

Lehman Brothers Holdings Plc (“LBH”) Estimated Outcome Statement as at 13 October 2025

Further to previous announcements, the administrators of LBH are now in a position to provide an updated estimated outcome for LBH. Please read the “Important notice” below which sets out the various assumptions on which these estimates are based and the caution with which they should be approached by stakeholders.

To date, the administrators have made distributions to LBH’s subordinated creditors totaling £299.0m:

Subordinated creditors Distributions under the Framework Agreements	£'m equivalent
Tier X	
- 24 November 2023 (to LBGP)	151.5
- 24 November 2023 (to LBGP)	20.7
- 29 December 2023 (to LBHI)	15.0
Tier Y	
- 9 September 2025 (to LBHI)	29.3
- 12 September 2025 (to LBGP)	71.1
- 12 September 2025 (to LBGP)	11.4
Total payments under the Framework Agreements	299.0

In the following table, and as with previous updates, illustrative outcomes have been prepared on assumed “Base” and “High” cases. The LBH administrators have used as a starting point the current cash at bank balances as provided to LBH by the other relevant estates and then applied certain assumptions concerning expected future realisations and costs of the relevant Lehman estates.

The LBH administrators consider that the range of outcomes is a reasonable estimate of the likely recoveries to LBH’s subordinated creditors, however, they note that actual recoveries may ultimately be lower than those outlined in the “Base” case or higher than those in the “High” case.

The “Base” case illustrates a further recovery for LBH subordinated creditors of approximately £93.8m (resulting in total recoveries for LBH’s subordinated creditors of £392.8m). The “High” case illustrates a further recovery for LBH subordinated creditors of approximately £113.8m (resulting in total recoveries for LBH’s subordinated creditors of £412.8m).

Estimated funds available for LBH subordinated creditors as at 13 October 2025 (in GBP equivalent)	Note	Base £'m	High £'m
Current cash balances			
- LBHI2	1	58.8	58.8
- LBL		3.3	3.3
- LBH		66.8	66.8
LBHI2 estimated retained recoveries from LBIE	2	15.8	21.8
Estimated equity recovery from MBAM Investor Limited ("MBAM")	3	8.0	10.0
Estimated net recoveries from LBH owned assets	4	9.3	12.4
Available cash and future recoveries	5	162.0	173.0
Overall estimated costs, expenses and other liabilities		(68.2)	(59.2)
Estimated funds available for LBH subordinated creditors		93.8	113.8
Memo: Total recovery for LBH subordinated creditors			
Previously paid to LBH subordinated creditors		299.0	299.0
Estimated future funds available (see above)		93.8	113.8
Total estimated recovery for LBH subordinated creditors		392.8	412.8

Notes:

1. All cash balances are as at 14 September 2025 and are stated in pounds sterling, adjusting for the conversion of any remaining foreign currency balances.
2. Amounts include recoveries from LBIE after deduction for costs and expenses, and after taking account of the Wentworth joint venture structure and the associated financial sharing agreement.
3. Estimated net equity return to LBH from its investment in MBAM, after tax and costs.
4. Recoveries attributable to LBIE's remaining assets were not anticipated to have materialised by the expiry of the LBIE administration and, as all creditor claims had previously been paid in full, LBIE's administrators planned an orderly exit from administration.
 - a. As LBH is the UK group entity expected to remain in administration for the longest period, LBIE agreed to sell its remaining assets (with the exception of its remaining claim for interest from the US Internal Revenue Service), to LBH for consideration of c.£16.5m.
 - b. This transaction was entered into on 3 September 2025 and involved arrangements to take account of the indirect interest which two parties to the Wentworth Sharing Agreement also had in recoveries from LBIE's assets.
 - c. The amounts include recoveries from the former LBIE assets, after deduction for associated costs and expenses in realising such assets, and after taking account of certain payments which replicate the financial sharing agreement with the Wentworth joint venture parties had the assets been realised by LBIE.
5. As described more fully in the LBH Administrators' 32nd Progress Report dated 14 October 2024, the Framework Agreement, which became effective on 8 October 2023 was amended in October 2024. The Amended and Restated Framework Agreement amended the specific sharing formula as set out in the Framework Agreement. The revised sharing formula under which LBH will make payments to LBGP and LBHI of funds available for subordinated creditors is summarised below:
 - a. Tier X - first available funds of £187.2m - these funds have now been distributed in full; and
 - b. Tier Y - next available funds of up to £225.0m - this distribution can only take place once (i) Tier X funds have been distributed in full (which is now the case); (ii) there has been a final adjudication or settlement of Priority Legal Issue 1 (which is now the case); and (iii) the unsubordinated creditors' remaining entitlement to post-administration statutory interest has been satisfied in full.
 - i. Subject to the above conditions being met, the next £225.0m of funds available to subordinated creditors will be paid in the following proportions:
 1. 73.8% (equivalent of up to £166.05m) to LBGP; and
 2. 26.2% (equivalent of up to £58.95m) to LBHI.

Of these funds, £111.8m has been distributed to the subordinated creditors (representing a distribution of £115.0m less a retention of £3.2m as provided for in the Amended Framework Agreement).
 - c. Tier Z - remaining funds available to subordinated creditors - subject first to the distributions of Tiers X and Y, further distributions to LBH's subordinated creditors will be paid from any remaining funds available in the following proportions:
 - i. 40% to LBGP; and
 - ii. 60% to LBHI.

Important notice

The estimated financial outcome has been prepared on the basis of certain simplifying assumptions and has been presented in a summarised form. Accordingly, the administrators of LBH caution creditors against relying on this announcement as a definitive indication of potential returns from LBH or any other Lehman affiliate estates, or as an indication of a minimum or maximum potential recovery.

There are various matters which will have a bearing on what will be the final outcome for stakeholders of the UK Lehman group. These include:

- the quantum of further payments by LBIE to LBHI2, which are dependent on the recovery of its US tax refund claim filed with the Internal Revenue Service;
- the value realised by LBH in respect of the former LBIE assets (including claims into two overseas insolvencies); and
- the quantum of expense liabilities in various UK Lehman estates.

The LBH administrators will continue to consider options to simplify the estate structure and reduce costs, which would ultimately benefit its creditors. The LBH administrators caution that certain matters may take some time to resolve and will impact on the overall duration of the administrations.