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ASX Announcement

31 October 2018

Company Update

Key points

- Placement funds of AUD\$10M to be received by Litigation Capital Management Limited, ASX:LCA (LCM) on 5 November 2018.
- Further revenue from the recent settlements of approximately AUD\$9.7M is expected to be received in November 2018.
- The funding of LCM's first international arbitration and corporate portfolio transactions now unconditional.

Placement Funds

The funds raised from the Placement this week in the amount of AUD\$10M (less raising fees) are due to be received on 5 November 2018 other than the amount of AUD\$750K which is subject to shareholder approval at the upcoming Annual General Meeting on Friday 30 November 2018. The Board was very pleased with the results of the Placement which demonstrate the support from our institutional shareholders for LCM's expansion into the United Kingdom and Europe and our proposed transfer to the Alternative Investment Market (AIM), a market operated by the London Stock Exchange.

Revenue from settlements

The revenue from the recent settlement of a Litigation Project (as announced on 23 October 2018) of approximately AUD\$9.7M is expected to be received in November 2018. This capital will be reinvested into the funding of LCM's portfolio of Litigation Projects and its Pipeline of potential opportunities.

Unconditional funding of two Projects

LCM has recently agreed to provide litigation finance in relation to a group of cases for a company involved in the construction and infrastructure industry. These cases include a number of arbitrations as well as cases to be adjudicated through the judicial system. This is the first corporate portfolio to be financed by LCM and it features the benefits of this style

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of funding product including the financing of disputes of differing sizes, subject matter and strengths which is possible due to the spreading of the LCM's risk across the cases within the portfolio. The likely funding of this corporate portfolio was referred to in our FY18 Full Year Results Investor Presentation as being "conditional"; that funding is now unconditional.

LCM has also completed its due diligence in relation to the funding of its first international arbitration and as such, the funding of this claim is no longer conditional.

Further details of these two Projects are subject to confidentiality obligations.

These two new Projects have been subject to rigorous due diligence including by obtaining independent opinions from experts in the jurisdictions where the claims will be brought. The Projects were originated by the UK team headed up by Nick Rowles- Davies (acting as consultants) and the due diligence was jointly managed by the UK team and our Sydney office.

Patrick Moloney CEO of LCM says: *"The funding of these new projects is an exciting development for LCM and a realisation of our plans to take advantage of the market for the funding of international arbitration and the delivery of bespoke funding models (such as corporate portfolios). These new Projects provide further diversification to LCM's portfolio and are the implementation of LCM's growth strategy"*.

Investor contact

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Chief Executive Officer

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Litigation Capital Management Limited provides litigation financing and ancillary services to enable the recovery of funds from legal claims in Australia. It serves companies and individuals primarily in the areas of commercial and insolvency matters, and class actions. Litigation Capital Management Limited was founded in 1998 and is based in Sydney, Australia.