



2021 Q1 Management Accounts – Investor Call

14:00 GMT – 4 MAY 2021

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## KEY DEVELOPMENTS IN Q1 2021

- LBI reached agreement with a foreign entity, who provided services to one of LBI's former foreign branches, resulting in the release of funds. Due to this, estimated recovery was increased by EUR 2.5 million.
- In April 2021, LBI received the above payment, equivalent to EUR 2.5 million.

## DRIVERS OF FINANCIAL CHANGE IN Q1 2021

ASSET CATEGORIES	31.12.2020	Net cash received	FX change	Value-change	Income	Operating expenses	Note Redemption	31.3.2021
Cash .....	14.582	120	216	0	0	(1.241)	0	13.678
Restricted cash .....	224	0	10	0	0	0	0	235
Loans to customers .....	600	0	33	0	0	0	0	634
Claims on bankrupt estates and other assets ..	96.288	(120)	8	2.930	0	0	0	99.106
<b>TOTAL</b>	111.694	0	268	2.930	0	(1.241)	0	113.652

- Estimated value increased by net EUR 2.9 million, primarily on account of expected recovery of Company funds in the equivalent of EUR 2.5 million and EUR 0.4 million in increased value on LBI's claims against the Landsbanki Luxembourg estate
- Operating expenses were EUR 1.2 million
- The pro forma book value of the outstanding Convertible Notes as on 31 March 2021 is 23.7%, including cash that is expected to be spent on future operational expenses

## OPERATIONAL EXPENSES

<b>EXPENSES VERSUS BUDGET</b>	<b>Q1 2021</b>	<b>Q4 2020</b>
Budgeted operating expenses ..	886	710
Actual operating expenses .....	1.544	1.478
<b>DIFFERENCE</b>	<b>(658)</b>	<b>(768)</b>

<b>SALARIES AND RELATED EXPENSES</b>	<b>Q1 2021</b>	<b>Q4 2020</b>
Salaries.....	687	348
Pension fund.....	83	44
Other salary related expenses.	44	23
<b>TOTAL</b>	<b>814</b>	<b>415</b>

<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>Q1 2021</b>	<b>Q4 2020</b>
External advisors.....	695	592
Premises expenses.....	8	16
Other expenses.....	26	455
<b>TOTAL</b>	<b>729</b>	<b>1.064</b>

- Actual cost during the quarter was EUR 658 thousand higher than budgeted and is mainly explained by:
  - Salaries are EUR 558 thousand higher than budget. This is explained by LTIP-incentive payments of EUR 553 thousand
  - External advisory cost is EUR 112 thousand net higher than budget. This is mainly explained by foreign legal fee being higher than expected

## LI Lux estate

- Final ruling from Cour de cassation on French criminal litigation expected during the course of 2021
- Diverging court rulings continue in Spanish civil litigation with all unfavourable rulings being appealed

## OTHER LEGAL DISPUTES BEFORE COURTS

- Damages cases (D&O cases)
  - **Grettir-case**
  - Main hearing before the Landsréttur Court of Appeal was held on 15-16 April 2021. It can be expected that the court will render its decision before end Q2 2021
  - **New Straumur-case**
  - In procedural hearing held in June 2020, the Reykjavik District Court decided that the main hearing on the insurer's dismissal claim will be postponed until the final court decision in the Grettir case is obtained.

## MONETISATION PLAN FOR NEXT 12 MONTHS

ASSET CATEGORIES	2021			2022	TOTAL
	Q2	Q3	Q4	Q1	
Loans to customers .....	317	0	317	0	634
Claims on bankrupt estates and other assets .	2.505	0	0	0	2.505
<b>TOTAL</b>	<b>2.822</b>	<b>0</b>	<b>317</b>	<b>0</b>	<b>3.139</b>

AMOUNTS IN EUR EQUIVALENT	2021			2022	TOTAL
	Q2	Q3	Q4	Q1	
GBP .....	317	0	317	0	634
Other .....	2.505	0	0	0	2.505
<b>TOTAL</b>	<b>2.822</b>	<b>0</b>	<b>317</b>	<b>0</b>	<b>3.139</b>

- In Q2 2021 a total of EUR 2.8 million is expected, thereof EUR 2.5 million from Claims on bankrupt estates and other assets and EUR 0.3 million from Loans to customers (from UK individual's bankruptcy estate).
- In Q4 2021 a total of EUR 317 thousand is expected from Loans to customers (from UK individual's bankruptcy estate).



# Q&A