

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attachment

Blank lines for indicating if a resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Blank lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ 10/25/24

Print your name ▶ Matthew Norden

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name Todd Reinstein	Preparer's signature <i>Todd Reinstein</i>	Date 10/25/24	Check <input type="checkbox"/> if self-employed	PTIN P01306570
Firm's name ▶ Forvis Mazars, LLP			Firm's EIN ▶ 44-0160260	
Firm's address ▶ 1410 Spring Hill Road, Suite 500, Tysons, VA 22102-3056			Phone no. 703-970-0400	

2U, LLC
FEIN: 26-2335939
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

2U, LLC (the “Company”) is providing the information contained herein pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”). The information contained herein includes a general summary regarding the application of the Code and the Treasury Regulations promulgated thereunder to the Company’s debt restructuring pursuant to the Joint Prepackaged Plan of Reorganization of 2U, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code (the “Plan”).

The information discussed in Form 8937 and this attachment does not constitute tax advice. This information does not take into account the specific circumstances of any shareholder or debt holder. Holders should consult their own tax advisors regarding the U.S. federal income tax consequences of the Plan. Any capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

References to “Section” herein are to the Code or Treasury Regulations promulgated thereunder.

Part I

Line 9: Classification and description

- Approximately \$527 million in aggregate principal amounts of the 2025 Notes and the 2030 Notes (the “Allowed Unsecured Notes Claims”)
- New Common Interests and Rights (collectively, “Equity Interests”)

Part II

Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On September 13, 2024, the Plan became effective, and the Company emerged from Chapter 11 bankruptcy. Pursuant to the Plan, among other things, the Company satisfied Allowed Unsecured Notes Claims by issuing to Holders New Common Interests and Rights (the “Exchange”).

Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The tax treatment of the Exchange to a Holder depends on whether the Exchange is a tax-deferred transaction, such as a reorganization under Section 368(a)(1)(E). Whether the Exchange is treated as a reorganization depends in part on whether the Allowed Unsecured Notes Claims are considered “securities” for purposes of Section 354. Section 354 provides that no gain or loss shall be recognized if stock or securities in a corporation party to a reorganization are, in pursuance of the plan of reorganization, exchanged solely for stock or securities in such corporation or in another corporation a party to the reorganization. If the Allowed Unsecured Notes Claims are not considered securities for purposes of Section 354, the Exchange would be subject to Section 1001, which provides that an exchange of property generally results in the realization of gain or loss, with such gain or loss being recognized unless an exception applies.

Neither the Code nor the Treasury Regulations define the term “security.” As such, the determination of whether a debt instrument (such as the 2025 Notes and the 2030 Notes) is a security is based on all of the facts and circumstances. Certain authorities have held that the original term to maturity is one of the most significant factors considered in determining whether a particular debt instrument is a security. Generally, debt instruments issued with an original maturity of ten years or more have constituted securities, while debt instruments with terms of less than five years have not. The Allowed Unsecured Notes Claims are made up of the 2025 Notes, with a term in excess of five years, and the 2030 Notes, with a term in excess of seven years. As such, the Company intends to take the position that the Allowed Unsecured Notes Claims constitute securities for purposes of Section 354.

The Company also intends to take the position that the Rights are treated for U.S. federal income tax purposes as options to acquire New Common Interests. Under that treatment, the New Common Interests would, for purposes of the reorganization provisions of the Code, be equivalent to stock in the Company and, therefore, be subject to nonrecognition under Section 354. Accordingly, the Company intends to take the position that the Exchange constitutes a reorganization under Section 368(a)(1)(E).

The total gain realized by a Holder as a result of the Exchange is equal to the excess, if any, of the fair market value of the Equity Interests (including the Rights) received pursuant to the Plan over the adjusted tax basis of the Allowed Unsecured Notes Claims exchanged therefor.

If the Allowed Unsecured Notes Claims and the Equity Interests are treated as securities and stock, respectively, for purposes of Section 354, then the Exchange would qualify as a reorganization under Section 368(a)(1)(E) and no realized gain or loss would be recognized for federal income tax purposes by the Holders as a result of the Exchange. The holding period in the Equity Interests received pursuant to the Plan by a Holder generally would include the period such Holder held its Allowed Unsecured Notes Claims, and a Holder’s tax basis in the Equity Interests received pursuant to the Plan would be equal to such Holder’s adjusted tax basis in the Allowed Unsecured Notes Claims exchanged therefor.

In the event the Exchange does not qualify as a reorganization under Section 368(a)(1)(E) or another type of tax-deferred transaction, the Exchange would be a Section 1001 exchange, and a Holder would be expected to recognize any gain or loss realized in the Exchange, a Holder’s initial tax basis in the Equity Interests received pursuant to the Plan would be equal to the fair market value of such Equity Interests, and a Holder’s holding period in the Equity Interests received pursuant to the Plan would commence on the day following the Effective Date.

Other potential characterizations are possible. Holders are strongly urged to review the Disclosure Statement and to consult their own tax advisors to determine the U.S. federal income tax consequences of the Exchange, including in respect of any accrued and unpaid interest.

Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

See Line 15 response. If the Exchange qualifies as a reorganization under Section 368(a)(1)(E) or another type of tax-deferred transaction, then a Holder’s initial tax basis in the Equity Interests received pursuant to the Plan would be equal to such Holder’s tax basis in the Allowed Unsecured Notes Claims exchanged therefor. If the Exchange does not qualify as a reorganization under Section 368(a)(1)(E) or another type of tax-deferred transaction, then the Exchange would be a Section 1001 exchange, and a Holder’s initial tax basis in the Equity Interests received pursuant to the Plan would be equal to the fair market value of such Equity Interests.

Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Sections 354, 356, 358, 368, 1001, 1012, 1273, and 1274

Line 18: Can any resulting loss be recognized?

If the Exchange is a reorganization under Section 368(a)(1)(E) or otherwise qualifies as a tax-deferred transaction, then no loss may be recognized by a Holder on the Exchange.

If the Exchange is not a reorganization under Section 368(a)(1)(E) or another type of tax-deferred transaction and, accordingly, the Exchange is a Section 1001 exchange, then it may result in a loss recognized by a Holder to the extent the fair market value of the Equity Interests received by a Holder is less than a Holder's adjusted tax basis in the Allowed Unsecured Notes Claims exchanged therefor.

Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The organizational act occurred on or about September 13, 2024. The reportable tax year is 2024 for calendar year taxpayers.