

1 April 2025

Litigation Capital Management Limited

("LCM" or the "Company")

Outcome of Commercial Arbitration Investment

Litigation Capital Management Limited (AIM:LIT), an alternative asset manager specialising in dispute financing solutions internationally, announces that it has been unsuccessful in a commercial arbitration brought before the London Court of International Arbitration, in which LCM provided funding to the claimant.

The tribunal found against LCM's funded party. The subject matter, findings and funding terms remain confidential. As is typical in commercial arbitration, the avenues for appeal are limited. LCM is currently assessing potential next steps in collaboration with the funded party and legal representatives.

This investment was co-funded by Fund I. LCM has invested £2.5m (A 5.1m) of its own capital into the case alongside £7.5m (A 15.2m) of investment from Fund I. As of 31 December 2024, the investment was recorded at a fair value of £17.0m (A 34.4m) from LCM's perspective inclusive of anticipated performance fees. This fair value was based among other factors on the advice of an independent Kings Counsel immediately before the hearing confirming both prospects of success and quantum. Importantly, LCM has no exposure to adverse costs, and Fund I's performance remains robust, with the Net Realised IRR standing at 35% post this unsuccessful investment.

Fair value accounting in legal finance reflects both the risk and potential rewards inherent in high-value commercial disputes. As cases progress towards resolution, fair value assessments may reflect significant multiples of invested capital. LCM continues to refine and enhance its valuation methodology to ensure a disciplined and consistent approach to the assessment of ongoing investments.

Patrick Moloney, CEO of LCM commented *"While this outcome is disappointing, we remain steadfast in our confidence in the strength of our broader portfolio. Legal finance inherently involves binary outcomes, and while this case did not deliver the expected result, our long-term track record demonstrates our ability to generate strong returns. We continue to believe in the substantial value embedded in our portfolio and remain focused on delivering successful outcomes for our investors."*

Enquiries

Litigation Capital Management

Patrick Moloney, Chief Executive Officer
David Collins, Chief Financial Officer

Cavendish (Nomad and Joint Broker)

Tel: 020 7523 8000

Jonny Franklin-Adams, Isaac Hooper and Rory Sale (Corporate Finance)
Tim Redfern and Jamie Anderson (Corporate Broking)

Tel: 020 7597 5970

Canaccord Genuity (Joint Broker)

Bobbie Hilliam

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

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how

RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCFLFLEVLILVIE