

19 June 2025

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

Judgment in Funded Case and Trading Update

Litigation Capital Management Limited ("LCM" or the "Company"), an alternative asset manager specialising in dispute financing solutions internationally, announces that the High Court in London has delivered a judgment in a commercial litigation matter funded by LCM (the "Judgment"). This announcement also includes a trading update for the financial year ending 30 June 2025.

Funded Case Judgment

The Judgment found against LCM's funded party. The investment was co-funded alongside Fund I. LCM contributed £3.4m (A 7.2m) of its own capital with a further £8.2m (A 17.2m) invested from Fund I. As at 31 December 2024, the investment was recorded at a fair value of £5.0m (A 10.1m) on LCM's balance sheet. Adverse costs risk is covered by ATE insurance. LCM is currently reviewing the judgment and assessing potential next steps alongside the funded party and legal representatives.

Trading Update

In the second half of the financial year, the number of realisations has been modest with two successful investments and two unsuccessful investments in the period. These realisations in the second half exclude the Judgment noted above and the previously announced Queensland Electricity, Quintis and the commercial arbitration claim; all of which are either subject to appeal processes or considering appeal options.

Period	Realisations (A m)	Invested Capital (A m)	MOIC multiple
H1 25	52	14	3.7x
H2 25	3	5	0.6x
FY25	55	19	2.9x

Note: Invested Capital reflects LCM's investment into the 13 concluded investments. It excludes Queensland Electricity, Quintis, the commercial arbitration and the UK litigation matter referenced above.

Net debt is expected to be approximately A 73m at 30 June 2025 (FY24: A 8.9m), reflecting continued deployment into active cases and modest cash inflows during the period.

LCM has received strong interest in Fund III from both existing and new investors. In light of uncertainty surrounding potential tax changes in the US litigation finance market, as well as political developments affecting certain institutional investors, notably US university endowments, LCM considers it prudent to temporarily pause active marketing of Fund III. While LCM has no direct exposure to US tax proposals, maintaining optionality in how we respond to further developments allows us to position the business advantageously as the external environment becomes clearer. We anticipate resuming marketing for Fund III in late 2025 or early 2026 and we remain flexible.

In light of this pause, and reflecting the Board's focus on balance sheet discipline following the recently announced trial losses, new commitments for FY25 are expected to be approximately A 80 million (FY24: A 270 million).

Management will provide a strategic update with the full year results in September, reflecting on recent developments and outlining the Company's forward priorities. This will include an assessment of the current portfolio, which contains a range of investments at different stages, including several larger matters that have the potential to positively impact future financial performance in a meaningful way.

Patrick Moloney, CEO of LCM commented: "This has been a challenging period for LCM, marked by a small number of adverse case outcomes. While the recent trial losses are clearly disappointing, we are actively applying the lessons learned to further strengthen our investment and risk processes. As shareholders would expect, we analyse in detail the reasons for any adverse judgment LCM receives. I look forward to sharing those insights with our investors at our full year results presentation. Fund III marketing has been temporarily paused for the reasons noted but we retain flexibility to recommence that process. We are very pleased with the interest and enthusiasm shown to date by key investors. Our long-term confidence in the fundamentals of the dispute finance sector, and in LCM's differentiated model, remains intact."

Enquiries

Litigation Capital Management

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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 and Brisbane, LCM listed on AIM in December 2018, trading under the ticker LIT.

www.lcmfinance.com

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