



## RELEASE TO AUSTRALIAN SECURITIES EXCHANGE

MONDAY, 12 AUGUST 2019

### FUND 1 INVESTMENT COMPLETION

#### Summary

- **IMF announces the resolution of a case it funded in the United States through Fund 1**
- **Fund 1's investment portfolio contains 33 remaining investments with an aggregate EPV of approximately \$3.0 billion<sup>1</sup>**

#### RESOLUTION – US Case 701236 / USF Case 16

IMF refers to its announcement dated 30 November 2017 concerning USF Case 16.

This was a case funded in the United States by Fund 1 to monetise a patent infringement judgement subject to appeal. The appeal has been dismissed and the parties have reached a binding settlement to draw to a close any further appeals.

Fund 1 will receive income of a further US\$21.6 million (AUD equiv. \$31.7m) from the settlement which will generate a profit after capitalised overheads of AU\$10.7 million, which represents, before overheads, a ROIC from this investment of 0.57 and an IRR of approximately 27 %. IMF noted in its announcement of 30 November 2017, that as a post judgement investment, the risk profile and potential investment return were materially lower than for a pre-judgement investment and that a substantial portion of the potential loss, should the appeal be successful, was insured.

#### IMF background

IMF is one of the leading global litigation funders, headquartered in Australia and with offices in the US, Canada, Singapore, Hong Kong and London. IMF has built its reputation as a trusted provider of innovative litigation funding solutions and has established an increasingly diverse portfolio of litigation funding assets.

IMF has been a leading pioneer of litigation funding in Australia since 2001, playing a significant role in the initial steps towards a globalised industry via its international expansion in the US, Canada, Asia and Europe. IMF has a highly experienced litigation funding team overseeing its investments, delivering, as at 31 December 2018, a 90% success rate across 184 completed cases (excluding withdrawals).

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1. EPV for an investment where the IMF funding entity earns a percentage of the resolution proceeds as a funding commission, is IMF's current estimate of the claim's recoverable amount after considering the perceived capacity of the defendant to meet the claim. It is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to IMF if the investment is successful. EPV for an investment where the IMF funding entity earns a funding commission calculated as a multiple of capital invested shall be calculated using by taking IMF's estimate of the potential income return from the investment and grossing this up to an EPV using IMF's Long-Term Conversion Rate. An EPV is subject to change over time for a number of reasons, including, but not limited to, changes in circumstances and knowledge relating to an investment, partial recovery and, where applicable, fluctuations in exchange rates between the applicable local currency and the Australian dollar.