



2021 Financial Statement – Investor Call

14:00 GMT – 22 April 2022

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- LBI ehf. (formerly Landsbanki Íslands hf.) (“LBI”) was in winding-up proceedings in accordance with the provisions of Act no. 161/2002 on Financial Undertakings as amended until 25 December 2015, when a composition agreement between LBI ehf. and its creditors became effective and binding in accordance with Icelandic law (the “Composition Agreement”).
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KEY DEVELOPMENTS IN Q4 2021

- **PARTIAL CONVERSION OF CONVERTIBLE NOTES**

In October 2021, LBI announced its decision to initiate a partial conversion of EUR 58,310,358 of Notes into new 58,310,358 Class A Shares according to authorization provided in Company's Articles of Association and in the Terms and Conditions of the Notes. The conversion was concluded in November 2021.

- **RESOLUTION OF FRENCH CRIMINAL PROCEEDINGS AGAINST LANDSBANKI LUXEMBOURG**

In November 2021, the French Cour de cassation rendered its decision in the criminal proceedings initiated against Landsbanki Luxembourg S.A. and others before the French courts. The prosecutor general and several borrowers had challenged the Paris Court of Appeal decision of 31 January 2020, which acquitted all accused parties and dismissed the borrowers' claims for damages. In its decision of 17 November 2021, the Cour de cassation considered these challenges to be inadmissible, thereby upholding the 31 January 2020 decision.

- **VALUE REASSESSMENT OF CLAIMS AGAINST LANDSBANKI LUXEMBOURG**

The estimated recoverable value of LBI's claim against the Landsbanki Luxembourg estate was increased by EUR 2.9 million during the year based on the balance of court rulings and legal considerations for the French and Spanish loan exposures taken together.

DRIVERS OF FINANCIAL CHANGE IN Q4 2021

ASSET CATEGORIES	30.9.2021	Net cash received	FX change	Value-change	Income	Operating expenses	Note Redemption	31.12.2021
Cash	14.204	1.289	140	0	7	(1.331)	0	14.308
Restricted cash	237	0	5	0	0	0	0	243
Loans to customers	307	0	8	0	0	0	0	315
Claims on bankrupt estates and other assets ..	98.365	(1.289)	(0)	1.772	0	2	0	98.851
TOTAL	113.113	0	153	1.772	7	(1.330)	0	113.716

- Net cash received in the period was EUR 1.3 million. Thereof, EUR 1.1 million was received as settlement payment for claim brought by LBI against former servicer.
- The estimated recoverable value of LBI's claim against LILUX was reassessed leading to increased recovery expectations of EUR 1.8 million.
- The pro forma book value of the outstanding Convertible Notes as on 31 December 2021 is 27.2%, including cash that is expected to be spent on future operational expenses

OPERATIONAL EXPENSES

EXPENSES VERSUS BUDGET	Q4 2021	Q3 2021
Budgeted operating expenses ...	612	641
Actual operating expenses	688	1.504
DIFFERENCE	(76)	(862)

SALARIES AND RELATED EXPENSES	Q4 2021	Q3 2021
Salaries.....	224	224
Pension fund.....	30	30
Other salary related expenses.	14	14
TOTAL	268	268

GENERAL AND ADMINISTRATIVE EXPENSES	Q4 2021	Q3 2021
External advisors.....	396	1.211
Premises expenses.....	9	9
Other expenses.....	15	15
TOTAL	420	1.235

- Actual cost during the quarter was EUR 76 thousand higher than budgeted and is mainly explained by:
 - EUR 79 thousand in salaries as the board fees do not form part of the budget.

LI Lux estate

- Final ruling the French Cour of Cassation in the criminal litigation by has lifted the stay on enforcement of outstanding loans to borrowers domiciled in France and has provided greater clarity on recovery
- Diverging court decisions continue in the Spanish civil litigation and all unfavourable rulings are being appealed
- Estimated recoverable value has been increased based on the balance of court rulings and legal considerations for the French and Spanish loan exposures taken together
- LBI is exploring options for greater access and control over underlying assets

OTHER LEGAL DISPUTES BEFORE COURTS

HSBC Milan Case

- Procedural hearing before the Milan Court of Appeal was held in December 2021.
- The Court of Appeal has set the final hearing for 10 January 2023. Therefore, it is expected that a decision on the appeal will be rendered before end of June 2023.

MONETISATION PLAN FOR NEXT 12 MONTHS

ASSET CATEGORIES	2022				
	Q1	Q2	Q3	Q4	TOTAL
Loans to customers	0	0	0	315	315
Claims on bankrupt estates	324	0	0	0	324
TOTAL	324	0	0	315	638

AMOUNTS IN EUR EQUIVALENT	2022				
	Q1	Q2	Q3	Q4	TOTAL
GBP	0	0	0	315	315
EUR	324	0	0	0	324
TOTAL	324	0	0	315	638

- In Q1 2022 EUR 324 thousands is expected from Claims on bankrupt estates (from LI LUX estate)
- In Q4 2022 EUR 315 thousands is expected from Loans to customers (from UK individual's bankruptcy estate)

Q&A