



HALF-YEAR RESULTS PRESENTATION  
SIX MONTHS ENDED 31 DECEMBER 2023

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# PRESENTERS

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**Patrick Moloney**  
CHIEF EXECUTIVE OFFICER

Patrick Moloney is a veteran of the disputes funding industry with over 20 years' experience in the space. Patrick has been a Director of LCM since 2003 and the Chief Executive Officer of the group since December 2013 based out of LCM's London Office. He is responsible for overseeing all litigation projects in which LCM has an investment and (as a Board member) for approving new litigation projects for funding. He has been involved in all aspects of the business including devising strategy for future growth, investor relations and corporate affairs. Patrick is one of the most experienced litigation financiers globally.



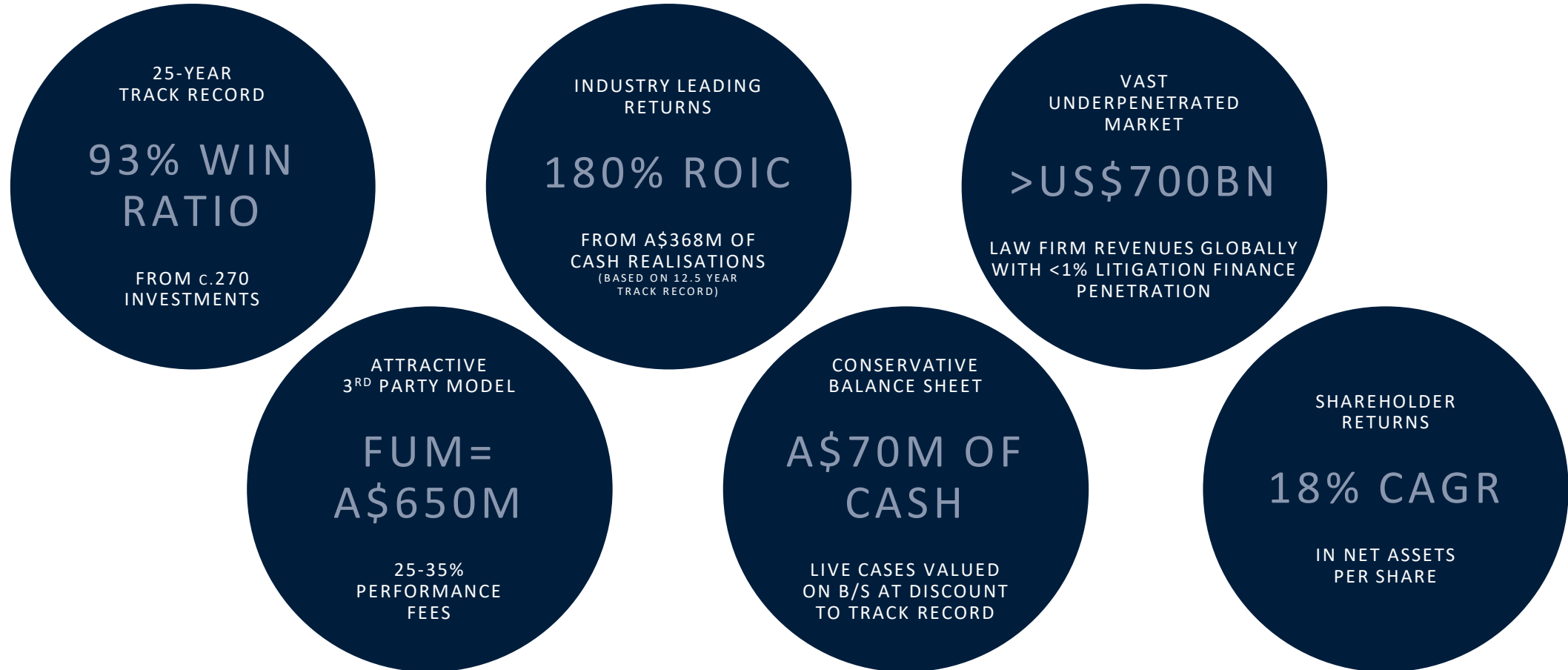
**Mary Gangemi**  
CHIEF FINANCIAL OFFICER

Mary has extensive senior management experience in financial services, having managed finance functions in the UK, Europe and Asia. Mary has extensive listed company experience and has been involved with a number of corporate transactions (both buy & sell side), and her involvement in several restructures, provides her with a strong background in change and people management. Mary has a Bachelor of Commerce (Accounting and Finance), is qualified as a Certified Practising Accountant (CPA Australia) and has completed the Transition to General Management programme through Executive Education at INSEAD. Mary's previous roles at Investment Banks and Brokers include; Bridgework, Creditex and Canaccord. Most recently, she worked for IFG Group PLC, where she was part of the key management team that successfully sold the business to Epiris-Private Equity.

# 01//OVERVIEW

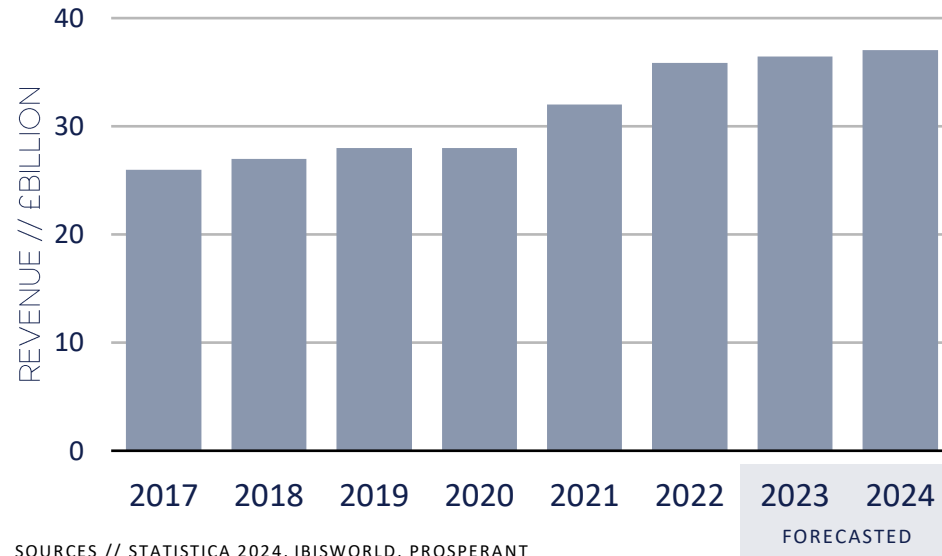
# WE ARE A LEADING DISPUTES FINANCIER...

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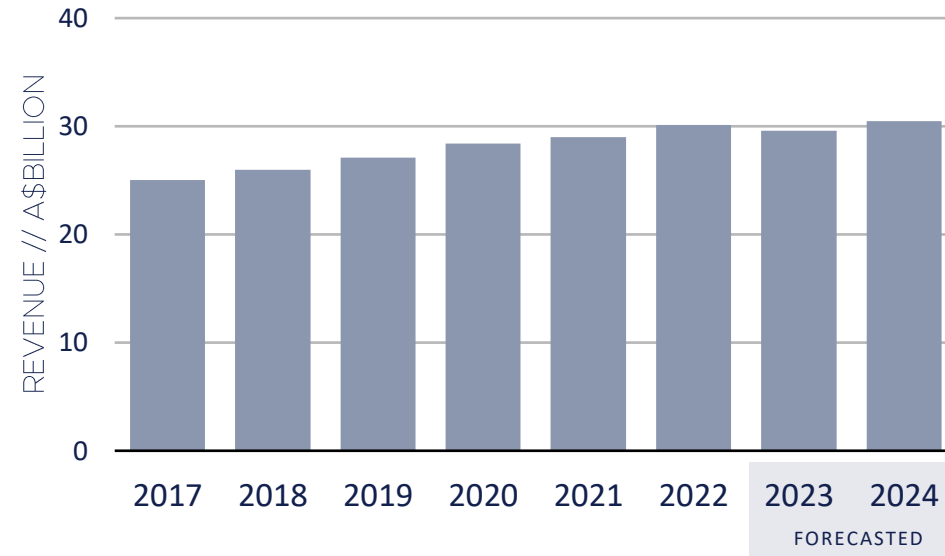


# ...OPERATING IN VAST AND GROWING MARKETS...

## UK LEGAL SERVICES SECTOR



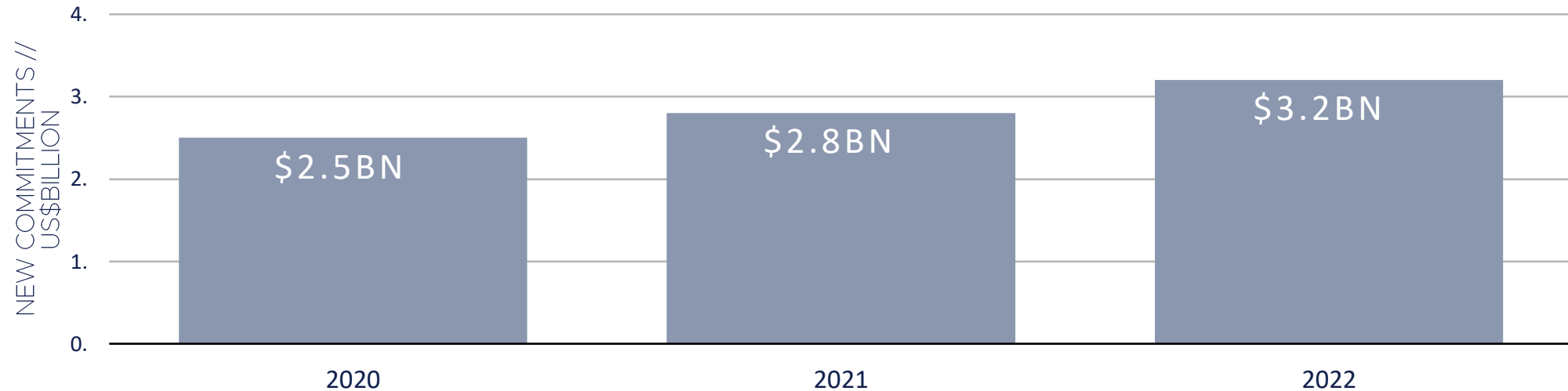
## AUSTRALIAN LEGAL SERVICES SECTOR



THE UK LITIGATION 50 PUBLISHED BY THE LAWYER SHOWS THE TOP 50 UK LAW FIRMS HAVE GROWN THEIR LITIGATION AND ARBITRATION REVENUES AT A RATE OF 7.5% PER ANNUM OVER THE LAST 4 YEARS.

...WITH LESS THAN 1% MARKET PENETRATION.

## NEW COMMITMENTS // US LITIGATION FINANCE INDUSTRY



SOURCE // WESTFLEET ADVISORS

IN 2022, THE US LITIGATION FINANCE INDUSTRY COMMITTED TO FUND C.350 COMMERCIAL DISPUTES WORTH US\$3.2BN. THIS COMPARES TO MILLIONS OF CIVIL CASES FILED ANNUALLY AND HUNDREDS OF BILLIONS OF DOLLARS SPENT ON LITIGATION.

# WHAT MAKES US DIFFERENT?

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## 1 // INSIGHT

After 25 years in the market, we have the most evolved investment process in the industry. It means that our experts act quickly and decisively, accessing the best investments on the most rewarding terms.

## 2 // CAPITAL

At a time when the growth in scale and scope of global disputes is unprecedented, we have the capital to match. It means that we can focus on the lawyers with the biggest ambitions and, in turn, they know where to go for the highest levels of service.

## 3 // NETWORK

The best cases are only visible and accessible to the brightest and best-connected people in the legal industry. Our team boasts board-level specialists from private practice, the Bar and in-house with peerless reputations.

# WHY INVEST IN DISPUTES?

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## COUNTERCYCLICAL

Historically dispute levels rise during periods of instability and the level of insolvency events increase

## UNCORRELATED

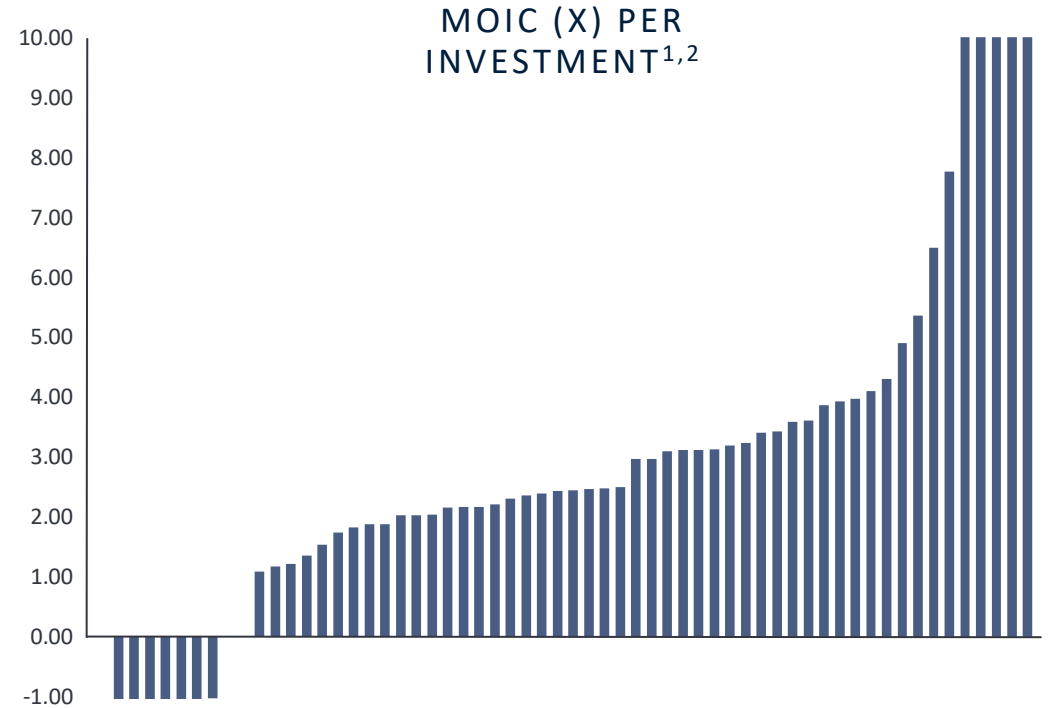
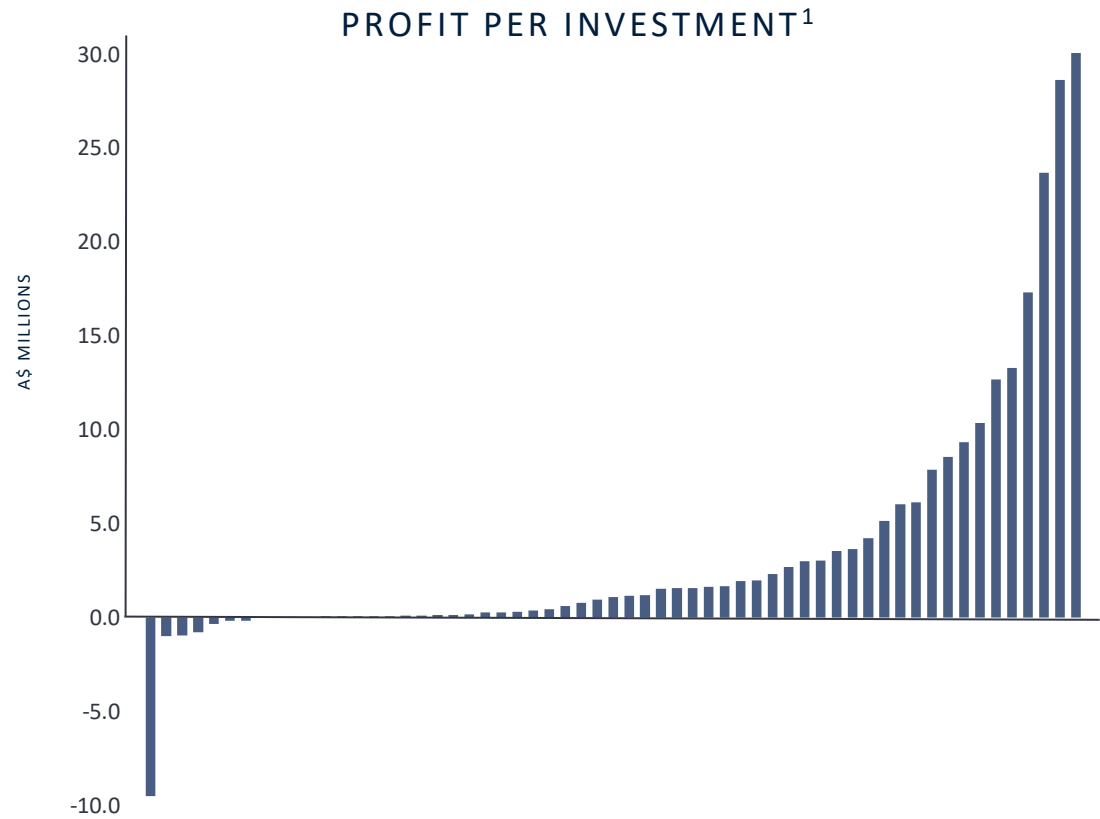
Sustained investment performance across economic cycles and conditions, with resistance to usual market influences

## ASYMMETRICAL

The potential for high returns far outweighs the downside risk representing a unique investment profile



# WHY INVEST IN DISPUTES?



1 // Presented in ascending value order, not chronological order based on 12.5 year track record

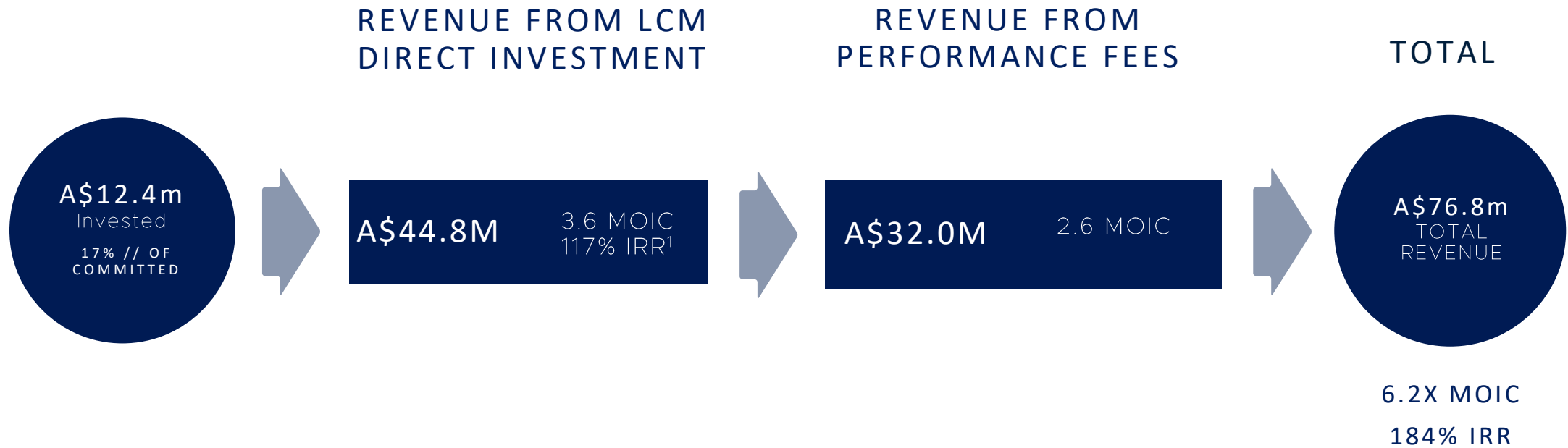
2 // Investments where the MOIC was greater than 10x are reflected as 10x. Losses are reflective of capital invested being lost and not a multiple of capital invested

# DUAL SOURCES OF CAPITAL, DUAL SOURCES OF REVENUE



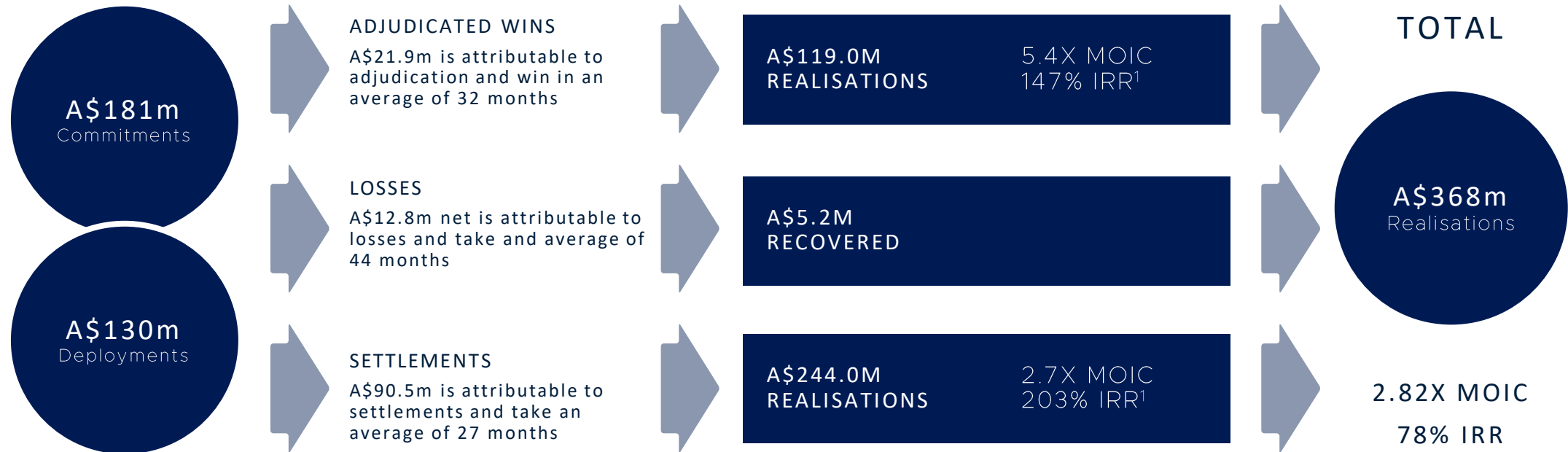
1 // As at 31 December 2023. Fund 1 A\$168m ongoing commitments A\$105 deployed, Fund 2 of A\$162m committed A\$16m deployed Fund 1 commitment exclusive of A\$53m of resolved investments

# H1 FY24 // ASSET MANAGEMENT DELIVERING ENHANCED RETURNS



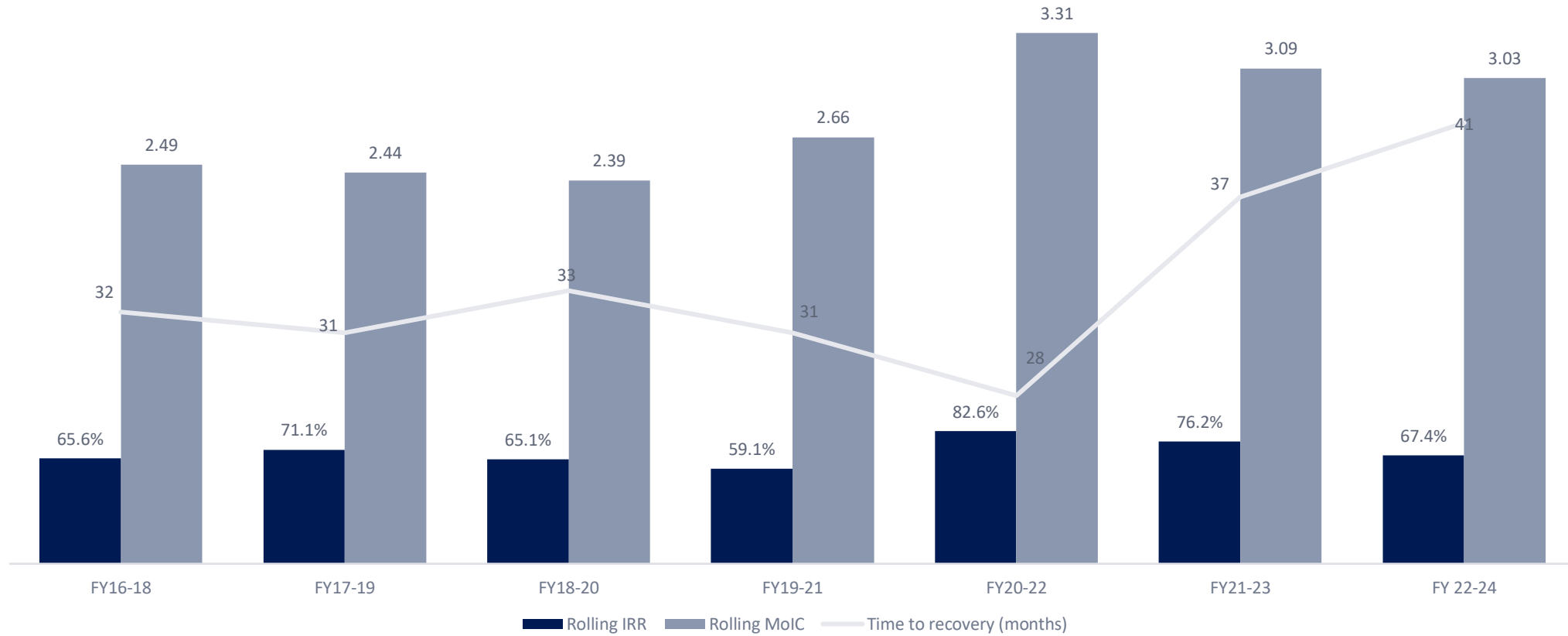
<sup>1</sup>// calculated using cashflows converted to AUD on the date of deployment/receipt.

# RETURNS GENERATED // 12.5 YEAR HISTORICAL



<sup>1</sup>// IRRs are calculated gross of operating expenses and interest costs. Numbers shown above are based on 12.5 years.

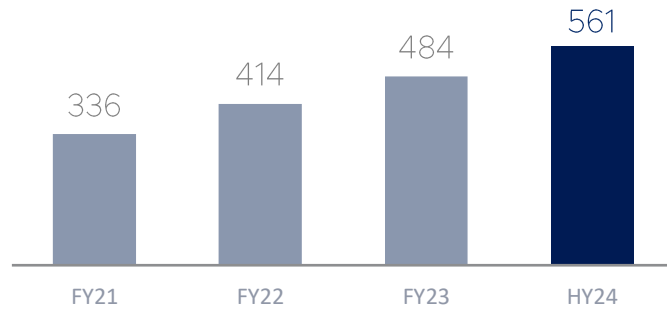
# THREE YEAR RUNNING PERFORMANCE<sup>1</sup>



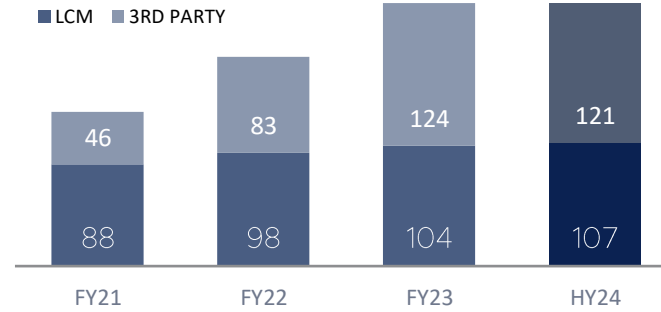
<sup>1</sup>// Matters over the last 12.5 years

# DRIVING SHAREHOLDER VALUE

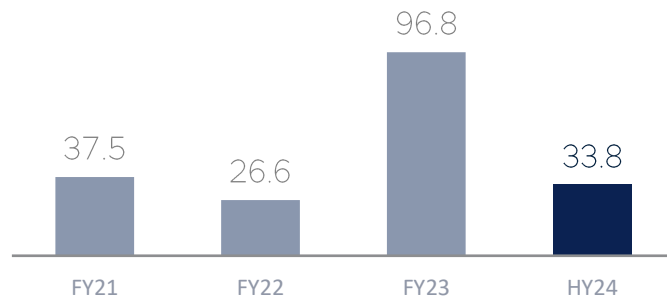
CONSOLIDATED NEW COMMITMENTS // A\$M<sup>1</sup>



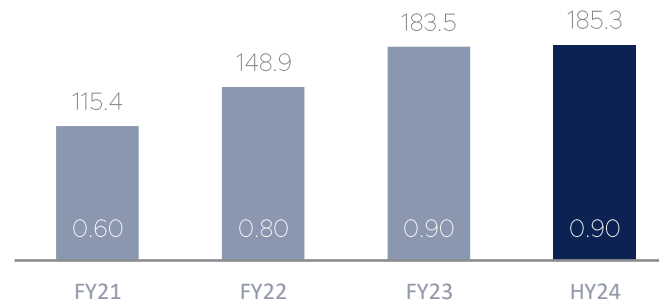
CAPITAL INVESTED // A\$M<sup>2</sup>



CASH FROM CONCLUDED INVESTMENTS // A\$M<sup>3</sup>



NET ASSETS PER SHARE // PENCE



1 // DENOTES TOTAL ASSETS UNDER MANAGEMENT INCLUSIVE OF THIRD PARTY INTERESTS AND CONDITIONAL INVESTMENTS SUBJECT TO FINAL DUE DILIGENCE

2 // CAPITAL INVESTED SHOWN IS CUMULATIVE AS AT EACH PERIOD END

3 // CASH ATTRIBUTABLE TO LCM EXCLUSIVE OF THIRD PARTY INTERESTS

# 02//PERFORMANCE

# H1 FY24 // PORTFOLIO PROGRESS

## CONCLUDED INVESTMENTS

- Three investments concluded in the period generating A\$28.4m of cash receipts for LCM, inclusive of \$10.2m of performance fees
- 3.3x multiple achieved on the concluded investments (on A\$8.7m cash invested)

## NEW INVESTMENTS

- 242 applications for funding in the period (up over 50% versus H1 2023)
- Five new investments signed contributing to total new commitments of AU\$90m

## ONGOING INVESTMENTS

- 53 ongoing investments (including the five new investments) as at 31 Dec 2023

	LCM	Fund I	Fund II
Commitment	A\$230m <sup>1</sup>	A\$168	A\$162
Invested in period	A\$17.5m	A\$11m	A\$5m
Total invested in ongoing portfolio	A\$107m	A\$105m	A\$16m

1 // CAPITAL COMMITTED INCLUDES A\$72M 100% DIRECT INVESTMENTS



# H1 FY24 // FINANCIAL HIGHLIGHTS (A\$)\*

	HY 2024	HY 2023	Change %
Realisations from concluded investments	\$18.2m	\$3.0m	506%
Performance fees from concluded investments	\$10.2m	\$0.0m	-
<b>Total realisations</b>	<b>\$28.4m</b>	<b>\$3.0m</b>	<b>846%</b>
Realised gross profit	\$19.6m	(\$0.03m)	-
Unrealised FV gains	\$1.9m	\$7.2m	(74%)
<b>Total income</b>	<b>\$21.6m</b>	<b>\$7.1m</b>	<b>204%</b>
Operating expenses	(\$9.0m)	(\$7.5m)	20%
Finance costs (net)	(\$5.5m)	(\$3.7m)	41%
FX gains / (losses)	\$1.5m	\$0.3m	400%
Profit/(loss) before tax	\$8.9m	(\$3.8m)	-
Tax	(\$1.6m)	\$1.5m	-
<b>Profit/(loss) after tax</b>	<b>\$7.3m</b>	<b>(\$2.3m)</b>	<b>-</b>

\* PERFORMANCE ATTRIBUTABLE TO LCM EXCLUSIVE OF THIRD PARTY INTERESTS

# H1 FY24 // SUMMARY BALANCE SHEET (A\$)\*

	HY 2024	FY 2023
Cash	\$70.3m	\$83.0m
Investments at FV	\$173.8m	\$165.8m
Investments held at cost	\$39.4m	\$37.3m
Other assets	\$11.0m	\$15.6m
<b>Total Assets</b>	<b>\$294.5m</b>	<b>\$301.7m</b>
Borrowings	\$59.8m	\$69.0m
Tax payable	\$7.8m	\$7.8m
Deferred tax liability	\$37.0m	\$36.3m
Other payables	\$4.5m	\$5.1m
<b>Total Liabilities</b>	<b>\$109.1m</b>	<b>\$118.2m</b>
<b>Net Assets</b>	<b>\$185.4m</b>	<b>\$183.5m</b>
Net Assets per share (pence)	90p	90p

\* POSITION ATTRIBUTABLE TO LCM EXCLUSIVE OF THIRD PARTY INTERESTS

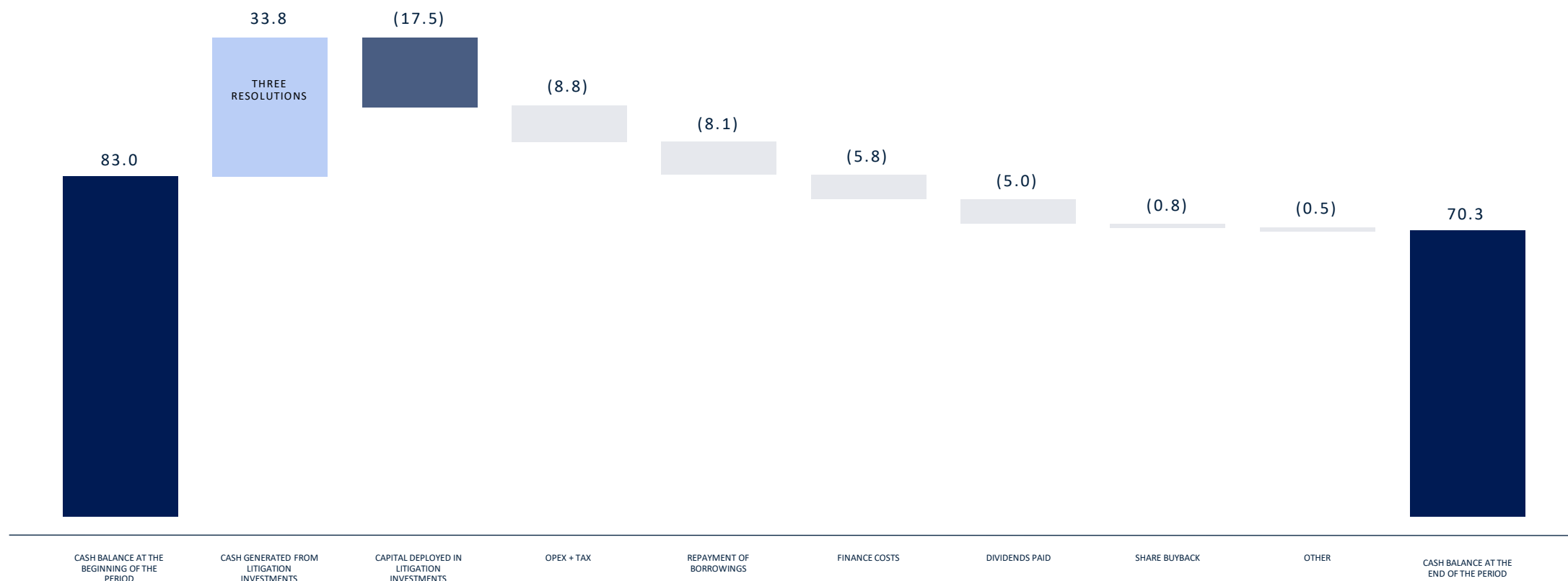
# VALUE OF ONGOING INVESTMENTS

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## WE ADOPT A CONSERVATIVE APPROACH TO VALUING THE ONGOING INVESTMENTS ON OUR BALANCE SHEET

- The total cumulative cash invested into ongoing cases was **A\$107m** as at 31 Dec 2023 comprising 49 investments held at a Fair Value of **A\$173.8m** and four investments held at a cost of **A\$39.4m**.
- We determine Fair Value using a bottom-up case-by-case approach that builds value based on “observable milestones” achieved.
- External observers can assess the value of our ongoing cases by using a top-down approach. Consider the balance sheet value versus cash invested and compare that against LCM’s long-term track record
- The value of the ongoing cases on our balance sheet was **A\$213m** as at 31 December 2023. We are therefore valuing our ongoing cases at a 2.0x cash invested as at 31 December 2023. This compares to our long-term track record of achieving 2.8x cash invested
- Furthermore, factoring in the potential performance fees from our asset mgmt. model \$1 of LCM co-investment could generate 4.0x cash invested, based on 12.5 year historical MOIC to date and assuming a 30% performance fee under asset management model. Historical time to completion is 30 months.

# HY24 CASH MOVEMENTS EXCLUSIVE OF THIRD-PARTY FUND (A\$M)



# 03//OUTLOOK

# THE OUTLOOK

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- 1 // **Continued uncertainty in global markets driving demand for disputes capital**
- 2 // Well positioned in an improved competitive landscape following industry consolidation
- 3 // **Expectation that Fund II will be fully committed and launch of Fund III in the next 12 months**
- 4 // Advanced discussions on alternative debt financing
- 5 // **Positive developments in the UK to resolve uncertainty caused by the Supreme Court judgment**
- 6 // Confidence in our ability to drive long-term shareholder value creation

## THE OPPORTUNITY

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The legal market is vast and offers an exceptional long-term growth opportunity for litigation finance...

**US\$700billion** OF LEGAL REVENUES GLOBALLY

**200,000+ lawyers** WITHIN OUR EXISTING MARKETS

**1 million+ lawyers** IN THE UNITED STATES

**Less than 1% penetration** OF LITIGATION FINANCE

## THE OPPORTUNITY

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We can unlock this opportunity for investors...

**25 years** OF EXPERIENCE

**A win ratio of 93%** FROM CIRCA 270 INVESTMENTS FUNDED

**180% ROIC** INDUSTRY LEADING RETURNS ON INVESTED CAPITAL

**3P Funds Model** TO SIGNIFICANTLY ENHANCE OUR FUTURE RETURNS



# 04 // Q&A

# 05//APPENDICES

# CURRENT PORTFOLIO OF DIRECT INVESTMENTS

BALANCES AS AT  
29 FEBRUARY 2024  
(A\$ MILLIONS)

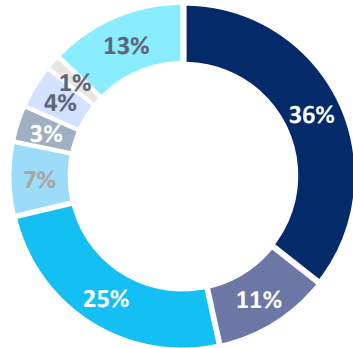
\$75 MILLION  
DIRECT 100%  
INVESTMENT<sup>2</sup>  
PORTFOLIO

\$154 MILLION<sup>3</sup>  
LCM DIRECT CO-  
INVESTMENT

\$126 MILLION<sup>4</sup>  
DEPLOYED/INVESTED

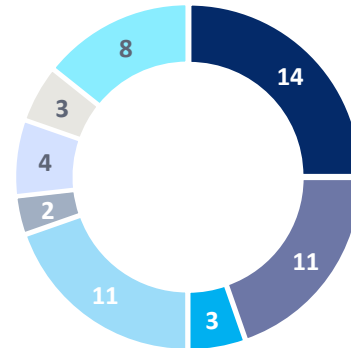
\$103 MILLION<sup>4</sup>  
TO BE INVESTED

Portfolio by industry sector  
(estimated A\$ capital commitment)<sup>1</sup>



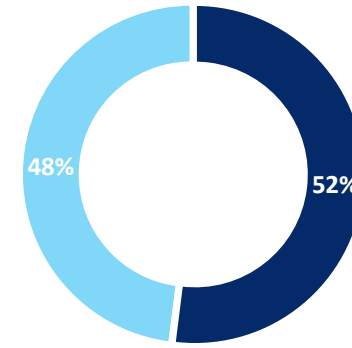
- Class Action - \$83m
- Commercial - \$25m
- Competition - \$54m
- Insolvency - \$17m
- Intellectual Property - \$8m
- Portfolio - \$9m
- Recoveries - \$3m
- Arbitration - \$31m

Portfolio by industry sector  
(number of projects)



- Class Action - 25%
- Commercial - 20%
- Competition - 5%
- Insolvency - 20%
- Intellectual Property - 4%
- Portfolio - 7%
- Recoveries - 5%
- Arbitration - 13%

Portfolio by region  
(estimated A\$ capital commitment)<sup>1</sup>



- APAC - \$119m
- EMEA - \$111m

Portfolio by individual capital commitment<sup>1</sup>  
(estimated A\$)



Diversified portfolio  
with no single  
investment creating  
concentration risk

<sup>1</sup> Capital commitment denotes the total estimated budget of the portfolio of investments as at 29 February 2024 converted to AUD as at the date of litigation funding agreement

<sup>2</sup> Direct investment denotes the Group's investments made 100% on-balance sheet

<sup>3</sup> Co-investment denotes the Group's direct investment committed into the matters funded together with the LCM Global Alternative Returns Funds, exclusive of any investments concluded and written off

<sup>4</sup> This is the 29 February 2024 position which reflects the best preliminary estimate and is not final

# LCM GLOBAL ALTERNATIVES RETURN FUND I

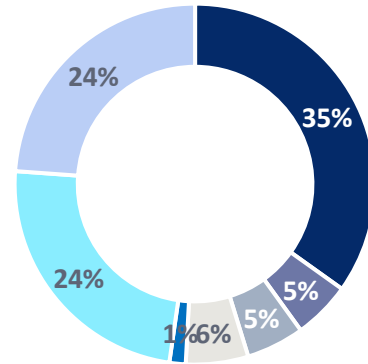
BALANCES AS AT  
29 FEBRUARY 2024  
(A\$ MILLIONS)

**\$221 MILLION**  
EXTERNAL AUM

**\$221 MILLION<sup>3</sup>**  
FULLY COMMITTED<sup>1</sup>

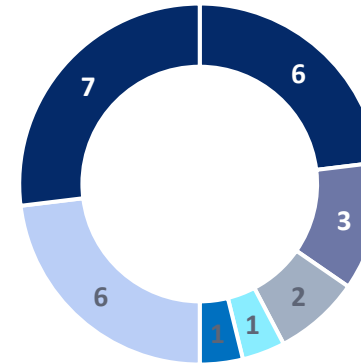
**\$152 MILLION**  
DEPLOYED/INVESTED

Portfolio by industry sector  
(estimated A\$ capital commitment)<sup>2</sup>



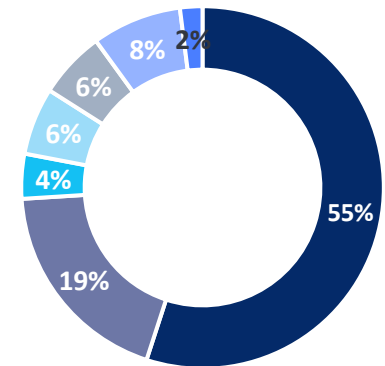
- Class Action - \$77m
- Commercial - \$11m
- Insolvency - \$12m
- Intellectual Property - \$12m
- Portfolio - \$3m
- Arbitration - \$53m
- Concluded - \$53m

Portfolio by industry sector  
(number of investments)



- Class Action - 23%
- Commercial - 12%
- Insolvency - 8%
- Intellectual Property - 4%
- Portfolio - 4%
- Arbitration - 23%
- Concluded - 27%

Portfolio by geography  
(estimated A\$ capital commitment)<sup>2</sup>



- UK - \$123m
- Australia - \$42m
- UAE - \$10m
- USA - \$13m
- EU - \$13m
- Asia - \$17m
- Africa - \$5m

<sup>1</sup> Excluding operational expenses and resolved matters

<sup>2</sup> Capital commitment denotes the total estimated budget of the portfolio of investments as at 29 February 2024 converted to AUD as at the date of litigation funding agreement

<sup>3</sup> US\$146 million

# LCM GLOBAL ALTERNATIVES RETURN FUND II

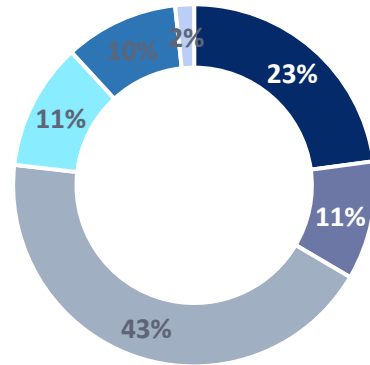
BALANCES AS AT  
29 FEBRUARY 2024  
(A\$ MILLIONS)

**\$428 MILLION**  
EXTERNAL AUM

**\$151 MILLION**<sup>3</sup>  
COMMITTED<sup>1</sup>

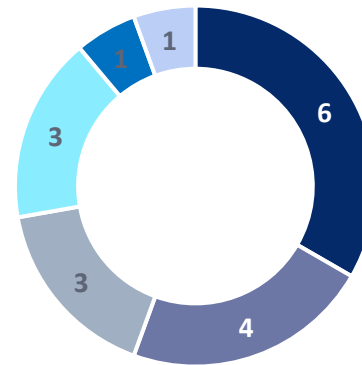
**\$19 MILLION**  
DEPLOYED/INVESTED

Portfolio by industry sector  
(estimated A\$ capital commitment)<sup>2</sup>



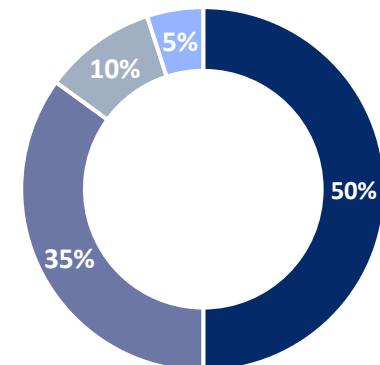
- Class Action - \$34m
- Commercial - \$16m
- Competition - \$65m
- Insolvency - \$17m
- Arbitration - \$15m
- Portfolio - \$3m

Portfolio by industry sector  
(number of investments)



- Class Action - 33%
- Commercial - 22%
- Competition - 17%
- Insolvency - 17%
- Arbitration - 6%
- Portfolio - 6%

Portfolio by geography  
(estimated A\$ capital commitment)<sup>2</sup>



- UK - \$75m
- Australia - \$53m
- EU - \$15m
- Asia - \$7m

<sup>1</sup> excluding operational expenses

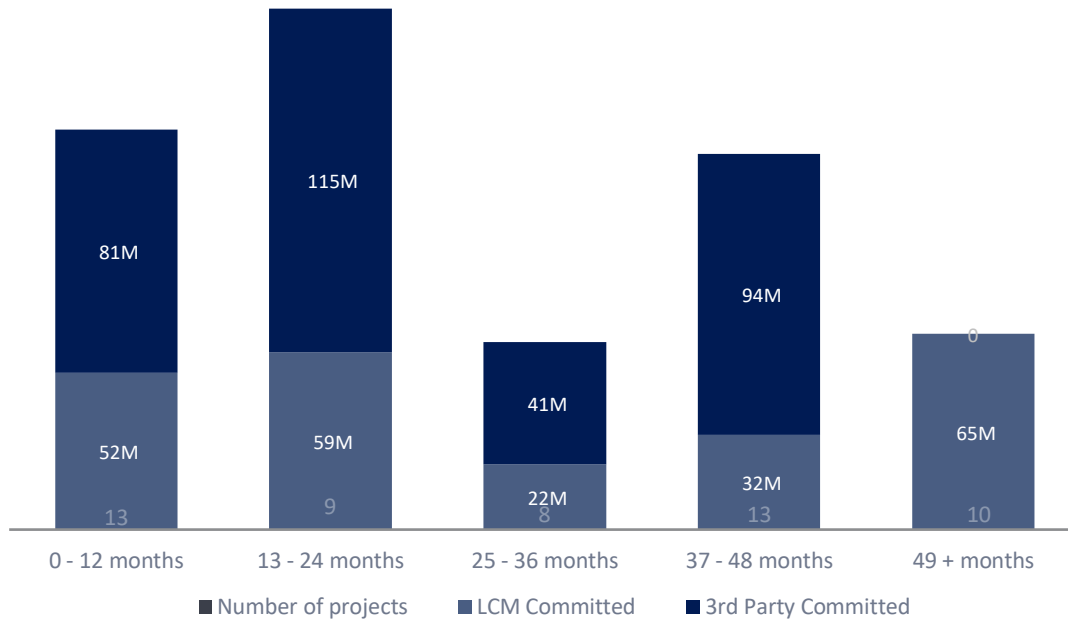
<sup>2</sup> Capital commitment being the total estimated budget of the portfolio of investments as at 29 February 2024 converted to AUD as at the date of litigation funding agreement

<sup>3</sup> US\$103 million

# PORTFOLIO MATURITY A\$M AS AT 31 DECEMBER 2023

## PORTFOLIO BY CAPITAL COMMITTED & MATURITY<sup>1</sup> (A\$M)

AUM A\$561M



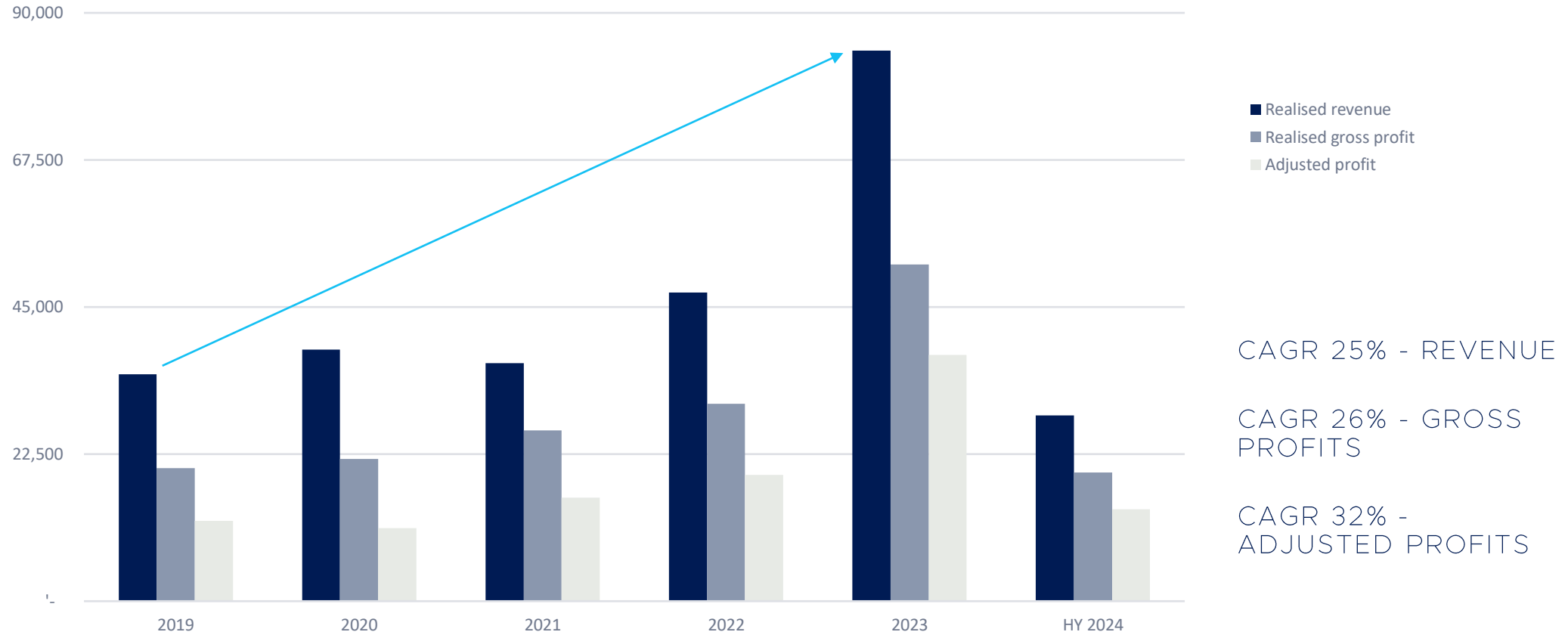
## PORTFOLIO BY CAPITAL DEPLOYED & MATURITY<sup>1</sup> (A\$M)

A\$227M DEPLOYED/ A\$334M TO DEPLOY



<sup>1</sup> Maturity is based on the length of time lapsed from execution of the LFA to 31 December 2023.

# OUR PERFORMANCE JOURNEY



Performance on a realised basis exclusive of FV gains and losses. CAGR based on FY performance from 2019 – 2023



# HOW WE GENERATE RETURNS

A\$*	LCM Revenue from direct investments	Fund Revenue from performance fees
Invested capital	25	75
Apply historical performance 2.82 x MOIC	71	212
Gross profit	46	137
Performance fee @ 25% on profit	34	(34)
Gross profit	80	103
Implied MOIC	4.2 x	2.4 x

\* Based on 12.5 year historical time performance



# H1 FY24 PERFORMANCE

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Adjusted profit before tax A\$16.0m<sup>1</sup>

Two realisations generating revenue of A\$78.1m of which A\$28.4m attributable to LCM

Assets under management A\$561m by 31 December 2023, A\$548m at 29 Feb 24<sup>2</sup>

Cumulative capital invested A\$228m with a FV of A\$430m<sup>5</sup> (1.89x MOIC)

Five new commitments<sup>3</sup> contributing A\$90.2m vs A\$107m for the same prior half-year period

Capital invested<sup>4</sup> A\$33.8m compared to A\$56.9m for the same prior half-year period

Number of applications 242 vs 162 for the same prior half-year period

12.5 year cumulative ROIC 1.82x vs 1.63x, 12.5 year cumulative IRR 78% vs 79% for the same prior half-year period

1 // HY ended 31 December 2023 exclusive of third-party funds..

2 // HY ended 31 December 2023 inclusive of third-party funds and investments held at cost.

3 // Including budget increases but excluding any concluded project write-offs

4 // HY ended 31 December 2023 inclusive of third-party funds and investments held at cost, LCM only A\$17.5m

5 // HY ended 31 December 2023 inclusive of third-party funds and investments held at cost. LCM only portfolio valued at A\$213m inclusive against cumulative capital invested of A\$107m assets

# CONSOLIDATED INCOME STATEMENT // P/E 31/12/23

	LCM only A\$m	Fund A\$m	Consolidated HY24 A\$m	LCM only A\$m	Fund A\$m	Consolidated HY23 A\$m
Gains on financial assets at fair value through profit or loss	21.6	30.8	52.4	7.1	11.4	18.5
Movement in financial liabilities related to third-party interests in consolidated entities	-	(30.5)	(30.5)	-	(8.4)	(8.4)
Total income from litigation assets	21.6	0.3	21.9	7.1	2.9	10.0
Interest income	0.3	0.1	0.4	-	-	-
<b>Expenses</b>						
Employee benefits expense	(5.9)	-	(5.9)	(4.7)	-	(4.7)
Depreciation expense	(0.1)	-	(0.1)	(0.1)	-	(0.1)
Corporate expenses	(2.0)	-	(2.0)	(1.8)	(0.8)	(2.7)
Finance costs	(5.5)	-	(5.5)	(3.7)	(0.1)	(3.9)
Fund administration expense	(1.0)	(0.5)	(1.5)	(0.8)	(0.4)	(1.1)
Foreign Currency gains / (Losses)	1.5	0.1	1.6	0.3	(1.6)	(1.3)
Total expenses	(13.0)	(0.4)	(13.4)	(10.9)	(2.9)	(13.9)
Profit/(loss) before income tax:	8.9	-	8.9	(3.8)	-	(3.8)
<b>Analysed as:</b>						
Adjusted operating profit	16.0	-	16.0	1.3	-	1.3
Non-operating costs	(1.5)	-	(1.5)	(1.4)	-	(1.4)
Finance costs	(5.5)	-	(5.5)	(3.7)	-	(3.7)
Profit/(loss) before income tax expense	8.9	-	8.9	(3.8)	-	(3.8)
Income tax expense	(1.6)	-	(1.6)	1.5	-	1.5
Profit/(loss) after income tax expense for the period	7.3	-	7.3	(2.3)	-	(2.3)

- Net gains on financial assets at fair value through profit and loss increased by 183% to \$52.4m and total income from litigation assets up 119% inclusive of third-party interests.
- Operating expenses directly attributable to LCM of A\$9.0 million for the period ended 31 December 2023 increased by 22% compared to A\$7.4 million in HY23. We are committed to maintaining discipline around our level of operating expenditure relative to the size of the portfolio under management.
- Non-operating expenses predominantly comprise SBP amortisation, one-off consultancy costs, legal costs and Fund costs attributable to LCM.

# ADJUSTED PROFIT & EBITDA RECONCILIATION // P/E 31/12/23

	LCM only A\$m	Fund A\$m	Consolidated HY24 A\$m	LCM only A\$m	Fund A\$m	Consolidated HY23 A\$m
Statutory profit/(loss) after tax	7.3	-	7.3	(2.3)	-	(2.3)
Add:						
Depreciation & amortization	0.1	-	0.1	0.1	-	0.1
Finance costs	5.5	-	5.5	3.7	0.1	3.8
Tax expense	1.6	-	1.6	(1.5)	-	(1.5)
EBITDA	14.5	-	14.5	-	0.1	0.1
Add:						
Share based payments	0.5	-	0.5	0.3	-	0.3
Litigation costs	-	-	-	0.2	-	0.2
Transaction costs and other	0.1	-	0.1	0.1	-	0.1
Non-recurring consultancy	-	-	-	-	-	-
Third party fund costs	1.0	-	1.0	0.8	-	0.8
EBITDAe	16.1	-	16.1	1.4	0.1	1.5
Basic EPS (cents)	6.84	-	6.84	(2.13)	-	(2.13)
EBITDA	14.5	-	14.5	-	0.1	0.1

- Non operating costs include expenses which are considered unusual, non-cash or one-off in nature
- Third party fund costs - transaction costs related to placement fees and other costs incurred in relation to the setup of the Fund

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION // P/E 31/12/23

	LCM only A\$m	Fund A\$m	Consolidated HY24 A\$m	LCM only A\$m	Fund A\$m	Consolidated FY23 A\$m
<b>Assets</b>						
Cash and cash equivalents	70.3	17.4	87.7	83.0	21.5	104.5
Trade and other receivables	1.8	-	1.8	2.2	-	2.2
Due from resolution of financial assets	7.5	11.9	19.4	11.9	-	11.9
Financial assets at fair value through profit or loss	173.8	217.2	391.0	165.8	225.6	391.4
Contract costs	39.4	-	39.4	37.3	-	37.3
Property, plant and equipment	0.2	-	0.2	0.2	-	0.2
Intangible assets	0.3	-	0.3	0.4	-	0.4
Other assets	1.2	-	1.2	1.0	0.1	1.1
<b>Total assets</b>	<b>294.5</b>	<b>246.6</b>	<b>541.1</b>	<b>301.7</b>	<b>247.2</b>	<b>548.9</b>
<b>Liabilities</b>						
Trade and other payables	3.5	1.9	5.4	4.3	3.2	7.5
Tax payable	7.8	-	7.8	7.8	-	7.8
Employee Benefits	1.0	-	1.0	0.9	-	0.9
Borrowings	59.8	-	59.8	69.0	-	69.0
Third-party interests in consolidated entities	-	244.7	244.7	-	244.0	244.0
Deferred tax liability	37.0	-	37.0	36.3	-	36.3
<b>Total liabilities</b>	<b>109.1</b>	<b>246.6</b>	<b>355.7</b>	<b>118.2</b>	<b>247.2</b>	<b>365.4</b>
<b>Net assets</b>	<b>185.4</b>	<b>-</b>	<b>185.4</b>	<b>183.5</b>	<b>-</b>	<b>183.5</b>

- Financial assets at Fair value remained in line with the prior period as a result of FV movements being offset by realisation reversals.

# CONSOLIDATED STATEMENT OF CASHFLOWS // P/E 31/12/23

	LCM only A\$m	Fund A\$m	Consolidated HY24 A\$m	LCM only A\$m	Fund A\$m	Consolidated HY23 A\$m
<b>Cash flows from operating activities</b>						
Profit/(loss) after income tax expense for the period	7.3	-	7.3	(2.3)	-	(2.3)
<b>Adjustments for:</b>						
Fair value adjustments to financial assets	(21.6)	-	(21.6)	(7.1)	-	(7.1)
Finance costs reclassified to financing activities	5.5	-	5.5	3.7	0.2	3.9
Depreciation, Amortisation, Tax paid, FX and Exceptional	0.4	-	0.4	0.3	(5.1)	(4.8)
Income tax expense	1.6	-	1.6	(1.5)	-	(1.5)
<b>Change in operating assets and liabilities:</b>						
Proceeds from resolution of financial assets	33.2	38.9	72.2	20.1	1.7	21.8
Decrease/(increase) in trade and other receivables	0.6	-	0.6	(2.2)	-	(2.2)
(Funding) of financial assets	(15.2)	(16.3)	(31.5)	(18.5)	(31.6)	(50.1)
(Increase) in contract costs - litigation contracts	(2.3)	-	(2.3)	(2.9)	-	(2.9)
Decrease/(increase) in financial assets	0.8	-	0.8	0.4	-	0.4
(Decrease)/Increase in trade and other payables	(0.8)	(1.3)	(2.1)	0.1	-	0.1
Income tax paid	(0.9)	-	(0.9)	-	-	-
(Decrease)/Increase in employee benefits	0.1	-	0.1	-	-	-
(Increase) in other assets	(0.2)	-	(0.2)	0.6	-	0.6
Net cash from/(used in) operating activities	8.5	21.3	29.8	(9.3)	(34.8)	(44.1)
<b>Cash flows from investing activities</b>						
Payments for property, plant and equipment	-	-	-	-	-	-
Payments for intangibles	-	-	-	-	-	-
Payments of security deposits	-	-	-	-	-	-
Net cash used in investing activities	-	-	-	-	-	-
<b>Cash flows from financing activities</b>						
Payments for treasury shares	(0.8)	-	(0.8)	-	-	-
Dividends paid	(5.0)	-	(5.0)	-	-	-
Repayments of borrowings	(8.1)	-	(8.1)	-	(14.5)	(14.5)
Payments of finance costs	(5.8)	-	(5.8)	(3.4)	(0.1)	(3.5)
Payments of transaction costs related to third-party interests	(1.0)	-	(1.0)	(0.8)	-	(0.8)
Contributions from third-party interests in consolidated entities	-	11.0	11.0	-	45.3	45.3
Distributions to third-party interests in consolidated entities	-	(35.7)	(35.7)	-	-	-
Net cash (used in)/from financing activities	(20.6)	(24.7)	(45.4)	(4.2)	30.7	26.5
<b>Net increase/(decrease) in cash and cash equivalents</b>						
Net increase/(decrease) in cash and cash equivalents	(12.1)	(3.4)	(15.6)	(13.6)	(4.1)	(17.7)
Cash and cash equivalents at the beginning of the period	83.0	21.5	104.5	29.3	20.7	50.0
Effects of exchange rate changes on cash and cash equivalents	(0.5)	(0.6)	(1.2)	0.9	0.3	1.1
Cash and cash equivalents at the end of the period	70.3	17.5	87.7	16.6	16.8	33.4

- Cash generated from the resolution of matters during the period was \$33.8m exclusive of third party funds
- Capital invested during HY24 was A\$33.8m inclusive of A\$16.3m third party fund investments, compared to \$53.0m in HY23, inclusive of \$31.6m of third party fund investment. (inclusive of FX capital invested was A\$56.9m)

# GLOSSARY

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Capital commitment	means the total estimated budget of an investment
Capital invested	means funds invested into a the current portfolio of investments during the relevant period
Co-investment	means LCM's direct investment into the matters funded together with the Funds, generally equal to 25% of the total capital commitment
Completed	means, in respect of a Case or Litigation Project, that it has been settled or for which there has been a judgment or from which LCM has elected to withdraw from funding or for which proceedings have been discontinued & LCM has received its financial entitlements.
Direct balance sheet investments	means LCM's investments made 100% on-balance sheet
Internal Rate of Return (IRR)	means the internal rate of return for LCM's portfolio of Litigation Projects that are managed to Completion. LCM calculates its Cumulative IRR by treating our entire investment portfolio as one undifferentiated pool of capital and measuring inflows and outflows from that pool. Cumulative IRR only includes completed investments and does not include unrealised gains or losses.
Fund ie, "the funds" or "the third-party funds"	means the investment vehicles managing third-party funds. Investments are generally structured as 75% to the Fund and 25% to LCM as a direct investment
Litigation Project or Litigation Investment	means either a single dispute or a portfolio of disputes funded by LCM's balance sheet or the Fund
Multiple on invested capital (MOIC)	means the Net Capital Returned from the resolution of a Litigation Project or Litigation Investment, divided by the Peak Invested Capital of the Litigation Project
Net Capital Returned	means the net profit derived in respect of a Litigation Project or Litigation Investment plus the Peak Capital Invested
Opex	means operating expenses but does not include non-operating costs such as those which are considered unusual, non-cash or one-off in nature and does not include Capital invested
Peak Invested Capital	means the maximum capital deployed on a cash basis by LCM in respect of costs and expenses relating to a Litigation Project, including Court filing fees, solicitors', barristers', liquidators' and experts' fees, travel and accommodation costs and, where applicable, the costs of any security provided, but does not include LCM's internal overhead costs. Where the project generated capital early these funds were reinvested back into the project and therefore reducing the capital invested on the Litigation Project
Performance and outperformance fees	means fees payable to LCM as fund manager. In relation to the Funds, performance fees are payable on the basis of a deal by deal waterfall at 25% of profit on each fund investment as and when it matures over a soft return hurdle (full catch up) of 8%; or an outperformance return of 35% for all Fund returns over an IRR of 20%
Assets under management	means the total direct investments and fund investments managed by LCM each financial year and its aggregate actual total capital deployed or in the case of matters yet to be completed, the estimated aggregate budget.
Recovery	means the aggregate gross proceeds received as a result of an award or judgment arising from or the settlement of a Litigation Project or Litigation Investment, from which LCM receives a percentage share of that aggregate amount
Resolution	means, in respect of a Case or Litigation Project, that it has been settled or for which there has been a judgment or an award
Return on Invested Capital (ROIC)	means the Net Capital Returned from the resolution of a Litigation Project or Litigation Investment less Peak Invested Capital, divided by the Peak Invested Capital of the Litigation Project or Litigation Investment
Settlement	means the resolution of a dispute or Court proceeding through agreement of the parties as opposed to a adjudication by a Court or Tribunal.
Single-case investment	means an investment in a single dispute whether that dispute is being pursued through the court system or the arbitral process
Time to Resolve	means the time from first material capital deployed into the project to when cash is received as a result of a resolution which is based on the data set used to calculate IRR disregarding the date of the Litigation Funding Agreement

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