

17 July 2024

Litigation Capital Management Limited
("LCM" or the "Company")

Trading Update for 2024 Financial Year

Litigation Capital Management Limited (AIM:LIT) an alternative asset manager specialising in dispute financing solutions internationally, is pleased to provide an update on its business for the 2024 financial year ended 30 June 2024.

We are pleased to report another successful year with eight investments concluding in the period generating realisations for LCM, inclusive of performance fees, totalling AUD\$56.0m. This is compared to LCM's invested capital of AUD\$23.8m, representing a multiple on invested capital (MOIC) of 2.4x. This performance aligns with our long-term track record of an average MOIC of 2.7x from investments concluded within the last 13 years, and underscores the successful execution of our strategy.

Moreover, we have made a strong start to our 2025 financial year. Shortly after the 2024 financial year end, a single case investment concluded generating realizations for LCM of at least AUD\$12.5m, including performance fees, compared to LCM's invested capital of AUD\$1.5m, representing a MOIC of 8.3x.

Period	Realisations (AUD\$m)	Invested Capital (AUD\$m)	MOIC multiple
H1	28.4	8.8	3.2x
H2	27.6	15.0	1.8x
FY24	56.0	23.8	2.4x
Post Period end	12.5	1.5	8.3x

The average duration of cases concluded in FY24 was 45 months - slightly longer than our general expectation of 36-42 months, which remains unchanged. This largely reflects the COVID related delays that we have previously communicated which impacted several of the investments that concluded in the period. Importantly, elongated time has not adversely impacted on investment performance.

We continue to invest in what we believe are the highest quality legal claims, collaborating with leading law firms and barristers in our respective markets. We have seen high demand for our capital in the second half of the year and expect to report New Commitments for FY24 in excess of AUD\$250m (FY23: AUD\$176m). It remains our key strategic priority to continue to grow New Commitments, and thus ensure LCM achieves additional financial scale.

Our current portfolio of investments, both direct investments that are entirely funded via our own balance sheet and those in which we are co-invested alongside our managed external funds, continue to perform in line with our expectations.

Patrick Moloney, CEO of LCM, commented: *"The performance of our concluded investments in our 2024 financial year highlights the strength and effectiveness of our investment strategy. Through our rigorous investment process, we have assembled a high-quality portfolio of uncorrelated legal finance assets that are positioned to deliver attractive future aggregate investment performance. Given our access to capital, further growing New Commitments remains our key strategic priority and we are well on track. We see significant upside potential here.*

"We look forward to updating our investors on our strategic progress with our full-year results presentation on 19 September and are excited about our future opportunities."

Below is a brief summary of selected investments that concluded in the second half of our 2024 financial year.

Binding Settlement reached - Direct balance sheet Investment

A successful outcome in a dispute investment which forms part of LCM's portfolio of 100% direct investments has been achieved. The proceedings were heard in the Supreme Court of Western Australia and included two levels of appeal at which LCM's funded party was successful at each level. A binding settlement deed has been executed by the parties resulting in the realisation of LCM's investment. The investment is one of four legacy disputes held at cost within our financial statements. Details of the returns are highlighted below:

AUD\$m	Investment performance
Invested capital	2.8
Investment return	9.2
Total revenue	12.0
MOIC	4.3x

Binding Settlement reached - Direct balance sheet Investment

A further successful outcome was achieved with respect to a portfolio of insolvency claims related to the failure of an Australian listed construction company. A binding settlement deed was executed by the parties resulting in the realisation of LCM's investment. The investment also forms part of LCM's portfolio of 100% direct investments. Details of the returns are highlighted below:

AUD\$m	Investment performance
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Invested capital	2.8
Investment return	7.4
Total revenue	10.3
MOIC	3.7x

Furthermore, below is a summary of the investment that concluded shortly after our financial year end.

Bilateral Investment Treaty - Fund I Investment

LCM funded a claim advanced in respect of a breach of a bilateral investment treaty and brought under the International Centre For Settlement of Investment Disputes (ICSID) Convention. The Tribunal issued an award in July 2023 in favour of LCM's funded party for USD\$76.7m plus interest and costs. The Respondent sought to challenge the award, but the parties have now reached a settlement in advance of the annulment hearing. The terms of the settlement are confidential.

The claim forms part of LCM's managed Global Alternative Returns Fund ("Fund I") and was funded directly from LCM's balance sheet (25%) and Fund I investors (75%). Details of the returns are highlighted below:

AUD\$m	Investment performance	LCM performance metrics	Fund I performance metrics
Invested capital	5.9	1.5	4.4
Investment return	23.3	5.8	17.5
Total revenue	29.2	7.3	21.9
MOIC on investment	5.0	5.0	5.0
Performance fee*	-	5.2	(5.2)
Gross profit	23.3	11.0	12.3
MOIC inclusive of performance fees	5.0x	8.3x	3.8x

*The investment returns are subject to change based on the prevailing FX rate and timing of distribution

Notice of Results

We expect to report our 2024 financial year results on 19 September 2024.

Enquiries

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NOTES TO EDITORS

Litigation Capital Management (LCM) is an alternative asset manager specialising in disputes financing solutions internationally, which operates two business models. The first is direct investments made from LCM's permanent balance sheet capital and the second is third party fund management. Under those two business models, LCM currently pursues three investment strategies: Single-case funding, Portfolio funding and Acquisitions of claims. LCM generates its revenue from both its direct investments and also performance fees through asset management.

LCM has an unparalleled track record driven by disciplined project selection and robust risk management.

Currently headquartered in Sydney, with offices in London, Singapore, Brisbane and Melbourne, LCM listed on AIM in December 2018, trading under the ticker LIT.

www.lcmfinance.com

Inside Information

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

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