



2021 Q2 Management Accounts – Investor Call

14:00 GMT – 12 AUGUST 2021

DISCLAIMER

- 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”).
- This document (“Information”) contains a summary of some of the principal issues concerning the Company but is not necessarily and should not be regarded as an exhaustive list of all developments which Noteholders may consider material.
- Without prejudice to liability for fraud, LBI accepts no responsibility for the accuracy or completeness of any information and, without limitation to the foregoing, disclaims any liability which may be based on the accuracy or completeness of this presentation, modification of the presentation or any use or inability to use this information. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein and therein.
- LBI and its employees are under no circumstances responsible for any damage or loss which may occur as a result of any of the Information. LBI and its employees do not accept any liability in any event including (without limitation) any damage or loss of any kind which may arise including direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with the use or inability to use the information.
- LBI is under no obligation to make amendments or changes to this publication if errors are found or opinions or Information change.
- Nothing in this presentation should be relied upon by any person for any purposes including, without limitation, in connection with investment decisions relating to LBI. LBI accepts no responsibility for any such reliance.

KEY DEVELOPMENTS IN Q2 2021

▪ **Grettir-case**

- On 28 May 2021, the Landsréttur Court of Appeal handed down a judgement in the Grettir-case by which the D&O Insurers, the former CEO, Halldor J. Kristjansson, and the former Head of corporate finance, Sigridur Elin Sigfusdóttir were acquitted.
- The Court found that the former CEO, Sigurjon P. Arnason, is obliged to pay LBI ISK 50.000.000 with default interest from the day the case was filed before the Reykjavik District Court in November 2011.
- On 23 June 2021, the Company submitted its appeal request to the Supreme Court of Iceland. It is currently expected that the Supreme Court will decide on the Company's appeal request before end of Q3 2021.

▪ **HSBC Milan-case**

- On 22 June 2021, the Milan Court of First Instance handed down a judgement dismissing LBI's claims. In July 2021, the Company decided to appeal the decision to the Milan Court of Appeal. As proceedings before the appellate court are usually faster than before the court of first instance, it is currently expected that a decision on the appeal will be rendered in the first half of 2022.

DRIVERS OF FINANCIAL CHANGE IN Q2 2021

ASSET CATEGORIES	31.3.2021	Net cash received	FX change	Value-change	Income	Operating expenses	Note Redemption	31.6.2021
Cash	13.678	2.826	(77)	0	0	(1.476)	0	14.950
Restricted cash	235	0	(3)	0	0	0	0	231
Loans to customers	634	(321)	(4)	0	0	0	0	308
Claims on bankrupt estates and other assets ..	99.106	(2.505)	(0)	399	0	0	0	97.000
TOTAL	113.652	0	(85)	399	0	(1.476)	0	112.490

- Net cash received in the period was EUR 2.8 million, thereof EUR 2.5 million related to an agreement on the release of Company's funds and EUR 0.3 million from Loans to customers.
- Estimated value increased by net EUR 0.4 million on LBI's claims against the Landsbanki Luxembourg estate.
- Operating expenses were EUR 1.5 million
- The pro forma book value of the outstanding Convertible Notes as on 31 March 2021 is 23.6%, including cash that is expected to be spent on future operational expenses

OPERATIONAL EXPENSES

EXPENSES VERSUS BUDGET	Q2 2021	Q1 2021
Budgeted operating expenses ...	575	886
Actual operating expenses	1.147	1.544
DIFFERENCE	(573)	(658)

SALARIES AND RELATED EXPENSES	Q2 2021	Q1 2021
Salaries.....	224	687
Pension fund.....	30	83
Other salary related expenses.	14	44
TOTAL	268	814

GENERAL AND ADMINISTRATIVE EXPENSES	Q2 2021	Q1 2021
External advisors.....	789	695
Premises expenses.....	9	8
Other expenses.....	81	26
TOTAL	879	729

- Actual cost during the quarter was EUR 573 thousand higher than budgeted and is mainly explained by:
 - Salaries are EUR 96 thousand higher than budget. This is mainly explained by board salaries which was excluded from the budget.
 - External advisory cost is EUR 478 thousand higher than budget. This is mainly explained by legal fees of EUR 379 thousand, thereof EUR 243 thousand in domestic legal fees related to the Grettir-case and EUR 136 thousand in foreign legal fees mainly related to Landsbanki Luxembourg estate.

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**
 - On 28 May 2021, the Landsréttur Court of Appeal handed down a judgement in the Grettir-case by which the D&O Insurers, the former CEO, Halldor J. Kristjánsson, and the former Head of corporate finance, Sigridur Elin Sigfusdóttir were acquitted.
 - The Court found that the former CEO, Sigurjon P. Arnason, is obliged to pay LBI ISK 50.000.000 with default interest from the day the case was filed before the Reykjavik District Court in November 2011.
 - On 23 June 2021, the Company submitted its appeal request to the Supreme Court of Iceland. It is currently expected that the Supreme Court will decide on the Company's appeal request before end of Q3 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
	Q3	Q4	Q1	Q2	
Loans to customers	0	308	0	0	308
TOTAL	0	308	0	0	308

AMOUNTS IN EUR EQUIVALENT	2021		2022		TOTAL
	Q3	Q4	Q1	Q2	
GBP	0	308	0	0	308
TOTAL	0	308	0	0	308

- In Q4 2021, a total of EUR 308 thousand is expected from Loans to customers (from UK individual's bankruptcy estate).

Q&A