Role				
	i	Murphy & King, P.C.	Special Counsel	$0	$39,012	$0	$32,870
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Debtor's Name Nereid Therapeutics Incorporated Case No. 25-10048

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				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) *Aggregate Total*			$3,851	$82,986	$3,851	$82,986
	Itemized Breakdown by Firm						
		Firm Name	Role				
	i	Wilson Sonsini Goodrich & Ros	Special Counsel	$0	$52,426	$0	$52,426
	ii	Sage Capital Investments LLC	Financial Professional	$0	$7,144	$0	$7,144
	iii	Fairlead Advisors LLC	Financial Professional	$3,851	$12,158	$3,851	$12,158
	iv						
	v	Brand Murray Fuller	Special Counsel	$0	$11,258	$0	$11,258
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c.	All professional fees and expenses (debtor & committees)			$3,851	$339,012	$3,851	$115,856

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	$2,231	$42,965
d.	Postpetition employer payroll taxes paid	$20,456	$276,931
e.	Postpetition property taxes paid	$0	$0
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 Nereid Therapeutics Incorporated Case No. 25-10048

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/ Perry M. Mandarino
Signature of Responsible Party

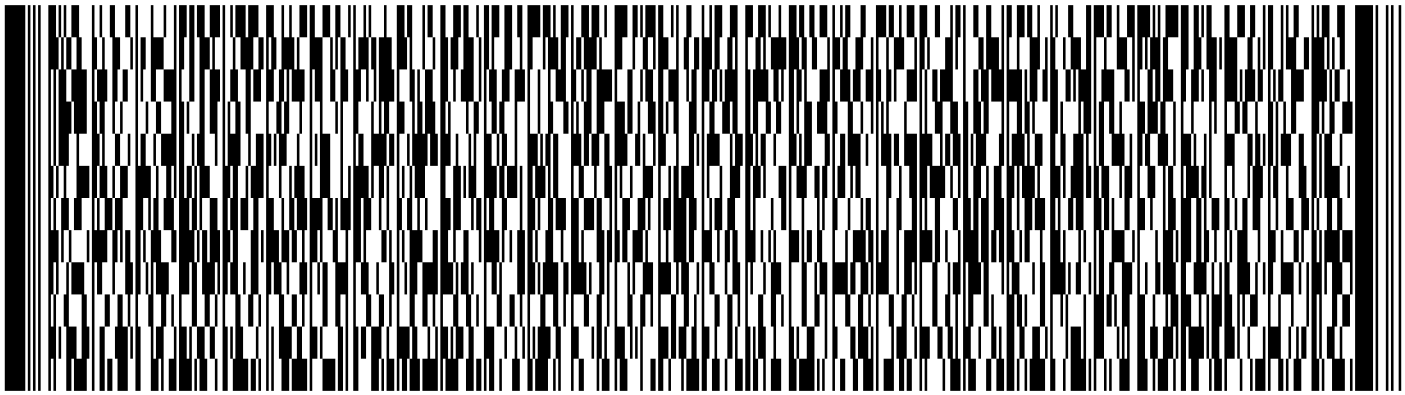
Perry M. Mandarino
Printed Name of Responsible Party

Chief Restructuring Officer
Title

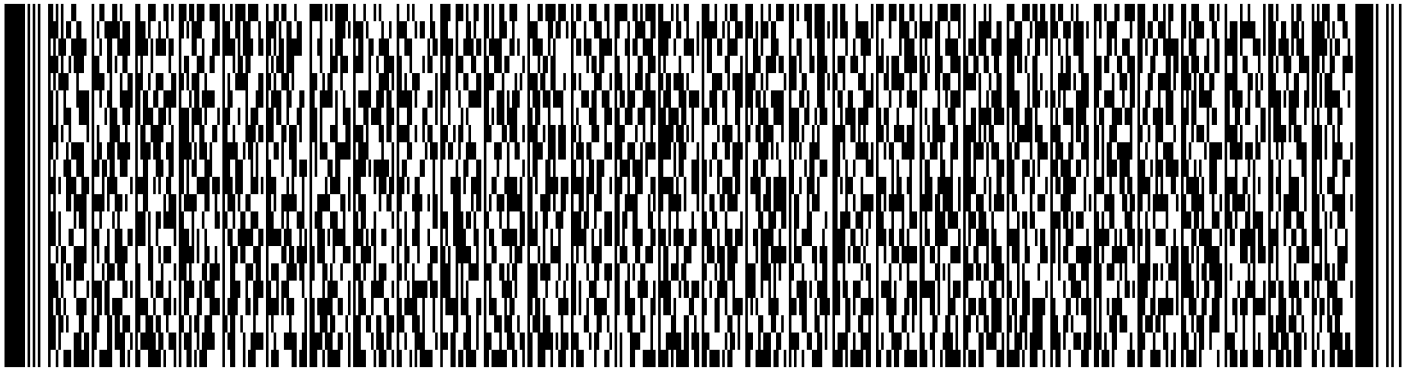
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Debtor's Name Nereid Therapeutics Incorporated

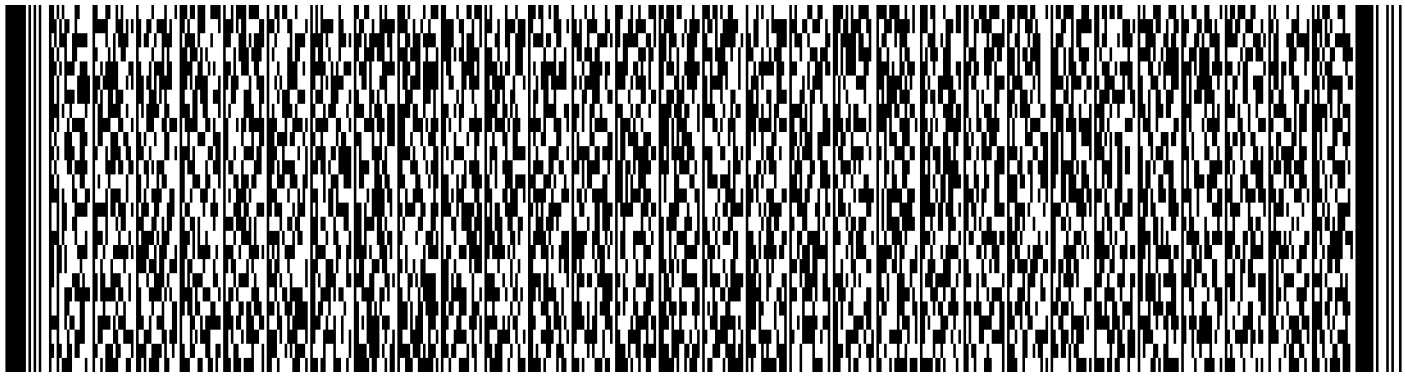
Case No. 25-10048



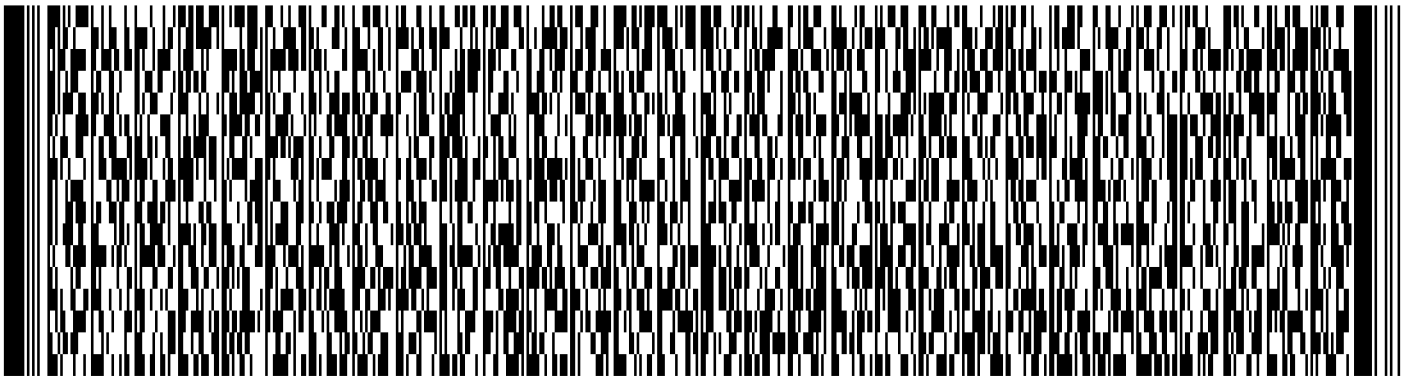
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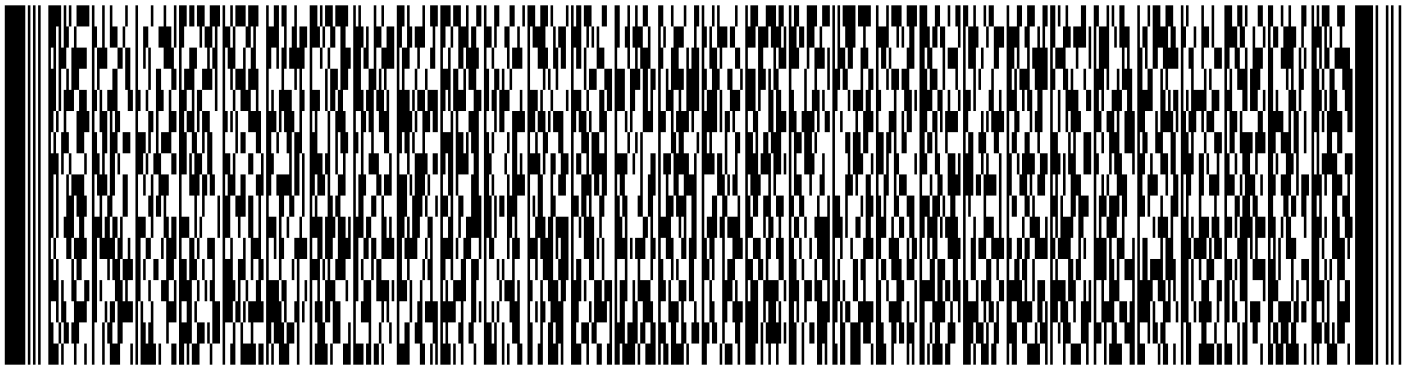


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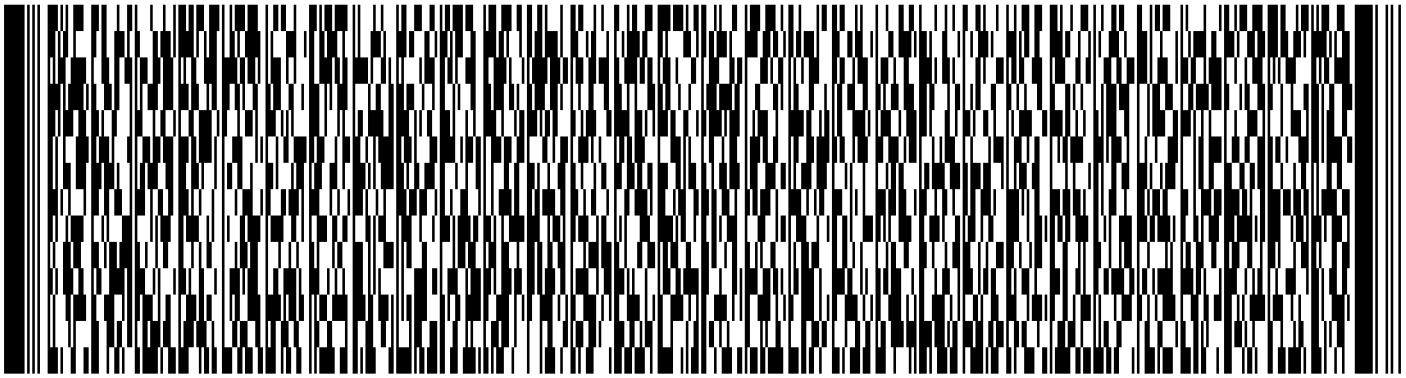


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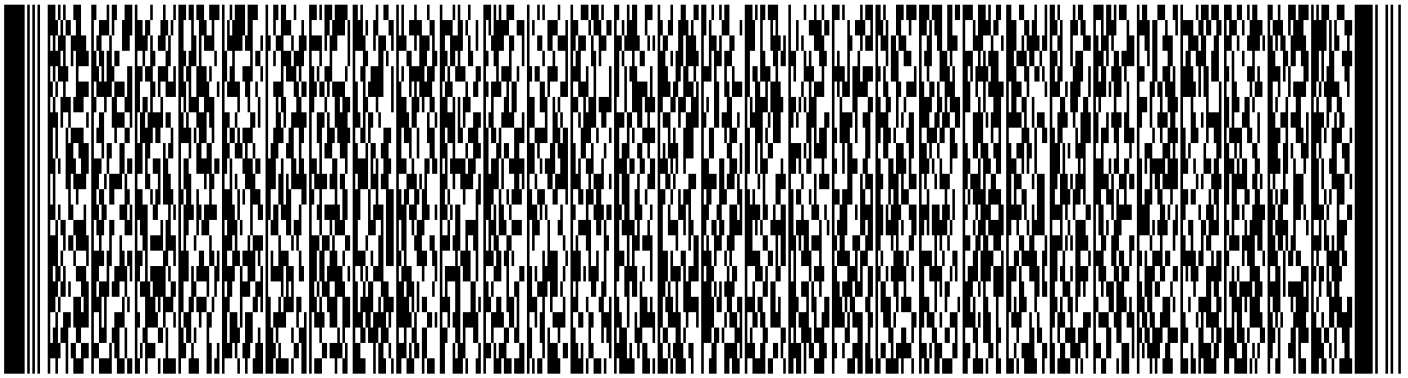
Debtor's Name Nereid Therapeutics Incorporated Case No. 25-10048



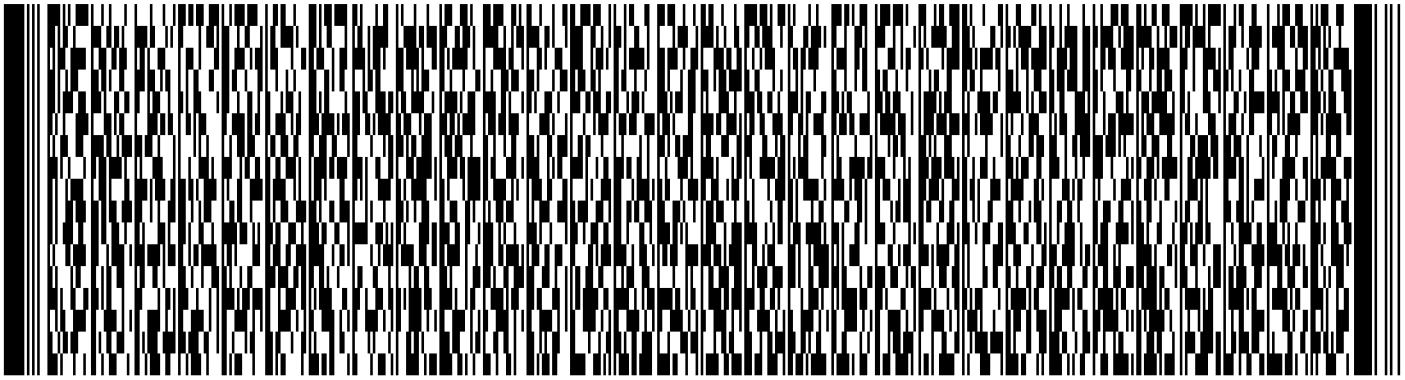
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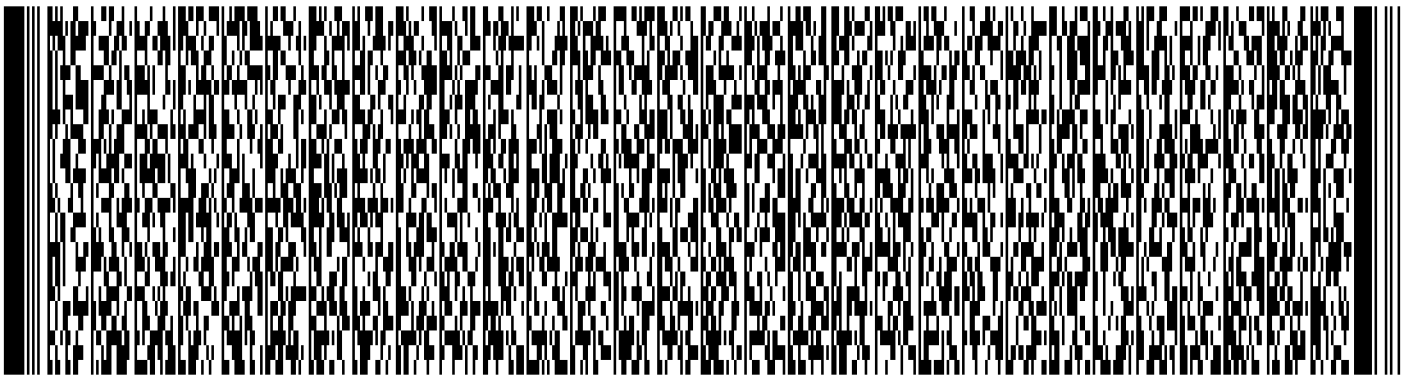


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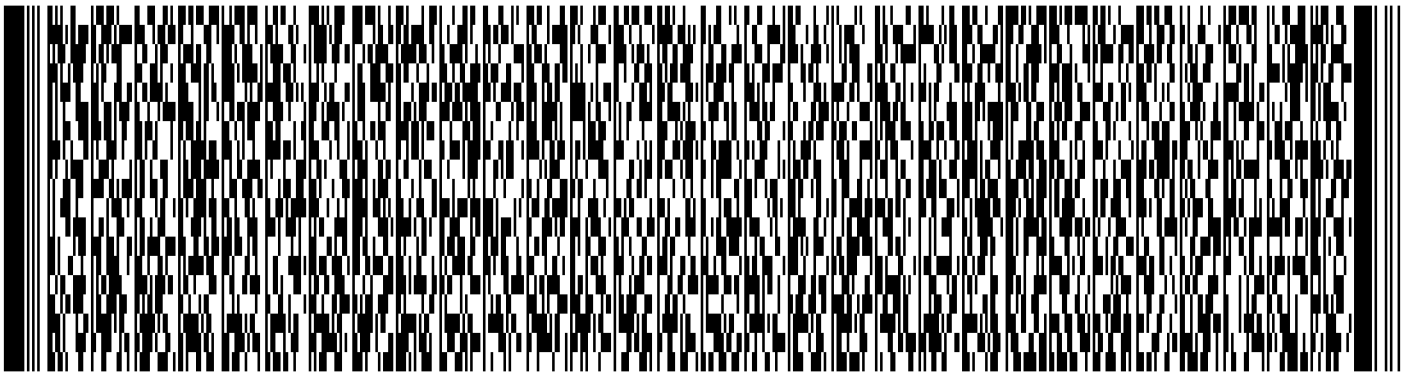


NonBankruptcy51to100

Debtor's Name Nereid Therapeutics Incorporated Case No. 25-10048



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Nereid Therapeutics, Inc.
Balance Sheet
As of Sep 30, 2026

	Total
Assets	
Current Assets	
Bank Accounts	
1002 JPM Checking	1,716,592.33
1003 Eastern Operating *0065	1,372.02
1041 Eastern Restricted Cash	70.19
1072 Bill.com Money Out Clearing	0.00
Total Bank Accounts	**$1,718,034.54**
Accounts Receivable	
1300 Accounts Receivable (A/R)	$0.00
Total Accounts Receivable	**$0.00**
Other Current Assets	
1230 Prepaid Expenses	40,806.74
1235 Prepaid Program Expenses	$0.00
1240 Other Receivable	$0.00
1506 Security Deposits- ST	$0.00
Total Other Current Assets	**$40,806.74**
Total Current Assets	**$1,758,841.28**
Fixed Assets	
1400 Lab Equipment	544,518.46
1405 Lab Equipment - A/D	-449,610.35
1410 Furniture and Fixtures	$0.00
1430 Leasehold Improvements	$0.00
1435 Leasehold Improvements - A/D	$0.00
Total Fixed Assets	**$94,908.11**
Other Assets	
1440 Right-of-use Asset- Financing	$0.00
1450 ROU Asset- Operating	$0.00
1500 Stand by Letter of Credit	$0.00
1505 Security Deposit- LT	$0.00
Total Other Assets	**$0.00**
Total Assets	**$1,853,749.39**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	10,440,881.32
Accounts Payable (A/P) - CHF	$0.00
Accounts Payable (A/P) - EUR	119,549.78

Accounts Payable (A/P) - GBP	12,357.33
Total Accounts Payable	**$10,572,788.43**
Credit Cards	
2120 BREX - Credit Card	-1,197.98
Total Credit Cards	**-$1,197.98**
Other Current Liabilities	
1850 Short Term Loan (Marlinspike)	1,061,166.62
1855 Short Term Loan (LSV)	6,142,107.01
2001 AP - Contra	$0.00
2100 Accrued Expenses - Operating	$0.00
2105 Accrued Program Costs	$0.00
2110 Accrued Expenses - Compensation	174,825.00
2115 Accrued PTO	14,286.40
2300 401K Clearing	$0.00
2810 Lease Liability- ST	$0.00
2811 Lease Liability Operating - ST	210,220.45
Total Other Current Liabilities	**$7,602,605.48**
Total Current Liabilities	**$18,174,195.93**
Long-term Liabilities	
2800 Lease Liability- LT	$0.00
2801 Lease Liability Operating- LT	$0.00
2900 Series A Tranche Obligation	$0.00
Total Long-term Liabilities	**$0.00**
Total Liabilities	**$18,174,195.93**
Equity	
3000 Common Stock	1,203.66
3010 APIC	5,691,891.57
3200 Preferred Stock - Series A	43,414,000.00
3210 Preferred Stock - Series A Financing Cost	-12,867.17
3999 Retained Earnings	-61,908,397.91
Net Income	-3,506,276.69
Total Equity	**-$16,320,446.54**
Total Liabilities and Equity	**$1,853,749.39**

Nereid Therapeutics, Inc.
Profit and Loss
September 2026

	Total
Income	
Gross Profit	**0.00**
Expenses	
Depreciation	
7910 Depreciation	11,002.81
Total for Depreciation	**$11,002.81**
Non-Program Expenses	
Legal & Professional Fees	
7130 Legal IP	4,939.00
7140 Accounting	3,850.75
Total for Legal & Professional Fees	**$8,789.75**
Office & G&A Expenses	
7310 Business Insurance	3,131.17
7320 Computers, software and accessories	-709.92
7380 IT Services	164.80
7400 Payroll & Other Fees	2,588.63
7410 Postage and Courier Services	241.20
Total for Office & G&A Expenses	**$5,415.88**
Total for Non-Program Expenses	**$14,205.63**
Personnel Costs	
Payroll & Benefits	
5010 Bonuses (Annual)	18,045.00
5100 Payroll Taxes Employer	2,231.28
5120 Health Benefits	-17,558.59
5140 Life Insurance	-984.71
Total for Payroll & Benefits	**$1,732.98**
Salaries & Wages	
5000 Salaries	59,521.18
Total for Salaries & Wages	**$59,521.18**
Total for Personnel Costs	**$61,254.16**
Program Expenses	
6220 Lead discovery	20,510.00
6230 Med Chem	210,965.00
6240 Pharmacology	277,699.00
Facilities	
7020 Telephone & Internet	1,426.60
Total for Facilities	**$1,426.60**
Lab Supplies	
6115 Lab Services	9,827.52
Total for Lab Supplies	**$9,827.52**
Licenses & Software	
7440 R&D Software and Licenses	3,632.84
Total for Licenses & Software	**$3,632.84**
Total for Program Expenses	**$524,060.96**
R&D Consulting Fees	
6130 R&D Consultants	18,450.00
Total for R&D Consulting Fees	**$18,450.00**
Total Expenses	**$628,973.56**
Net Operating Income	**-$628,973.56**
Other Expenses	
Unrealized Gain or Loss	
Total Other Expenses	**$0.00**
Net Other Income	**$0.00**
Net Income	**-$628,973.56**

Details	Posting Date	Description	Amount	Type	Balance	Coding Notes	
DEBIT	9/1/2026	ORIG CO NAME:ADP 401k ORIG ID:1223006057	(1,066.05)	ACH_DEBIT	2,180,113.80	Payroll	
DEBIT	9/1/2026	ORIG CO NAME:BCBS MASS ORIG ID:704104581	(81.31)	ACH_DEBIT	2,180,032.49	Benefits	
DEBIT	9/1/2026	ORIG CO NAME:BCBS MASS ORIG ID:704104581	(2,105.27)	ACH_DEBIT	2,177,927.22	Benefits	
DEBIT	9/1/2026	ORIG CO NAME:BCBS MASS ORIG ID:704104581	(3,000.02)	ACH_DEBIT	2,174,927.20	Benefits	
DEBIT	9/1/2026	ORIG CO NAME:Bill.com ORIG ID:1204895317 D	(6,336.00)	ACH_DEBIT	2,168,591.20	See Support Tab: Bill.com	
DEBIT	9/3/2026	ORIG CO NAME:SUN LIFE CANADA ORIG ID:238108	(432.26)	ACH_DEBIT	2,168,158.94	Benefits	
DEBIT	9/4/2026	ORIG CO NAME:ADP PAYROLL FEES ORIG ID:96596	(145.34)	ACH_DEBIT	2,168,013.60	Payroll	
DEBIT	9/8/2026	ORIG CO NAME:Bill.com ORIG ID:1204895317 D	(2,252.00)	ACH_DEBIT	2,165,761.60	See Support Tab: Bill.com	
DEBIT	9/9/2026	ORIG CO NAME:BILL.COM LLC ORIG ID:1082689C	(378.16)	ACH_DEBIT	2,165,383.44	IT Software	
DEBIT	9/14/2026	ORIG CO NAME:ADP WAGE PAY ORIG ID:9333006	(18,800.11)	ACH_DEBIT	2,146,583.33	Payroll	
DEBIT	9/14/2026	ORIG CO NAME:ADP Tax ORIG ID:1223006057 D	(10,227.87)	ACH_DEBIT	2,136,355.46	Payroll	Payroll tax
DEBIT	9/14/2026	ORIG CO NAME:ADP PAY-BY-PAY ORIG ID:955555	(31.94)	ACH_DEBIT	2,136,323.52	Payroll	
DEBIT	9/16/2026	ORIG CO NAME:ADP 401k ORIG ID:1223006057	(1,066.05)	ACH_DEBIT	2,135,257.47	Payroll	
DEBIT	9/18/2026	ORIG CO NAME:Bill.com ORIG ID:1204895317 D	(326,237.00)	ACH_DEBIT	1,809,020.47	See Support Tab: Bill.com	
DEBIT	9/18/2026	ORIG CO NAME:ADP PAYROLL FEES ORIG ID:96596	(145.34)	ACH_DEBIT	1,808,875.13	Payroll	
DEBIT	9/21/2026	ORIG CO NAME:Bill.com ORIG ID:1204895317 D	(34,716.12)	ACH_DEBIT	1,774,159.01	See Support Tab: Bill.com	
DEBIT	9/23/2026	ORIG CO NAME:QUARTERLY FEE ORIG ID:150100(	(777.39)	ACH_DEBIT	1,773,381.62	Professional Fees	
DEBIT	9/25/2026	ORIG CO NAME:ADP PAYROLL FEES ORIG ID:96596	(17.90)	ACH_DEBIT	1,773,363.72	Payroll	
DEBIT	9/29/2026	ORIG CO NAME:ADP PAY-BY-PAY ORIG ID:955555	(31.94)	ACH_DEBIT	1,773,331.78	Payroll	
DEBIT	9/29/2026	ORIG CO NAME:ADP Tax ORIG ID:1223006057 D	(10,227.89)	ACH_DEBIT	1,763,103.89	Payroll	Payroll tax
DEBIT	9/29/2026	ORIG CO NAME:ADP WAGE PAY ORIG ID:9333006	(18,800.09)	ACH_DEBIT	1,744,303.80	Payroll	
DEBIT	9/29/2026	ONLINE DOMESTIC WIRE TRANSFER VIA: UNIVEST BAN	(32,189.00)	WIRE_OUTGOING	1,712,114.80	Amnet Settlement - See Support Tab: Bill.com	
DEBIT	9/30/2026	ORIG CO NAME:Brex Inc. ORIG ID:8195391000 D	(1,513.79)	ACH_DEBIT	1,710,601.01	See Support Tab: Brex	

Beginning Cash	2181179.85
Total Receipts	0
Total Receipts	-470578.84
Ending Cash	1710601.01
Payroll tax	-20455.76

CHECKING SUMMARY Commercial Checking

	INSTANCES	AMOUNT
Beginning Balance		**$2,181,179.85**
Electronic Withdrawals	23	- 470,578.84
Ending Balance	**23**	**$1,710,601.01**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al*.,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)

GLOBAL NOTES AND STATEMENTS OF LIMITATIONS AND DISCLAIMERS REGARDING THE DEBTORS' MONTHLY OPERATING REPORTS

BACKGROUND

On December 9 and 15, 2025, and January 1 and 15, 2026 (the "Petition Dates"), the above-captioned debtors and debtors in possession (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors' chapter 11 cases are being jointly administered for procedural purposes only pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and rule 1015-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") under the caption Apple Tree Life Sciences, Inc., *et al.*, Case No. 25-12177 (LSS), pursuant to the *Order Directing Joint Administration of the Debtors' Chapter 11 Cases* [Docket No. 69], the *Orders (I) Directing Joint Administration of Additional Chapter 11 Cases and (II) Extending Certain Relief Granted to the Original Debtors* [Docket Nos. 178 & 200]. On January 20, 2026, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Official Committee of Unsecured Creditors (the "Creditors' Committee") [D.I. 194].

The following notes, statements and limitations should be referred to, and referenced in connection with, any review of the Debtors' monthly operating reports (the "MORs").

1. **Basis of Presentation.** The Debtors are filing their MORs solely for purposes of complying with the monthly operating requirements applicable in the Debtors' chapter 11 cases. The MORs are in a format acceptable to the U.S. Trustee. The MORs should not be relied upon by any persons for information relating to past, current, or future financial conditions, events, or performance of any of the Debtors or their affiliates.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Apple Tree Life Sciences, Inc. (4506); ATP Life Science Ventures, L.P. (8224); ATP III GP, Ltd. (6091); Apertor Pharmaceuticals, Inc. (3161); Initial Therapeutics, Inc. (2453); Marlinspike Therapeutics, Inc. (4757); Red Queen Therapeutics, Inc. (8563); Evercrisp Biosciences, Inc. (4437); Nine Square Therapeutics, Inc. (4503; and Nereid Therapeutics Incorporated (8493). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

In preparing these MORs, the Debtors relied on historical financial data derived from their books and records that was available at the time of preparation. The historical data may be incomplete or inaccurate. The books and records had historically been kept on an accrual basis and have not been reconciled with the cash accounting system otherwise being presented in these MORs. Subsequent information or discovery may result in material changes to the MORs and inaccuracies, errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update the MORs.

These MORs have not been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and do not include all of the information and footnotes required by U.S. GAAP. Therefore, there can be no assurance that the financial information presented herein is complete, and readers are strongly cautioned not to place undue reliance on the MORs.

Furthermore, the monthly financial information contained herein has not been subjected to the same level of accounting review and testing that the Debtors apply in the preparation of their annual consolidated financial information in accordance with U.S. GAAP. Accordingly, upon the application of such procedures, the Debtors believe that the financial information may be subject to change, and these changes could be material.

In future periods, any changes to prior period balances will be reflected in the current month's MORs.

The results of operations contained herein are not necessarily indicative of results that may be expected from any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

These unaudited financial statements are prepared to support the information required in the MORs and should not be used for any other purpose.

2. **Reporting Period.** Unless otherwise noted herein, the MORs generally reflect the Debtors' books and records and financial activity occurring during the applicable reporting period. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

3. **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 are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

4. **Payment of Pre-Petition Claims Pursuant to Payment Orders.** Following the Petition Dates, the Court entered various orders authorizing the Debtors to, among other things, pay

certain prepetition claims, including without limitation: insurance obligations; employee wages, salaries, and related items (including, but not limited to, employee benefit programs and contractor wage obligations); and other obligations (collectively, the "Payment Orders"). To the extent any payments were made on account of such claims or obligations following the commencement of these chapter 11 cases pursuant to the authority granted to the Debtors by the Bankruptcy Court under the Payment Orders, such payments have been included in the MORs unless otherwise noted.

5. **Insiders.** For purposes of these MORs, the Debtors have defined "insiders" as is provided in section 101(31) of the Bankruptcy Code during the relevant time period. The Debtors do not concede or take any position with respect to (a) such person's influence over the control of the Debtors; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law, including, without limitation, the federal securities laws or with respect to any theories of liability or any other purpose. Further, the inclusion of a party as an "insider" solely for purposes of these MORs is not an acknowledgement, admission, or concession that such party is an "insider" under applicable bankruptcy law.

6. **Reservation of Rights.** The Debtors reserve all rights to amend or supplement the MORs in all respects, as may be necessary or appropriate. Nothing contained in these MORs shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases.

7. **Specific Disclosures**

   a. **Notes to Part 1: Cash Receipts and Disbursements**: This section is prepared on a cash basis. Further details with respect to the Debtors' cash management system and bank accounts are also provided in the *Final Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and (B) Honor Certain Pre-Petition Obligations Related Thereto, and (II) Granting Related Relief* [Docket No. 189] and the *Order (I) Directing Joint Administration of Additional Chapter 11 Cases and (II) Extending Certain Relief Granted to the Original Debtors* [Docket No. 200].

   b. **Notes to Part 2: Asset and Liability Status**: This section is prepared on an accrual basis. The amounts identified in Part 2 of the MORs are derived from the Debtors' unaudited and estimated Balance Sheets as of close of business on the last day of the reporting period. Please refer to the notes above for information about presentation and limitations related to these MORs.

   c. **Notes to Part 4: Income Statement (Statement of Operations)**: This section is prepared on an accrual basis. The amounts identified in Part 4 of the MORs are derived from the Debtors' unaudited Statements of Operations as of close of business on the last day of the reporting period.

d. **Notes to Part 5: Professional Fees and Expenses**: The Debtors will pay the professional fees & expenses of their retained bankruptcy professionals in accordance with the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 181] (the "Interim Compensation Order"). The Debtors will pay the professional fees & expenses of their other professionals (non-bankruptcy) in accordance with the *Order (I) Authorizing Debtors to Employ Professionals Utilized in the Ordinary Course of Business, (II) Waiving Certain Information Requirements of Local Rule 2016-1, and (III) Granting Related Relief* [Docket No. 192]. The Debtors will pay the professional fees and expenses incurred by the Creditors' Committee and any other official committee formed by the U.S. Trustee in accordance with the Interim Compensation Order.

e. **Notes to Part 7: Questionnaire**:

i. Question (a) – The Debtors made certain payments on prepetition debts in accordance with the Payment Orders and have, therefore, responded Yes to Question (a) on the MOR form.

ii. Question (c) – The Debtors have made certain payments to insiders pursuant to intercompany loans in accordance with the *Order Authorizing the Debtors to Honor Ordinary Course Bonus Obligations to Certain Insider Employees* [Docket No. 710]. Accordingly, certain Debtors have responded Yes to Question (c) on the MOR form.

iii. Question (f) – The Debtors are not required to remit trust fund taxes and have, therefore, responded No to Question (f) on the MOR form.

iv. Question (g) – In accordance with the *Interim Order to (I) Make and Accept Secured Loans to Portfolio Companies, (II) Authorize to the Extent Outside the Ordinary Course of Business Payment of Management Company Expenses and (III) Grant Related Relief* [Docket No. 102], the *Final Order to (I) Make and Accept Secured Loans to Portfolio Companies, (II) Authorize to the Extent Outside the Ordinary Course of Business Payment of Management Company Expenses and (III) Grant Related Relief* [Docket No. 206], and the *Interim Order (I) Authorizing Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses and (C) Pay Chapter 11 Expenses, and (II) Granting Related Relief for the Limited Purpose of Obtaining Certain Interim Funding* [Docket No. 561] (the "Funding Orders") the Partnership Debtor provided secured loans to certain Portfolio Debtors (as defined in the Funding Orders) pursuant to sections 363(b) and 364 of the Bankruptcy Code. Accordingly, certain Debtors responded Yes to Question (g) on the MOR form.