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ASX Announcement

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29 October 2018

COMPANY UPDATE AND CAPITAL RAISING

Key points

- Litigation Capital Management Limited ASX: LCA (**LCM**) to conduct an equity raising of ASX listed shares, launching 29 October 2018, comprising an institutional placement at A\$0.90 per share to raise A\$8 million, with the option to take oversubscriptions (**Placement**). A trading halt will be in place on ASX until the Placement is completed.
- Highly experienced UK litigation finance team of six staff headed by Nick Rowles-Davies to join LCM to service opportunities in the UK and Europe.
- LCM proposes to de-list from the ASX and seek admission of its shares to trading on AIM, a market operated by London Stock Exchange plc (**AIM**).
- Admission on AIM (**Admission**) to provide LCM with access to a broader capital and shareholder base in conjunction with acceleration of UK expansion.
- LCM intends to conduct a further equity raising in connection with Admission, to fund the existing portfolio of projects (including conditional projects) and to enable deployment of further capital into new pipeline opportunities.
- LCM directors propose the appointment of Stephen Conrad to the Board.
- Resolutions relating to these initiatives to be put to LCM shareholders at AGM on 30 November 2018 (**AGM**).

ASX Placement

LCM is undertaking an institutional placement of ASX listed shares, launching today, to eligible investors to raise A\$8 million (exclusive of costs) with the option to take oversubscriptions. The Placement comprises an offer of new fully-paid ordinary shares in LCM to be made to professional and sophisticated investors in Australia and other select jurisdictions.

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The proceeds of the Placement will be used to fund existing conditionally contracted projects, to enable deployment of capital into new pipeline opportunities, and for general corporate purposes including working capital associated with the new UK business.

The Placement shares will be offered at A\$0.90 per share (**Placement Price**). The Placement Price represents a 7.2% discount to the last closing price on Friday 26 October 2018 of A\$0.97. Settlement of the placement is expected to occur on Friday 2 November 2018, with shares being issued, and commence trading on ASX, on the following business day, Monday 5 November 2018. The placement is being settled by Morgans Corporate Limited (contact Alex Warner 02-6544 3144).

LCM has received support from a number of its major institutional shareholders in the form of commitments from those shareholders to subscribe for new shares in the Placement. In addition, new shares with a value of A\$500,000 and A\$250,000 will be subscribed for by, and issued to, Patrick Moloney and Stephen Conrad, respectively, at the Placement Price, conditional upon shareholder approval.

Other than in respect of the proposed share issues to Patrick Moloney and Stephen Conrad, no shareholder approval is required for the Placement. The Placement shares will be allocated using LCM's available placement capacity under its 15% limit in accordance with ASX Listing Rule 7.1 and its additional 10% limit in accordance with ASX Listing Rule 7.1A. The Placement shares will rank equally with LCM's existing shares on issue. The Placement will not be underwritten.

LCM's shares will remain in a trading halt today whilst the Placement is conducted. Normal trading in LCM's shares is expected to resume on Tuesday 30 October 2018 or such other time as completion of the Placement is announced to the market.

UK Team

In keeping with LCM's agenda for international expansion, LCM has identified a highly experienced UK litigation finance team of six staff headed by Nick Rowles-Davies (**UK Team**). The addition of the UK Team presents a significant opportunity for LCM to enter the European market with a strong and immediate presence.

Nick Rowles-Davies will head up and build LCM's European office in London. Nick is a pioneer of the litigation finance industry (formally Managing Director of Burford Capital UK) and brings with him a team of highly-experienced staff with significant expertise in the origination of litigation finance projects and their execution, with a particular focus on portfolio litigation finance for corporates. Management and governance will remain with

the CEO, Patrick Moloney and all risk management and treasury functions for LCM will remain with its head office in Australia.

Proposed AIM Listing

Following a strategic review, the Board of LCM has determined that LCM should pursue a de-listing from ASX and seek admission of its shares to trading on AIM in the United Kingdom. By the Admission, LCM will join other global litigation funding companies and, in the Board's opinion, will be presented with the best opportunity to further grow the business through accessing new equity capital markets and broadening its shareholder base. LCM has applied to ASX for its approval to the de-listing of LCM from ASX. ASX has informed LCM that it will agree to the de-listing, subject to certain conditions, including that LCM must be admitted to AIM.

LCM Chairman, Dr David King said "*The evolution of LCM during its 20-year history means that it is appropriate for the company to now consider a move to the AIM market in London as a natural progression given the proposed expansion into the UK, and the pipeline of opportunity. We appreciate the support of all our shareholders and hope that they are able to continue on our journey.*"

LCM Managing Director, Patrick Moloney said "*LCM's opportunity to expand into large and new markets with a highly experienced and functional team represents a significant opportunity. It will allow LCM to enter European markets without expensive acquisition costs and at very low risk. LCM has a sound pipeline of high quality opportunities both in Australasia and Europe which we expect to generate strong shareholder value in coming years.*"

In conjunction with the Admission, the constitution of LCM will need to be amended. LCM shareholders will be asked to approve a special resolution enabling LCM to amend its constitution, with effect on and from the date of Admission. The resolution will be put to LCM shareholders at this year's Annual General Meeting. Further information on the resolution will be contained in LCM's Notice of Annual General Meeting, to be dispatched to shareholders on 31 October 2018.

Proposed further equity raise on AIM

LCM also proposes to undertake an equity raising in connection with Admission, to fund the existing portfolio of projects (including conditional projects) and to enable deployment of further capital into pipeline opportunities (which are expected to grow significantly with the addition of the UK Team). The Board of LCM has resolved to propose a resolution to grant

authority for the issue of shares in connection with such capital raising at the Annual General Meeting.

Appointment of Stephen Conrad to the Board

The Board of LCM has resolved to propose to LCM shareholders that Stephen Conrad be appointed to the Board of LCM.

Stephen has worked in financial markets for global banks in Singapore, Hong Kong and Sydney over the last 25 years and specialises in risk management, governance and capital optimization across a wide variety of industry sectors, including infrastructure and asset management.

The approval of LCM shareholders will be sought for Stephen Conrad's appointment at the Annual General Meeting.

Investor contact

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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.

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