
**HALF YEAR
FINANCIAL REPORT**
31 December 2025

LITIGATION CAPITAL MANAGEMENT LIMITED

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Directors' Report

The Directors of Litigation Capital Management Limited (LCM) present their report together with the half-year financial report of the consolidated entity consisting of LCM and its subsidiaries (collectively LCM Group or the Group) for the six month period ended 31 December 2025 and the auditors' review report thereon.

1. Directors

The Directors of LCM at any time during or since the end of the financial period are set out below:

Jonathan Moulds

Patrick Moloney

Dr David King

David Collins

2. Company Secretary

Anna Sandham was appointed Company Secretary of LCM in September 2016. Anna is an experienced company secretary and governance professional with over 20 years' experience in various large and small, public and private, listed and unlisted companies. Anna has previously worked for companies including AMP Financial Services, Westpac Banking Corporation, BT Financial Group and NRMA Limited. Anna holds a Bachelor of Economics (University of Sydney), Graduate Diploma of Applied Corporate Governance (Governance Institute of Australia) and is a Chartered Secretary.

3. Principal activities

LCM is a global provider of disputes finance and risk management services.

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

4. Operating and financial review

Overview of the LCM Group

LCM is a company limited by shares and was incorporated on 9 October 2015. LCM was admitted to trade on the Alternative Investment Market (AIM) of the London Stock Exchange on 19 December 2018 under the ticker LIT. LCM was formerly listed on the Australian Securities Exchange (ASX) between 13 December 2016 and 21 December 2018.

Its registered office and principal place of business is Level 12, The Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia.

Operations

LCM operates its business through a series of wholly owned subsidiaries. The principal activity of those subsidiaries is the provision of litigation finance and risk management associated with individual and portfolios of disputes. LCM currently operates two business models. The first is direct investments made from LCM's balance sheet capital. The second is funds and/or asset management. Under those two business models, LCM currently pursues three investment strategies. Those strategies are as follows:

Single-case funding: The first and currently largest strategy, is single-case funding. That is, the investment in a single dispute. This is a strategy that LCM has maintained since its inception (through its predecessor company) 25 years ago. Currently, a large proportion of LCM's investments are in single-case investments.

Portfolio funding: The second strategy pursued by LCM is portfolio funding. That is, the provision of a portfolio based funding solution to law firms, insolvency practitioners or corporates. It involves the provision of a financing solution and risk management tools for a bundle of separate disputes. LCM's particular focus with respect to that strategy is the provision of corporate portfolio financing.

Acquisitions of Claims: The third strategy, in its early stages of evolution, is the investment in smaller disputes (typically insolvency-based) through the acquisition or assignment of the underlying cause of action. LCM generates its revenue through acquiring a cause of action and pursuing a recovery or award as principal.

Review of financial performance

The statutory loss for the Group after adjusting for income tax amounted to \$107,767,000 (31 December 2024: \$8,353,000). Operating loss before tax is \$111,672,000 (31 December 2024: \$7,952,000).

Directors' Report (continued)

Cash on balance sheet was \$23,601,000 as at 31 December 2025 (30 June 2025: \$18,447,000). Of this, \$22,207,000 relates to third-party cash which is restricted cash as it relates to balances held within the fund investment vehicles which have been consolidated with the Group numbers (30 June 2025: \$9,582,000). Cash generated during the period from the resolution of investments was \$1,428,000 (31 December 2024: \$56,402,000).

The Directors do not recommend a dividend in respect of the period ended 31 December 2025.

5. Matters subsequent to the end of the financial period

On 12 January 2026, the Group announced a positive development in its international arbitration claim against the Republic of Poland, where the Singapore court rejected Poland's application to set aside the Energy Charter Treaty award.

On 2 February 2026, the Group announced an increase in its credit facility together with an extension of the debt covenant waiver from its lender.

On 11 March 2026, the Group announced that its funded party had been successful in the High Court of Australia in a trademark dispute claim in which LCM had invested A\$3.3 million. The matter will now proceed to the Full Court for the quantification of costs and damages.

On 17 March 2026, the Group announced that an adverse judgment had been delivered in an Australian commercial litigation claim funded by the Group with A\$1.4 million of shareholder capital. The Group is reviewing the judgment and considering its options.

The Strategic Review, which was commenced in September 2025, continues to progress.

6. Lead Auditor's independence declaration

The Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in LCM's financial statements.

7. Rounding of amounts

LCM is of a kind referred to the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Signed in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Mr Jonathan Moulds
Chairman

31 March 2026

DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE DIRECTORS OF LITIGATION CAPITAL MANAGEMENT LIMITED

As lead auditor for the review of Litigation Capital Management Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Litigation Capital Management Limited and the entities it controlled during the period.



Geoff Rooney
Director

BDO Audit Pty Ltd

Sydney, 31 March 2026

**Consolidated statement of profit or loss and other comprehensive income
For the period ended 31 December 2025**

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
Income			
Net realised gain on investments	4	(26,540)	93,439
Net unrealised gain/(loss) on investments	4	(99,191)	(67,650)
Movement in financial liabilities related to third-party interests in consolidated entities	4	51,098	(18,382)
Litigation service revenue	4	-	-
Litigation service expense	4	(31,126)	-
Total income/(loss)		(105,759)	7,408
Expenses			
Employee benefits expense	5	(4,412)	(6,688)
Depreciation expense	5	(36)	(47)
Corporate expenses	5	(1,606)	(2,577)
Fund administration expense	5	(545)	(1,313)
Foreign currency gains/(losses)	5	686	(4,735)
Total operating expenses		(5,913)	(15,360)
Operating loss		(111,672)	(7,952)
Finance costs	5	(4,604)	(3,710)
Loss before income tax expense		(116,276)	(11,662)
Income tax benefit	6	8,509	3,309
Loss after income tax expense		(107,767)	(8,353)
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Movement in foreign currency translation reserve		(1,383)	8,620
Total comprehensive income for the period		(109,150)	267
Loss for the period is attributable to:			
Owners of Litigation Capital Management Limited		(107,767)	(8,353)
		(107,767)	(8,353)
Total comprehensive income for the period is attributable to:			
Owners of Litigation Capital Management Limited		(109,150)	267
		(109,150)	267
		Cents	Cents
Basic loss per share	7	(104.73)	(8.09)
Diluted loss per share	7	(104.73)	(8.09)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying Notes to the Financial Statements.

Consolidated statement of financial position
For the period ended 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
Cash and cash equivalents	8	23,601	18,447
Trade receivables	9	1,786	1,786
Due from resolution of financial assets	10	87,003	88,201
Contract costs	11	19,037	47,988
Investments	12	203,729	287,735
Property, plant and equipment		129	135
Intangible assets		410	439
Other assets		1,357	827
Total assets		337,052	445,558
Liabilities			
Trade and other payables	13	23,672	10,508
Tax payable/(refund)		(26)	(6)
Employee benefits		1,183	1,115
Borrowings	14	93,790	77,747
Financial liabilities related to third-party interests in consolidated entities	15	206,046	226,538
Deferred tax liability		6,777	15,286
Total liabilities		331,442	331,188
Net assets		5,610	114,370
Equity			
Issued capital	16	61,286	60,634
Reserves		7,192	8,838
Retained earnings		(62,868)	44,899
Parent interest		5,610	114,370
Total equity		5,610	114,370

The above Consolidated Statement of Financial Position should be read in conjunction with accompanying Notes to the Financial Statements.

Consolidated statement of changes in equity
For the period ended 31 December 2025

	Issued capital	Treasury shares	Retained earnings	Share based payments reserve	Foreign currency translation	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	69,674	(5,396)	120,492	3,556	615	188,941
Loss after income tax expense for the period	-	-	(8,353)	-	-	(8,353)
Other comprehensive income for the period	-	-	-	-	8,620	8,620
Total comprehensive income for the period	-	-	(8,353)	-	8,620	267
Equity Transactions:						
Share-based payments (note 20)	-	-	-	590	-	590
Dividends paid (note 17)	-	-	(2,680)	-	-	(2,680)
Treasury shares acquired (note 16)	-	(4,458)	-	-	-	(4,458)
Cancellation of treasury shares (note 16)	(9,854)	9,854	-	-	-	-
LSPs exercised and purchased by EBT (note 16)	(860)	-	-	-	-	(860)
	(10,714)	5,396	(2,680)	590	-	(7,407)
Balance at 31 December 2024	58,960	-	109,459	4,146	9,235	181,800

	Issued capital	Treasury shares	Retained earnings	Share based payments reserve	Foreign currency translation	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2025	60,634	-	44,899	3,094	5,744	114,370
Loss after income tax expense for the period	-	-	(107,767)	-	-	(107,767)
Other comprehensive income for the period	-	-	-	-	(1,383)	(1,383)
Total comprehensive income for the period	-	-	(107,767)	-	(1,383)	(109,150)
Equity Transactions:						
Share-based payments (note 20)	652	-	-	(264)	-	389
	652	-	-	(264)	-	389
Balance at 31 December 2025	61,286	-	(62,868)	2,830	4,361	5,610

The above Consolidated Statement of Changes in Equity should be read in conjunction with accompanying Notes to the Financial Statements.

Consolidated statement of cash flows
For the period ended 31 December 2025

		Consolidated	
		31 Dec 2025	31 Dec 2024
Note		\$'000	\$'000
Cash flows from operating activities			
	Proceeds from litigation contracts	1,428	56,402
	Payments for litigation contracts	(40,059)	(78,310)
	Payments to suppliers and employees	(7,249)	(10,152)
	Income tax paid	-	(28)
	Net cash used in operating activities	(45,880)	(32,088)
Cash flows from investing activities			
	Payments for property, plant and equipment	-	(3)
	Payments for intangibles	-	(179)
	Refund/(payment) of security deposits	14	(1)
	Net cash from/(used in) investing activities	14	(182)
Cash flows from financing activities			
	Payments for treasury and loan shares	-	(5,318)
17	Dividends paid	-	(2,607)
14	Proceeds from borrowings	15,666	-
14	Repayments of borrowings	-	(11,358)
	Payments of finance costs	(2,696)	(3,186)
	Payments of placement fees related to third-party interests	-	(835)
15	Contributions from third-party interests in consolidated entities	38,145	40,626
15	Distributions to third-party interests in consolidated entities	-	(24,572)
	Net cash from/(used in) financing activities	51,116	(7,250)
Net decrease in cash and cash equivalents		5,250	(39,519)
	Cash and cash equivalents at the beginning of the period	18,447	68,113
	Effects of exchange rate changes on cash and cash equivalents	(95)	1,991
8	Cash and cash equivalents at the end of the period	23,601	30,585

The above Consolidated Statement of Cash Flows should be read in conjunction with accompanying Notes to the Financial Statements.

Notes to the financial statements
31 December 2025

Note 1. General information

The financial statements cover Litigation Capital Management Limited (the 'Company') as a Group consisting of Litigation Capital Management Limited and the entities it controlled at the end of, or during, the period (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Litigation Capital Management Limited's functional and presentation currency.

Litigation Capital Management Limited was admitted onto the Alternative Investment Market ('AIM') on 19 December 2018.

Litigation Capital Management Limited is a for profit publicly listed company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 12, The Chifley Tower
2 Chifley Square
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 March 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies

These consolidated financial statements are general purpose financial statements for the interim reporting period ended 31 December 2025 and have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period.

Basis of preparation

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Accounting standards and interpretations

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025.

New and amended accounting standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements that the Group reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below.

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS S1, General requirements for disclosure of sustainability-related financial information
- IFRS S2 Climate-related disclosures

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group has not listed other standards and interpretations which are issued but not yet effective, as they are not expected to impact the Group.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The critical accounting judgements, estimates and assumptions that have been applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual report for the year ended 30 June 2025.

Note 2. Material accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Company is currently reliant on covenant waivers from its lender, funds managed by Northleaf Capital Partners (Canada) Ltd. To date, these waivers have been forthcoming and have covered the quarters ending 30 June 2025, 30 September 2025 and 31 December 2025 (with extensions granted progressively, the most recent extending coverage to 15 April 2026).

The lender has continued to provide these waivers while the Company has been conducting a Strategic Review process, announced on 15 September 2025, with the objective of restoring the Company's financial strength. This review is evaluating a range of options to strengthen the balance sheet and is being undertaken in constructive dialogue with the lender, who has also been evaluating the options available to it as lender.

While the Company's lender has been supportive in granting covenant waivers to date, any further extensions or amendments that may be required in future periods will remain subject to the outcome of its own evaluation, the intentions of the Company's lender which may change at any time and any actions taken as a result thereof.

After considering the Company's forecasts, stress testing, available mitigating actions (including progress under the Strategic Review), and having regard to the inherent risks associated with the binary nature of the Company's investment model, the Directors have concluded that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern.

The material uncertainty primarily relates to the Company's ability to maintain ongoing compliance with its debt covenants or to continue to obtain the necessary waivers from its lender in light of the result of the evaluations referred to above. The Directors have a reasonable expectation that the Company will continue to receive the necessary support from its lender to allow it to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, whilst noting the material uncertainty described above.

However, these events and conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern, and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

Note 3. Segment information

For management purposes, the Group is organised into two operating segments comprising the operations of Litigation Capital Management Limited and its wholly owned subsidiaries ("LCM") and the Group's fund structures ("Fund").

LCM

The LCM column includes the 25% co-investment in the Funds, Balance Sheet investments (ie, 100% investment by LCM) and corporate operations.

Fund I & II

This comprises LCM Global Alternative Returns Fund and LCM Global Alternative Returns Fund II and their entities as disclosed in note 27 of the annual report for the year ended 30 June 2025. AASB 10 Consolidated Financial Statements requires the Group to consolidate fund investment vehicles over which it has exposure to variable returns from the fund investment vehicles. As a result, third party interests in relation to the Funds have been consolidated in the financial statements. The Fund column includes the 75% co-investment in the litigation funding assets and costs of administering the funds.

The following tables reflect the impact of consolidating the results of the Funds with the results for LCM to arrive at the totals reported in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of cash flows.

Note 3. Segment information (continued)

Consolidated Statement of Comprehensive Income

	31 December 2025			31 December 2024		
	LCM	Fund	Consolidated	LCM	Fund	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Net realised gain on investments	(13,105)	(13,434)	(26,540)	37,429	56,010	93,439
Net unrealised gain/(loss) on investments	(61,496)	(37,694)	(99,191)	(32,750)	(34,899)	(67,650)
Movement in financial liabilities related to third-party interests in consolidated entities	-	51,098	51,098	-	(18,382)	(18,382)
Litigation service revenue	-	-	-	-	-	-
Litigation service expense	(31,126)	-	(31,126)	-	-	-
Total income/(loss)	(105,728)	(30)	(105,759)	4,679	2,729	7,408
Expenses						
Employee benefits expense	(4,412)	-	(4,412)	(6,688)	-	(6,688)
Depreciation expense	(36)	-	(36)	(47)	-	(47)
Corporate expenses	(1,606)	-	(1,606)	(2,577)	-	(2,577)
Fund administration expense	-	(545)	(545)	(835)	(478)	(1,313)
Foreign currency gains/(losses)	110	575	686	(2,484)	(2,251)	(4,735)
Total operating expenses	(5,943)	30	(5,913)	(12,632)	(2,729)	(15,360)
Operating loss	(111,672)	-	(111,672)	(7,952)	-	(7,952)
Finance costs	(4,604)	-	(4,604)	(3,710)	-	(3,710)
Loss before income tax expense	(116,276)	-	(116,276)	(11,662)	-	(11,662)
Income tax benefit	8,509	-	8,509	3,309	-	3,309
Loss after income tax expense	(107,767)	-	(107,767)	(8,353)	-	(8,353)
Other comprehensive income for the period, net of tax	(1,383)	-	(1,383)	8,620	-	8,620
Total comprehensive income for the period	(109,150)	-	(109,150)	267	-	267

Note 3. Segment information (continued)

Consolidated statement of financial position

	31 December 2025			30 June 2025		
	LCM \$'000	Fund \$'000	Consolidated \$'000	LCM \$'000	Fund \$'000	Consolidated \$'000
Assets						
Cash and cash equivalents	1,394	22,207	23,601	8,865	9,582	18,447
Trade & other receivables	1,786	-	1,786	1,786	-	1,786
Due from resolution of financial assets	21,852	65,151	87,003	28,824	59,377	88,201
Contract costs	19,037	-	19,037	47,988	-	47,988
Financial assets at fair value through profit or loss	76,150	127,579	203,729	124,839	162,896	287,735
Property, plant and equipment	129	-	129	135	-	135
Intangible assets	410	-	410	439	-	439
Other assets	1,309	48	1,356	1,174	(347)	827
Total assets	122,067	214,985	337,052	214,050	231,508	445,558
Liabilities						
Trade and other payables	14,733	8,939	23,672	5,538	4,970	10,508
Tax payable	(26)	-	(26)	(6)	-	(6)
Employee Benefits	1,183	-	1,183	1,115	-	1,115
Borrowings	93,790	-	93,790	77,747	-	77,747
Third-party interests in consolidated entities	-	206,046	206,046	-	226,538	226,538
Deferred tax liability	6,777	-	6,777	15,286	-	15,286
Total liabilities	116,458	214,985	331,442	99,680	231,508	331,188
Net assets	5,610	-	5,610	114,370	-	114,370

Note 3. Segment information (continued)

Consolidated Statement of Cash Flows

	31 December 2025			31 December 2024		
	LCM \$'000	Fund \$'000	Consolidated \$'000	LCM \$'000	Fund \$'000	Consolidated \$'000
Cash flows from operating activities						
Proceeds from litigation contracts	1,415	13	1,428	29,227	27,176	56,402
Payments for litigation contracts	(15,535)	(24,524)	(40,059)	(35,372)	(42,938)	(78,310)
Payments to suppliers and employees	(6,298)	(951)	(7,249)	(9,579)	(573)	(10,152)
Income tax paid	-	-	-	(28)	-	(28)
Net cash from/(used in) operating activities	(20,419)	(25,461)	(45,880)	(15,752)	(16,335)	(32,088)
Cash flows from investing activities						
Payments for property, plant and equipment	-	-	-	(3)	-	(3)
Payments for intangibles	-	-	-	(179)	-	(179)
Refund/(payment) of security deposits	14	-	14	(1)	-	(1)
Net cash used in investing activities	14	-	14	(182)	-	(182)
Cash flows from financing activities						
Payments for treasury shares	-	-	-	(5,318)	-	(5,318)
Dividends paid	-	-	-	(2,607)	-	(2,607)
Proceeds from borrowings	15,666	-	15,666	-	-	-
Repayments of borrowings	-	-	-	(11,358)	-	(11,358)
Payments of finance costs	(2,696)	-	(2,696)	(3,186)	-	(3,186)
Payments of placement fees related to third-party interests	-	-	-	(835)	-	(835)
Contributions from third-party interests in consolidated entities	-	38,145	38,145	-	40,626	40,626
Distributions to third-party interests in consolidated entities	-	-	-	-	(24,572)	(24,572)
Net cash from/(used in) financing activities	12,971	38,145	51,116	(23,304)	16,054	(7,250)
Net decrease in cash and cash equivalents	(7,435)	12,684	5,250	(39,238)	(281)	(39,519)
Cash and cash equivalents at the beginning of the period	8,865	9,582	18,447	53,024	15,089	68,113
Effects of exchange rate changes on cash and cash equivalents	(36)	(59)	(95)	1,082	909	1,991
Cash and cash equivalents at the end of the period	1,394	22,207	23,601	14,868	15,717	30,585

Note 4. Income

	31 Dec 2025			31 Dec 2024		
	LCM \$'000	Fund \$'000	Consolidated \$'000	LCM \$'000	Fund \$'000	Consolidated \$'000
Net realised gain on investments						
Recoveries on resolved investments	1,094	-	1,094	51,461	97,783	149,244
Reversal of performance fees previously recognised	(6,623)	6,623	-	-	-	-
Capital invested on resolved investments	(7,577)	(20,057)	(27,635)	(14,032)	(41,772)	(55,804)
	(13,105)	(13,435)	(26,540)	37,429	56,010	93,439
Net unrealised gain/(loss) on investments						
Fair value removal on concluded investments	2,325	7,063	9,389	(34,002)	(37,641)	(71,643)
Fair value write down on case losses under appeal	(60,351)	(39,107)	(99,458)	(10,986)	(6,228)	(17,214)
Fair value movement on pre-hearing/trial ongoing investments ¹	(3,283)	(5,185)	(8,468)	11,455	6,859	18,314
Foreign exchange movement on fair value	(188)	(465)	(654)	783	2,111	2,894
	(61,496)	(37,694)	(99,191)	(32,750)	(34,899)	(67,650)
Total gain/(loss) on investments	(74,602)	(51,129)	(125,731)	4,679	21,111	25,789
Movement in financial liabilities related to third-party interests in consolidated entities	-	51,098	51,098	-	(18,382)	(18,382)
Total income/(loss)	(74,602)	(31)	(74,633)	4,679	2,729	7,408

Realised gains relate to amounts where litigation risk has concluded and amounts are expected to be received by LCM. Unrealised gains or losses relate to the fair value movement of assets and liabilities associated with litigation contracts. The gain and loss related to third party interests in consolidated entities represents realised and unrealised gains and losses that relate to third party funded proportions from LCM controlled entities.

Litigation service

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Litigation service revenue	-	-
Litigation service expense	(31,126)	-
	(31,126)	-
<i>Major service lines</i>		
Revenue attributable to LCM	-	-
Attributable to third party interests	-	-
	-	-
<i>Geographical regions</i>		
Australia	-	-
	-	-

Litigation service revenue relates to an individual litigation asset which resolved during the period and had a contract duration of more than 4 years.

Note 5. Profit/(loss) before tax

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Profit/(loss) before income tax expense includes the following specific expenses:		
<i>Employee benefits expense</i>		
Salaries & wages	3,342	5,074
Non-Executive directors' fees	180	239
Superannuation and pension	119	156
Share based payments expense	389	495
Other employee benefits & costs	383	725
	4,412	6,688
<i>Depreciation</i>		
Plant and equipment	6	16
Intangible assets	30	31
	36	47
<i>Corporate expenses</i>		
Corporate & secretary expenses	130	247
General & Administrative Expenses	57	123
Insurance	96	215
Marketing & Advertising	21	68
Occupancy Costs	455	462
Other expenses	28	38
Professional fees	397	711
Travel & entertainment expenses	101	465
Business development expenses	13	248
Strategic review costs	309	-
	1,606	2,577
<i>Fund administration expense</i>		
General administration expenses	545	478
Placement fees	-	835
	545	1,313
<i>Foreign currency gains/(losses)</i>		
Realised foreign exchange loss	2,006	703
Unrealised foreign exchange gain	(2,692)	4,032
	(686)	4,735
<i>Finance costs</i>		
Net interest on borrowings	4,475	3,257
Net finance costs of third-party interests	-	-
Other finance costs	129	453
	4,604	3,710

Note 6. Income tax expense

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(116,276)	(11,662)
At the Group's statutory income tax rate of 30% (Dec 2024: 30%)	(34,883)	(3,499)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Foreign tax rate adjustments	1,391	819
Share-based payments	(63)	76
Other assessable income	(212)	-
Other non-deductible expenses	14,391	368
Unrealised foreign exchange	-	-
Change in tax rate	-	-
Adjustment in respect of income tax	7,599	-
Adjustment in respect of deferred tax of previous years	3,267	-
Utilisation of carried forward tax losses	-	(1,073)
Income tax expense / (benefit)	(8,509)	(3,309)

Note 7. Loss per share

	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Loss after income tax	(107,767)	(8,353)
Loss after income tax attributable to the owners of Litigation Capital Management Limited	(107,767)	(8,353)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share ¹	102,903,962	103,190,317
Adjustments for calculation of diluted earnings per share:		
Amounts uncalled on partly paid shares	-	-
Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	102,903,962	103,190,317

¹ Weighted average number of ordinary shares on issue during the year, excludes treasury shares held

	Cents	Cents
Basic loss per share	(104.73)	(8.09)
Diluted loss per share	(104.73)	(8.09)

Dilutive potential shares which are contingently issuable are only included in the calculation of diluted earnings per share where the conditions are met. As at 31 December 2025, there were 2,111,672 shares calculated for inclusion in diluted earnings per share, however these were not included due to their anti-dilutive effect.

Note 8. Cash and cash equivalents

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Cash at Bank	1,394	8,865
Cash of third-party interests in consolidated entities	22,207	9,582
	23,601	18,447

Cash of third-party interests in consolidated entities is restricted as it is held within the fund investment vehicles on behalf of the third-party investors in these vehicles. The cash is restricted to use cashflows in the litigation funding assets made on their behalf and costs of administering the fund.

Note 9. Trade receivables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Due from litigation service	1,786	1,786
	1,786	1,786

As at 31 December 2025, trade receivables are expected to be settled within 12 months after the Balance Sheet date.

Allowance for expected credit losses

The Group has recognised a loss of \$nil (Jun 2025: \$nil) in profit or loss in respect of the expected credit losses for the period ended 31 December 2025.

Note 10. Due from resolution of investments

	31 Dec 2025			30 Jun 2025		
	LCM	Fund	Consolidated	LCM	Fund	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At start of period	28,824	59,377	88,201	3,980	-	3,980
Recoveries on resolved investments (note 4)	1,094	-	1,094	49,672	94,105	143,777
Reversal of performance fees previously recognised (note 4)	(6,623)	6,623	-	-	-	-
Reimbursement of deployed capital	126	13	139	901	-	901
Proceeds from litigation funding assets	(1,220)	(13)	(1,233)	(23,686)	(31,136)	(54,821)
Foreign exchange gain	(350)	(849)	(1,198)	(2,043)	(3,592)	(5,635)
Balance as at end of period	21,852	65,151	87,003	28,824	59,377	88,201

Note 11. Contract costs - litigation contracts

	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Litigation contracts - ongoing	10,383	39,786
Litigation contracts - under appeal	8,654	8,202
	19,037	47,988

There are a small number of legacy investments which are still being recorded under AASB 15 Revenue from Contracts with Customers due to the timing the contracts were entered into. These are expected to resolve in the short to medium term.

Note 11. Contract costs - litigation contracts (continued)

Reconciliation of litigation contract costs

Reconciliation of the contract costs at the beginning and end of the current period and previous financial year are set out below:

	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Balance at 1 July	47,988	42,072
Additions during the period	2,175	11,384
Realisations of contract assets	(31,126)	(5,468)
Balance as at end of period	19,037	47,988

Additions during the year relate to matters that progressed to trial, which required significant investment in their final stages.

The Group has recognised impairment losses of \$nil (June 2025: \$5,468) in profit or loss on contract costs for the period ended 31 December 2025.

Note 12. Investments

	31 Dec 2025			30 Jun 2025		
	LCM	Fund	Consolidated	LCM	Fund	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At start of period	124,839	162,896	287,735	202,913	262,300	465,213
Deployments	22,613	26,878	49,491	35,969	60,165	96,134
Capital realised during the period (note 4)	(7,577)	(20,057)	(27,635)	(27,485)	(72,649)	(100,134)
Fair value removal on concluded investments (note 4)	2,325	7,063	9,389	(49,020)	(44,997)	(94,017)
Fair value write down on case losses under appeal (note 4)	(60,351)	(39,107)	(99,458)	(44,536)	(41,773)	(86,309)
Fair value movement on pre-hearing/trial ongoing investments (note 4)	(3,283)	(5,185)	(8,468)	(6,824)	(21,292)	(28,115)
Foreign exchange movements	(2,416)	(4,908)	(7,324)	13,820	21,142	34,962
Balance as at end of period	76,151	127,579	203,729	124,839	162,896	287,735

Investments are financial instruments that relate to the provision of capital in connection with legal finance. The Group fund through both direct investments as well as using third party capital via a fund management model. The table above sets forth the changes in litigation funding assets at the beginning and end of the relevant reporting periods.

Note 13. Trade and other payables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Trade payables	23,512	10,227
Other payables	159	281
	23,672	10,508

Note 14. Borrowings

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Borrowings	93,790	77,747
	93,790	77,747
Reconciliation of borrowings of LCM:		
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Balance 1 July	77,747	61,917
Proceeds from borrowings	15,666	25,039
Non-cash interest and borrowing costs capitalised	4,214	-
Repayment of borrowings	-	(12,864)
Payments for borrowing costs	(694)	(487)
Non-cash borrowing costs	(2,185)	-
Net accrued interest	(3)	5
Amortisation	419	611
Refinance - foreign exchange movements	-	1,522
Foreign exchange movements	(1,374)	2,005
	93,790	77,747

On 2 December 2024, LCM refinanced its credit facility with Northleaf Capital Partners for an initial amount of US\$75,000,000, AUD equivalent of \$112,442,000¹ (the "Facility"), with a potential to upsize by a further US\$75,000,000 (total US\$150,000,000, AUD equivalent \$224,885,000).

Interest is calculated by reference to the applicable currency benchmark, being the US Federal Funds Rate for USD drawings, the Bank Bill Swap Reference Rate (BBSY) for AUD drawings, and SONIA for GBP drawings (with fallback to the Bank of England base rate), together with a 5.25% margin.

The Facility has an overall term of four years and is secured against LCM's assets. As at 31 December 2025, LCM's outstanding utilisation amounted to US\$13,032,000 on the initial credit facility, an AUD equivalent of \$19,538,000¹.

LCM agreed to various debt covenants including a minimum effective net tangible worth, borrowings as a percentage of effective net tangible worth, minimum liquidity, a minimum consolidated EBIT and a minimum multiple of invested capital on concluded contract assets over a specified period.

LCM incurred costs in relation to arranging the Facility of \$3,671,000 which were reflected transactions costs and will be amortised over the 4 year term of the borrowings. As at 31 December 2025, \$3,337,000 of these loan arrangement fees remained outstanding.

1 Converted at the functional currency spot rates of exchange at the reporting date

Note 15. Financial liabilities related to third-party interests in consolidated entities

	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Balance 1 July	226,538	264,950
Proceeds - capital contributions from Limited Partners	38,145	67,106
Payments - distributions to Limited Partners	-	(33,959)
Movement on financial liabilities related to third-party interests in consolidated entities (note 4)	(51,098)	(90,133)
Non-cash movements in third-party assets and liabilities	(6,811)	9,705
Foreign exchange movements	(728)	8,869
Balance as at end of period	206,046	226,538

Note 16. Equity – issued capital

	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Ordinary shares - fully paid	103,136,382	102,690,913	62,147	61,494
Ordinary shares - loan share plan and Employee Benefit Trust	11,144,917	11,590,384	(860)	(860)
	114,281,297	114,281,297	61,287	60,634

	31 Dec 2025		30 Jun 2025	
	Shares	\$'000	Shares	\$'000
<i>Movements in ordinary share capital</i>				
Balance at 1 July	102,690,913	61,494	104,118,534	69,990
Options exercised	445,467	652	740,764	1,359
Share Buy-Back Programme (treasury shares)	-	-	(2,168,385)	-
Treasury shares cancelled	-	-	-	(9,854)
Balance at period end	103,136,380	62,147	102,690,913	61,494

Movements in ordinary shares issued under loan share plan ('LSP') and held by Employee Benefit Trust:

	31 Dec 2025		30 Jun 2025	
	Shares	\$'000	Shares	\$'000
Balance at 1 July	11,590,384	(860)	12,331,148	-
Options exercised	(445,467)	-	(666,547)	-
LSPs exercised	-	-	(858,736)	-
LSPs purchased by EBT	-	-	784,519	(860)
Balance at period end	11,144,917	(860)	11,590,384	(860)

Reconciliation of ordinary shares issued under LSP:

	31 Dec 2025	30 Jun 2025
Total shares allocated under existing LSP arrangements with underlying LSP shares (note 20)	6,550,366	6,642,872
Less shares allocated under existing LSP arrangements without underlying LSP shares (note 20)	(128,961)	(221,467)
Shares held by LCM Employee Benefit Trust for future allocation under employee share and option plans	4,723,512	5,168,979
	11,144,917	11,590,384

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Ordinary shares - under loan share plan ('LSP')

The Company has an equity scheme pursuant to which certain employees may access a LSP. The acquisition of shares under this LSP is fully funded by the Company through the granting of a limited recourse loan. The shares under LSP are restricted until the loan is repaid. The underlying options within the LSP have been accounted for as a share-based payment. Refer to note 20 for further details. When the loans are settled the shares are reclassified as fully paid ordinary shares and the equity will increase by the amount of the loan repaid.

Ordinary shares - held by Employee Benefit Trust

The Employee Benefit Trust ('EBT') holds performance related shareholdings awarded to former executive which did not vest. The Trust holds 4,723,512 shares which remain unallocated as at 31 December 2025 (June 2025: 5,168,979).

Ordinary shares - partly paid

As at 31 December 2025, there are currently 1,433,022 partly paid shares issued at an issue price of \$0.17 per share. No amount has been paid up and the shares will become fully paid upon payment to the Company of \$0.17 per share. As per the terms of issue, the partly paid shares have no maturity date and the amount is payable at the option of the holder.

Partly paid shares entitle the holder to participate in dividends and the proceeds of the Company in proportion to the number of and amounts paid on the shares held. The partly paid shares do not carry the right to participate in new issues of securities. Partly paid shareholders are entitled to receive notice of any meetings of shareholders. The partly paid shareholders are entitled to vote in the same proportion as the amounts paid on the partly paid shares bears to the total amount paid and payable.

Note 16. Equity – issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity as recognised in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

Note 17. Equity - dividends

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Ordinary dividend paid (December 2025: nil, June 2025: 1.25 cents)	-	2,680

Franking credits

The franking credits available to the Group as at 31 December 2025 are \$5,000 (June 2025: \$5,000).

Note 18. Fair value measurements

The fair value measurements used for all assets and liabilities held by the Group listed below are level 3:

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets		
Litigation funding assets		
APAC	87,831	81,220
EMEA	115,898	206,515
Total Level 3 assets	203,729	287,735
Liabilities		
Financial liabilities related to third-party interests in consolidated entities	206,046	226,538
Total Level 3 liabilities	206,046	226,538

Refer note 12 for movements in level 3 assets and note 15 for movements in level 3 liabilities. There were no transfers into or out of level 3 during the period ended 31 December 2025.

As at 31 December 2025, the financial liability due to third-party interests is \$206,046,000 (June 2025: \$226,538,000), recorded at fair value as represented in note 15. Amounts included in the consolidated statement of financial position represent the fair value of the third-party interests in the related financial assets and the amounts included in the consolidated statement of profit or loss and other comprehensive income represent the third-party share of any gain or loss during the period, see note 3.

Sensitivity of Level 3 Valuations

The Group's fair value policy provides for ranges of percentages to be applied against the risk adjustment factor to more than 159 discrete objective litigation events. The tables below set forth each of the key unobservable inputs used to value the Group's LFA assets and the applicable ranges and weighted average by relative fair value for such inputs.

The Group implemented a new valuation methodology for LFA assets during the year ended 30 June 2023. LFA assets are fair valued using an income approach which is the technique adopted for LFA Assets. Under the income approach, future cash flows associated with; cash out flows, including investments and deployments, and cash inflows such as settlements or resolutions, are converted to a single current (discounted) amount, reflecting current market expectations about those future amounts. That is, the amount that could reasonably be expected to be paid to acquire the asset at that point in time. In developing our framework we also looked to Industry peers for alignment in methodology, the benefit being that adopting a similar methodology provides a level of comparability. Similar to industry peers, the framework developed applied probabilities based on observable milestones for each investment within the portfolio as well as making informed assumptions around inputs such as discount rates, timing and risk factors, all of which are considered Level 3 inputs. In cases where cash flows are denominated in a foreign currency, forecasts are developed in the applicable foreign currency and translated to AUD dollars.

Note 18. Fair value measurements (continued)

A Discounted Cash Flow approach is then applied to each underlying investment on an individual basis to arrive at a net present value of the future expected cash flows.

The cash flow forecast is updated each reporting period, based on the best available information on progress of the underlying matter at the time. These objective events could include, among others:

- Stage of the investment
- ongoing developments
- progress
- recovery or sovereign risk
- legal team expertise
- other factors impacting the expected outcome

Each reporting period, the updated risk-adjusted cash flow forecast is then discounted at the then current discount rate to measure fair value. The discount rate includes an applicable risk-free rate and credit spread to incorporate both market and idiosyncratic asset-class risk.

The Group's fair value policy provides for ranges of percentages to be applied against the risk adjustment factor to more than 159 discrete objective litigation events. The tables below set forth each of the key unobservable inputs used to value the Group's LFA assets and the applicable ranges and weighted average by relative fair value for such inputs.

31 December 2025

Item	Valuation technique	Unobservable Input ¹	Min	Max	Weighted average	
Litigation funding asset	Discounted cash flow	Discount rate	9.6%	10.6%	10.11%	
		Duration (years)	2.50	8.08	5.44	
		Adjusted risk premium	(50%)	80%	(6%)	
		Adjusted risk premium – case milestone	Min²	Max²	Weighted average	% of portfolio³
		Pre-commencement & commenced	0%	0%	0%	51%
		Pleadings	0%	10%	4%	6%
		Discovery & evidence	10%	20%	14%	15%
		Significant ruling or other objective event prior to trial court judgment	20%	65%	50%	1%
		Settlement	90%	90%	0%	0%
		Trial court judgment or tribunal award	(100%)	75%	(39%)	9%
		Appeal judgment	(100%)	80%	(32%)	14%
		Enforcement	(50%)	80%	(20%)	4%

Note 18. Fair value measurements (continued)

30 June 2025

Item	Valuation technique	Unobservable Input ¹	Min	Max	Weighted average	
Litigation funding asset	Discounted cash flow	Discount rate	10.2%	10.9%	10.6%	
		Duration (years)	2.42	7.67	5.45	
		Adjusted risk premium	(60%)	80%	10%	
		Adjusted risk premium – case milestone	Min²	Max²	Weighted average	% of portfolio³
		Pre-commencement & commenced	0%	0%	0%	56%
		Pleadings	0%	10%	2%	9%
		Discovery & evidence	10%	20%	15%	10%
		Significant ruling or other objective event prior to trial court judgment	20%	65%	64%	6%
		Settlement	90%	90%	0%	0%
		Trial court judgment or tribunal award	(100%)	75%	(22%)	8%
		Appeal judgment	(100%)	80%	(46%)	8%
		Enforcement	80%	80%	80%	3%

1 Minimum and maximum within each cohort represent the actual adjusted risk premiums applied in the period

2 Percentage of portfolio represents the percentage of the book within the cohort

Note 19. Contingent liabilities

Potential clawback of Fund 1 performance fees

The Group is entitled to receive performance fees when investment returns of the Funds exceed specified performance thresholds. These performance fees are calculated by reference to realised investment outcomes and are distributed before the final outcome of all investments within the fund is known.

In certain circumstances, fund documentation provides a mechanism under which performance fees previously distributed may be required to be returned. This is intended to ensure that, over the life of the fund, performance fees ultimately retained by the Group are aligned with the overall performance of the fund and the outcomes achieved for investors. Any requirement to return performance fees is conditional on specific future events. As a result, the existence and timing of any obligation to repay performance fees is uncertain.

The Group has assessed its potential exposure having regard to the contractual terms of the fund documentation, and based on current information and reasonable assumptions, should the relevant conditions arise and a repayment be required, the amount of performance fees that could potentially be subject to clawback is estimated to range between approximately \$12 million and \$17 million.

In forming this estimate, the Group has considered the current status of the Fund's remaining investments and historic performance, however the outcome remains dependent on future events not wholly within the Group's control.

Under-insured adverse costs exposure

In certain jurisdictions, litigation funding arrangements entered into by the Group include undertakings to meet adverse costs awarded to the successful party in the event that funded litigation is unsuccessful. The occurrence and quantum of any adverse cost award is inherently uncertain and dependent on the outcome of litigation proceedings, and accordingly it is not possible to predict whether or when such costs may be incurred.

The Group maintains adverse costs insurance arrangements (commonly referred to as after-the-event or ATE insurance) which mitigate the financial impact of adverse cost awards. While these arrangements substantially reduce the Group's exposure, a residual risk may exist in respect of adverse cost awards that may not be fully covered by insurance.

The recent outcome in the Queensland Electricity class action (a funded matter where the claim was unsuccessful and adverse costs were quantified by the Federal Court of Australia in late 2025 at approximately A\$32.4 million in total) highlighted the potential for ATE insurance to be insufficient to fully cover such awards in certain cases, resulting in a material uninsured exposure for the Group and/or relevant fund investors. In light of this development, the Group has undertaken a comprehensive review of its other currently funded investments to reassess the adequacy of existing ATE insurance arrangements and the potential residual risks of under-insurance across the portfolio.

Note 19. Contingent liabilities (continued)

As at the reporting date, based on the Group's assessment of its currently funded investments, the potential exposure to adverse costs not covered by insurance remains contingent on the outcome of litigation matters and cannot be reliably predicted or measured with sufficient certainty for recognition as a provision. Based on current information and reasonable assumptions, should one or more funded matters be unsuccessful and adverse cost awards be made which are not fully covered by insurance, the Group estimates that the potential under-insured adverse cost exposure for LCM could range between approximately A\$4 million and A\$8 million.

In forming this assessment, the Group has considered the status of funded proceedings, applicable insurance arrangements (including policy limits and any lessons from recent cases such as the Queensland Electricity class action), historical experience, jurisdictional factors, and the inherent uncertainties in litigation outcomes.

Note 20. Share-based payments

The share-based payment expense for the period was \$389,000 (December 2024: \$590,000).

Loan Funded Share Plans ('LSP')

As detailed in note 16, the Group has an equity scheme pursuant to which certain employees may access a LSP. The shares under LSP are issued at the exercise price by granting a limited recourse loan. The LSP shares are restricted until the loan is repaid. Options under this scheme can be granted without an underlying LSP share until they have been exercised and on this basis, do not form part of the Group's issued share capital. The underlying options have been accounted for as a share-based payments. The options are issued over a 1-3 year vesting period. Vesting conditions include satisfaction of customary continuous employment with the Group and may include a share price hurdle.

During the period the Group granted nil (June 2025: nil) shares under the LSP.

Set out below are summaries of shares/options granted under the LSP:

31 December 2025

Grant date	Expiry date	Exercise Price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
04/12/2017	04/12/2027	\$0.60	2,000,000	-	-	-	2,000,000
19/11/2018	25/11/2028	\$0.47	1,595,058	-	-	-	1,595,058
03/12/2018	03/12/2028	\$0.89	100,000	-	-	-	100,000
01/11/2019	01/11/2029	£0.7394	918,694	-	-	-	918,694
13/10/2020	13/10/2030	£0.6655	458,224	-	-	-	458,224
27/10/2021	27/10/2031	£1.06	1,349,429	-	-	-	1,349,429
27/10/2021	27/10/2031	£1.06	99,037 ¹	-	-	(5,452)	93,585 ¹
27/10/2021	27/10/2031	£1.14	122,430 ¹	-	-	(87,054)	35,376 ¹
			6,642,872	-	-	(92,506)	6,550,366

¹Options granted without an underlying LSP share until exercised ie, do not form part of the Group's issued share capital

Deferred Bonus Share Plan ('DBSP')

The Company has in place a DBSP. Options granted under the DBSP reflect past performance and are in the form of nil cost options and will vest in three equal tranches from the date of issue and are subject to continued employment over the three year period.

In addition, the Options granted under the DBSP are subject to malus and clawback provisions. In the event of a change of control of the Company, unvested awards will vest to the extent determined by the Board, taking into account the proportion of the period of time between grant and the normal vesting date that has elapsed at the date of the relevant event.

During the period the Group granted nil (June 2025: 532,235) options under the DBSP.

Set out below are summaries of options granted under the DBSP:

31 December 2025

Grant date	Expiry date	Exercise Price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
07/10/2022	07/10/2032	\$0.00	434,967	-	(183,661)	(66,764)	184,542
04/10/2023	04/10/2033	\$0.00	547,832	-	(125,478)	(89,335)	333,019
04/10/2024	04/10/2034	\$0.00	532,235	-	(136,328)	(20,416)	375,491
			1,515,034	-	(445,467)	(176,515)	893,052

Note 20. Share-based payments (continued)

Executive Long Term Incentive Plan ('LTIP')

The Company has in place an Executive LTIP. Options granted under the LTIP in the form of nil cost options and are subject to performance conditions which require the growth of Funds under Management ('FuM') over a five year performance period.

During the period, all LTIPs lapsed as the performance conditions were not satisfied.

31 December 2025

Grant date	Expiry date	Exercise Price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
07/10/2022	07/10/2032	\$0.0000	5,671,516	-	-	(5,671,516)	-
			5,671,516	-	-	(5,671,516)	-

Note 21. Events after the reporting period

On 12 January 2026, the Group announced a positive development in its international arbitration claim against the Republic of Poland, where the Singapore court rejected Poland's application to set aside the Energy Charter Treaty award.

On 2 February 2026, the Group announced an increase in its credit facility together with an extension of the debt covenant waiver from its lender.

On 11 March 2026, the Group announced that its funded party had been successful in the High Court of Australia in a trademark dispute claim in which LCM had invested A\$3.3 million. The matter will now proceed to the Full Court for the quantification of costs and damages.

On 17 March 2026, the Group announced that an adverse judgment had been delivered in an Australian commercial litigation claim funded by the Group with A\$1.4 million of shareholder capital. The Group is reviewing the judgment and considering its options.

The Strategic Review, which was commenced in September 2025, continues to progress.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standards and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the period ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



David Collins

Director

Dated this 31st day of March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Litigation Capital Management Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Litigation Capital Management Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

G Rooney

Geoff Rooney
Director

Sydney, 31 March 2026

LCM