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ASX Announcement

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14 December 2018

COMPANY UPDATE AND CAPITAL RAISING

Key points

- In connection with the proposed admission of its entire issued share capital (**LCM Shares**) to AIM, a market operated by the London Stock Exchange plc (**AIM**), Litigation Capital Management Limited (**ASX: LCA**) (**LCM** or the **Company**) has successfully undertaken a placing of fully paid ordinary shares (**Ordinary Shares**) to eligible investors (the **Placing Shares**) at GBP0.52 per share to raise GBP20 million (the **Placing**).
- The Placing Price is equivalent to A\$0.91 per Ordinary Share, with gross proceeds to LCM of A\$35 million (using an exchange rate of 1 GBP:1.75 AUD).
- Canaccord Genuity Limited acted as placing agent for the Company.
- The net proceeds of the Placing will be used to fund the existing portfolio of litigation projects and for the deployment of further capital into new pipeline opportunities.
- The Company has sought admission of its entire issued share capital to AIM, with admission expected to commence on 19 December 2018 (8:00am GMT / 7:00pm AEDT). The Placing will occur on admission to AIM.
- The Company will formally apply to ASX for its removal from the official list of ASX, subject only to admission of LCM to AIM.
- The LCM Shares are expected to be suspended from quotation on ASX after market close on 19 December 2018 (**Suspension Date**), with delisting expected after market close on 21 December 2018 (**Delisting Date**).

AIM Placing

LCM is pleased to announce that it has successfully undertaken a placing of 38,461,540 Ordinary Shares at an issue price of GBP0.52 per LCM Share (**Placing Price**) to raise GBP20 million (exclusive of costs). The Placing comprised an offer of Ordinary Shares in LCM to eligible professional and sophisticated investors. The Placing will occur on admission to AIM.

Litigation Capital Management Limited ABN 13 608 667 509

Registered Office: Level 12, The Chifley Tower, 2 Chifley Square Sydney NSW 2000 Australia

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The Placing Price is equivalent to A\$0.91 per Ordinary Share, with gross proceeds to LCM of A\$35 million (using an exchange rate of 1 GBP:1.75 AUD).

The net proceeds of the Placing will be used to fund the existing portfolio of litigation projects and for the deployment of further capital into new pipeline opportunities.

Admission and issue of the Ordinary Shares under the Placing is expected to occur on 19 December 2018, with the LCM Shares commencing trading on AIM on that date.

No shareholder approval is required in relation to the Placing as the Company received shareholder approval for the issue of the Ordinary Shares under the Placing at the Company's Annual General Meeting on 30 November 2018. The Placing will occur on admission to AIM and is not underwritten. The Ordinary Shares to be issued under the Placing will rank equally with other fully paid ordinary shares in the Company on issue.

AIM Listing

The Company has sought admission to AIM, with admission expected to commence on 19 December 2018 (8:00am GMT / 7:00pm AEDT).

The Company will shortly formally apply to ASX for its removal from the official list of ASX, subject only to admission of LCM to AIM.

The LCM Shares are expected to be suspended from quotation on ASX after market close on 19 December 2018 with delisting from ASX expected after market close on 21 December 2018.

After the Delisting Date, any shareholding in the Company will be automatically converted into an Issuer Sponsored holding on the Company's Australian share register, if shares are not already held in that manner (i.e. CHESS sponsored). An Issuer Sponsored Holding Statement will be posted to the registered address of the shareholder accompanied by a Removal Request Form (Australia to Guernsey).

Shareholders are not required to do or pay anything to facilitate this. This is the default option for shareholders who do not sell their shares on ASX before the Suspension Date.

Further information on the process is provided below and any shareholder with questions or requiring information about the delisting process, should contact the Company on

+61 (0) 2 8098 1390 or the Shareholder Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

Shareholders are encouraged to act now to avoid delays in their ability to trade LCM Shares after AIM Admission.

-ENDS-

CONTACTS

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INFORMATION ON PROCESS FOR SHAREHOLDERS

1. Trading on AIM

After the delisting from ASX and once your shares have been converted to Issuer Sponsored, you will not be able to trade your LCM shares on AIM unless you convert them into 'Depositary Interests' (**DIs**). The Company is in the process of establishing a DI facility and has appointed Link Market Services Trustees Limited (**Link**) as the depositary (the **Depositary**).

Securities of Australian issuers cannot be directly registered, transferred or settled through CREST (which is the electronic settlement system in the UK). The DI facility overcomes this by creating entitlements to the Company's shares, which are deemed to be UK securities and therefore admissible to CREST. The DIs are quoted and traded on AIM and are transferred in CREST to settle those trades. To convert your shares to DIs, you will need to transfer your shares to the Depositary's custodian. The Depositary will hold your shares in certificated form on trust and will issue you uncertificated DIs representing the underlying LCM shares transferred to it. You can then trade your DIs on AIM (which will result in a transfer of the beneficial interest in your underlying LCM shares). As is customary, you will be responsible for any brokerage or other costs, and tax implications, which may be related to the trading of your DIs on AIM.

While your LCM Shares are held on trust by the Depositary, you will retain the full beneficial interest in the LCM Shares you hold via DIs, including voting rights and dividends.

The Company is currently seeking to establish an arrangement with a broker to assist you to trade your DIs on AIM if you wish to do so. Further details will be released to ASX when available. Alternatively, you can contact and establish an account with a stockbroker who offers accounts that allow trading on AIM.

The steps for converting your LCM Shares into DIs are set out below.

2. Depositary Interests

2.1 Steps for converting your LCM Shares into DIs to allow trading on AIM

Step 1 - Engage a suitable Australian broker who has an agreement with a UK broker that can trade on AIM and can accept the DIs into the CREST system for settlement purposes. Alternatively, you may wish to appoint a broker based in the UK. A list of UK brokers can be found via the London Stock Exchange website www.londonstockexchange.com.

Step 2 - Once your account with the broker has been established, you are required to submit your completed Removal Request Form (Australia to Guernsey) to Link. It is important that you enter your Security Holder Reference Number (SRN) found on your Issuer Sponsored Holding Statement and complete the CREST participant details (CREST Participant ID and Member Account ID) in full where requested. Your broker can assist you with providing this information.

Step 3 - Your completed and signed Removal Request Form (Australia to Guernsey) should be sent to:

Link Market Services
Locked Bag A14
Sydney South NSW 1235

2.2 Confirmation of DI Issuance

Once your completed and signed Removal Request Form (Australia to Guernsey) is delivered to Link, the DI creation process will typically be completed within 72 hours. During the DI issuance process, your shareholding will be reduced, and DIs will be issued. Your broker should then provide you with confirmation that you are now the holder of an equivalent amount of DIs. From this point you will now be able to instruct your broker to deal or transact in your DIs on AIM.

2.3 How DI holders will be kept informed of what's happening with LCM

The Depositary will rely on LCM to supply information to it relating to matters that have a bearing on the rights of the Ordinary Shares. These Company matters may include but are not limited to cash distributions, corporate actions and company meetings. The Depositary is then responsible for making this information available to the registered DI holders, being the broker or custodian who holds the DIs on your behalf in CREST. You will need to discuss with your broker how they will in turn keep you updated.

If you have any questions about these steps, please contact Link on:

Enquiries:	1300 554 474 (within Australia) +61 1300 554 474 (outside Australia)
Email:	registrars@linkmarketservices.com.au
Facsimile:	+61 2 9287 0303

2.4 Cancellation of DIs and becoming a shareholder again on the Australian share register or Guernsey branch share register

The Company will maintain both an Australian and Guernsey branch register. To cancel DIs and become a shareholder again, you should contact your broker and they will initiate the process, by withdrawing your DIs from CREST and instructing the Depositary to issue the LCM Shares in your name on the Company's Australian share register or Guernsey branch share register. Once your LCM Shares are issued on the Company's Australian share register or Guernsey branch share register, you will be issued an Issuer Sponsored Holding Statement or share certificate as evidence of ownership.

2.5 Do nothing and continue to hold your LCM Shares on the Australian share register

You may also elect to do nothing and retain shares in the Company as Issuer Sponsored on the Company's Australian share register. If you do this, in order to sell your LCM Shares you would either need to transfer your shares to a willing buyer in an off-market transfer or convert your LCM Shares to DIs and trade them on AIM.

ABOUT LCM:

Founded in 1998, Litigation Capital Management (LCM) is one of Australia's most experienced and successful litigation finance companies. LCM is a specialist in providing litigation finance to enable the pursuit and successful recovery of funds in a range of litigation projects, both single-case and portfolio, including class actions, commercial claims, claims arising out of insolvency and international arbitration. LCM provides strategic input and assists with the management of litigation projects to support these projects reaching a successful conclusion.

LCM is headquartered in Sydney and has offices in Melbourne, Brisbane, Singapore and London. The Company listed on the Australian Stock Exchange (ASX: LCA) in December 2016. <https://www.lcmfinance.com/>