



2022 Financial Statements – Investor Call

15:00 GMT – 27 March 2023

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KEY DEVELOPMENTS IN Q4 2022

- **PARTIAL CONVERSION OF CONVERTIBLE NOTES**

In October 2022, LBI announced its decision to initiate a partial conversion of EUR 82,843,563.89 of Notes into new 82,843,563.89 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 2022.

- **VALUE REASSESSMENT OF CLAIMS**

The estimated recoverable value of LBI's assets was decreased by EUR 5.3 million in Q4 2022 after refining the data inputs used to model this value.

- **ANTICIPATED CASH FLOW**

It is hoped that the anticipated cashflow to be received by LBI ehf this year will allow LBI ehf to make a distribution in the second half of 2023

DRIVERS OF FINANCIAL CHANGE IN Q4 2022

ASSET CATEGORIES	30.9.2022	Net cash received	FX change	Value-change	Income	Operating expenses	Note Redemption	31.12.2022
Cash	11.966	12	(70)	0	69	(586)	0	11.391
Restricted cash	282	0	(24)	0	0	0	0	258
Loans to customers	54	(10)	(0)	6	0	0	0	51
Claims on bankrupt estates and other assets	98.411	(2)	(0)	(5.302)	0	20	0	93.127
TOTAL	110.713	0	(95)	(5.295)	69	(567)	0	104.826

- Net cash received in the period was EUR 12 thousands.
- The estimated recoverable value of LBI's assets was reassessed leading to decreased recovery expectations of EUR 5.3 million.
- The pro forma book value of the outstanding Convertible Notes as on 31 December 2022 is 31.4%, including cash that is expected to be spent on future operational expenses

OPERATIONAL EXPENSES

EXPENSES VERSUS BUDGET	Q4 2022	Q3 2022
Budgeted operating expenses ...	403	464
Actual operating expenses	544	666
DIFFERENCE	(141)	(203)

SALARIES AND RELATED EXPENSES	Q4 2022	Q3 2022
Salaries.....	88	133
Pension fund.....	12	18
Other salary related expenses.	7	10
TOTAL	106	161

GENERAL AND ADMINISTRATIVE EXPENSES	Q4 2022	Q3 2022
External advisors.....	394	435
Premises expenses.....	12	10
Other expenses.....	32	61
TOTAL	438	505

- Actual cost during the quarter was EUR 141 thousand higher than budgeted and is mainly explained by
 - External advisory cost is EUR 163 thousand net higher than budget. This is mainly explained by foreign legal and foreign other service fee being higher than budget.

OPERATIONAL BUDGET FOR 2023

		2023			
		Q1	Q2	Q3	Q4
SALARIES AND RELATED EXPENSES					
Salaries.....		88	88	88	88
Pension fund.....		12	12	12	12
Other salary related expenses.....		6	6	6	6
TOTAL		106	106	106	106
GENERAL AND ADMINISTRATIVE EXPENSES					
External advisors.....		553	547	384	388
Premises expenses.....		10	11	10	10
Other expenses.....		39	110	29	29
TOTAL		602	668	423	428
OPERATING EXPENSES	TOTAL	708	773	529	533

- Estimated costs for external advisors relate to monetisation proceedings and Convertible Notes administration fees.

LI Lux estate

- Landsbanki Luxembourg settled or resolved a small number of cases in France and Spain during 2022
- Following the resolution of the French criminal proceedings in 2021, in favour of Landsbanki Luxembourg, the French courts re-started the recognition of Luxembourg court judgement in France.
- A number of former borrowers in both France and Spain are now in settlement discussions with Landsbanki Luxembourg
- Communication between LBI and Landsbanki Luxembourg has improved during the year and Landsbanki Luxembourg is seeking LBI's consent for settlements in order to facilitate the Luxembourg court approval process.

OTHER LEGAL DISPUTES BEFORE COURTS

HSBC Milan Case

- The procedural hearing was held before the Milan Court of Appeal in December 2021.
- The Court of Appeal delayed the final hearing date from January 2023 to April 2023. Therefore it is now expected that a decision on the appeal will be made before November 2023.

MONETISATION PLAN FOR NEXT 12 MONTHS

ASSET CATEGORIES	2023				TOTAL
	Q1	Q2	Q3	Q4	
Loans to customers	2	2	2	2	10
Claims on bankrupt estates and other assets .	649	6.000	3.000	3.000	12.649
TOTAL	651	6.002	3.002	3.002	12.659

- Q1 and Q2 projected recoveries are based upon completed or expected settlements from the French and Spanish loan portfolios of Landsbanki Luxembourg, and the subsequent partial repayment of the LBI ehf creditor claim against the Luxembourg insolvent estate.
- Q3 and Q4 recoveries are possible outcomes reflecting ongoing discussions related to certain loans and assets.

Q&A