

Investor Presentation

Burford Capital Limited

1H 2017 Results

This presentation is for the use of Burford's public shareholders and is not an offering of any Burford private fund.

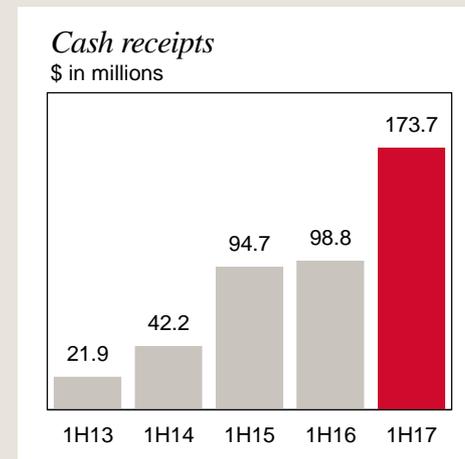
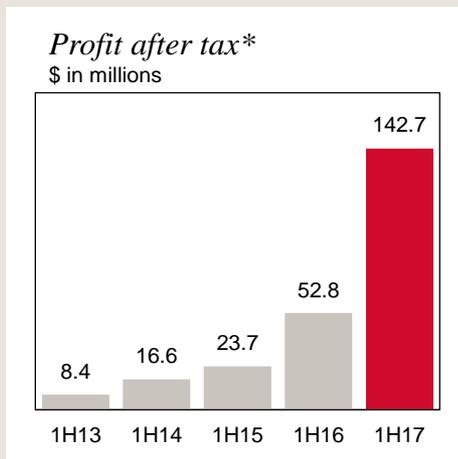
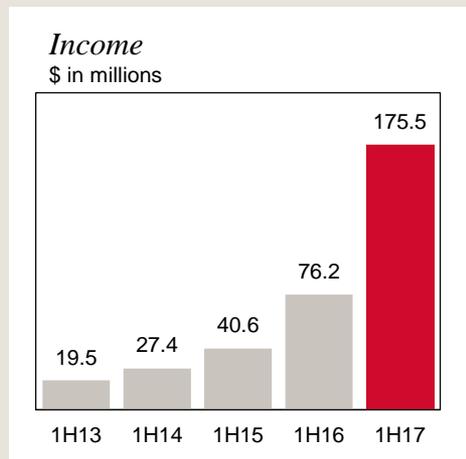




“Burford Capital is
the titan of litigation
finance.”

– *Bloomberg*
30 May 2017

1H 2017 Highlights



3.05¢

INTERIM
DIVIDEND

14% increase

\$488m

NEW COMMITMENTS

\$289m

DEPLOYMENTS

£175m

SUCCESSFUL
3RD BOND

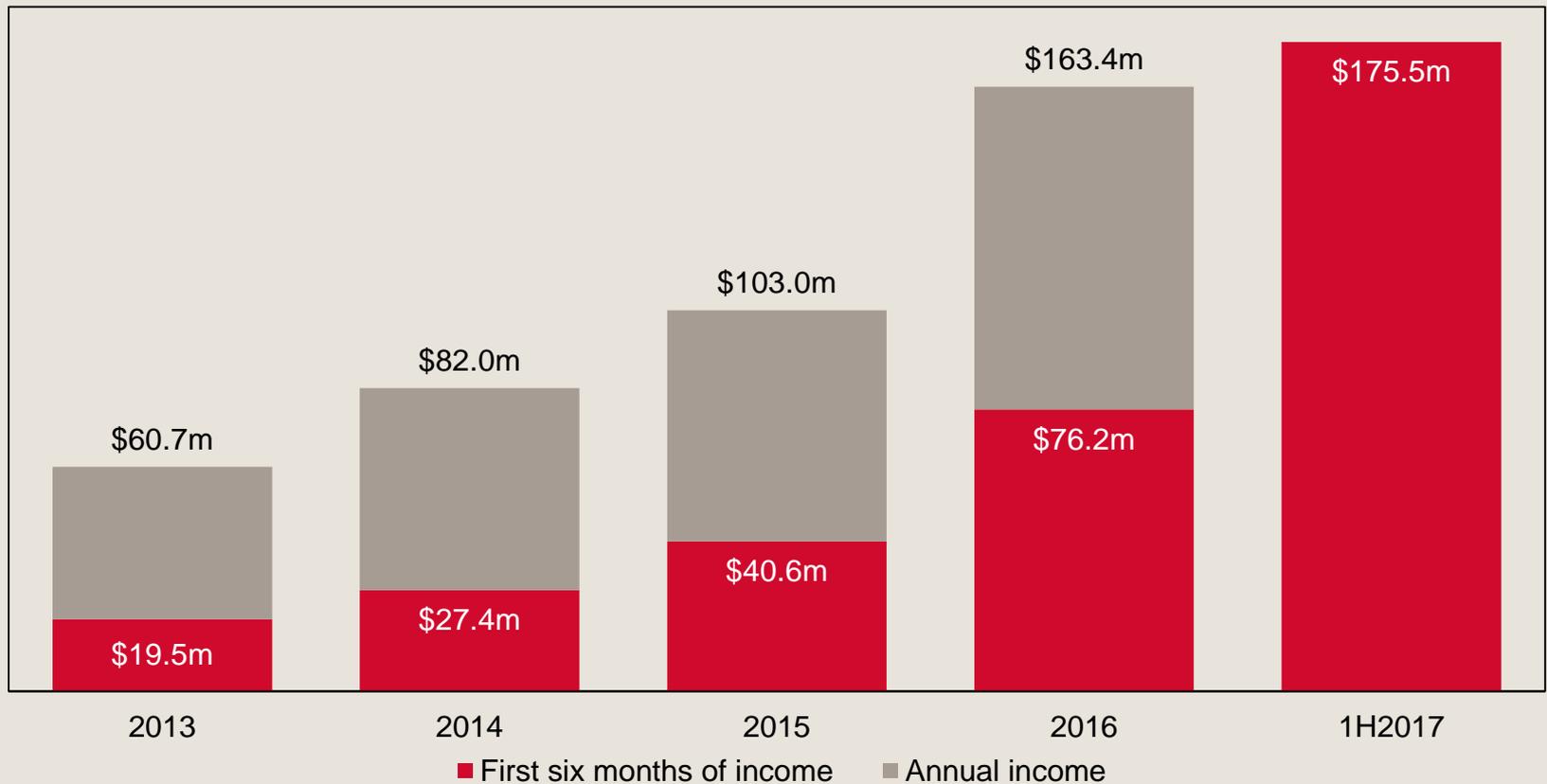
9½ year @ 5.0%

Equity highlights

- \$2.7 billion market capitalisation (£2.0 billion)
- Total shareholder return
 - Six months since January 2017: 72%
 - Since 2009 IPO: 1,040%; 37% annualised
- 24 members of management team own 14% of shares outstanding
 - Share-based LTIP launched for all employees
- Liquid, tradeable stock
 - Average daily volume TTM: 617,000 shares
 - Average daily turnover TTM: \$5.4m (£4.1m)
- Low Net Debt / Equity leverage: 0.4x, following over-subscribed June bond offering
 - £175 million, 9½ year maturity, 5.0% coupon

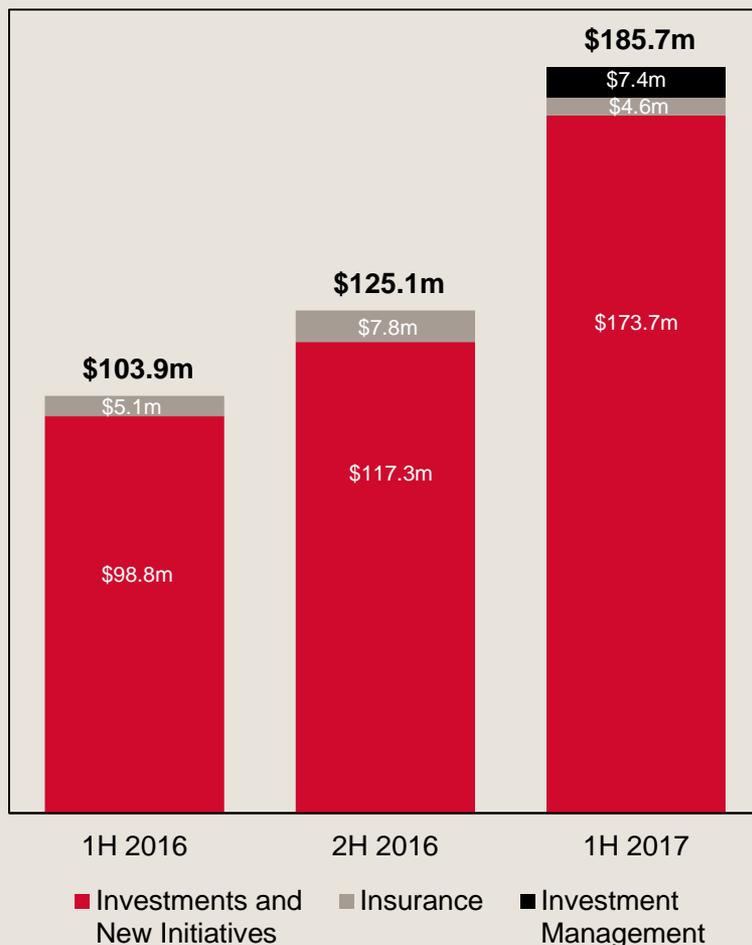
Record-setting income

Generated more income and profit in the first six months of 2017 than Burford has ever generated before in a full year of operation



Continued growth in cash generation

Cash generation across the business



“

Burford Capital has reported record earnings. And the company is deploying its investments in increasingly audacious ways, marking a bold scaling up for the New York-based company as they move away from underwriting riskier one-off suits toward funding large pools of cases.

— *The American Lawyer*

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Secondary market transaction: Petersen claims

Sold 25% interest for \$106 million cash in an asset in which Burford has invested ~\$18 million while retaining a 75% interest

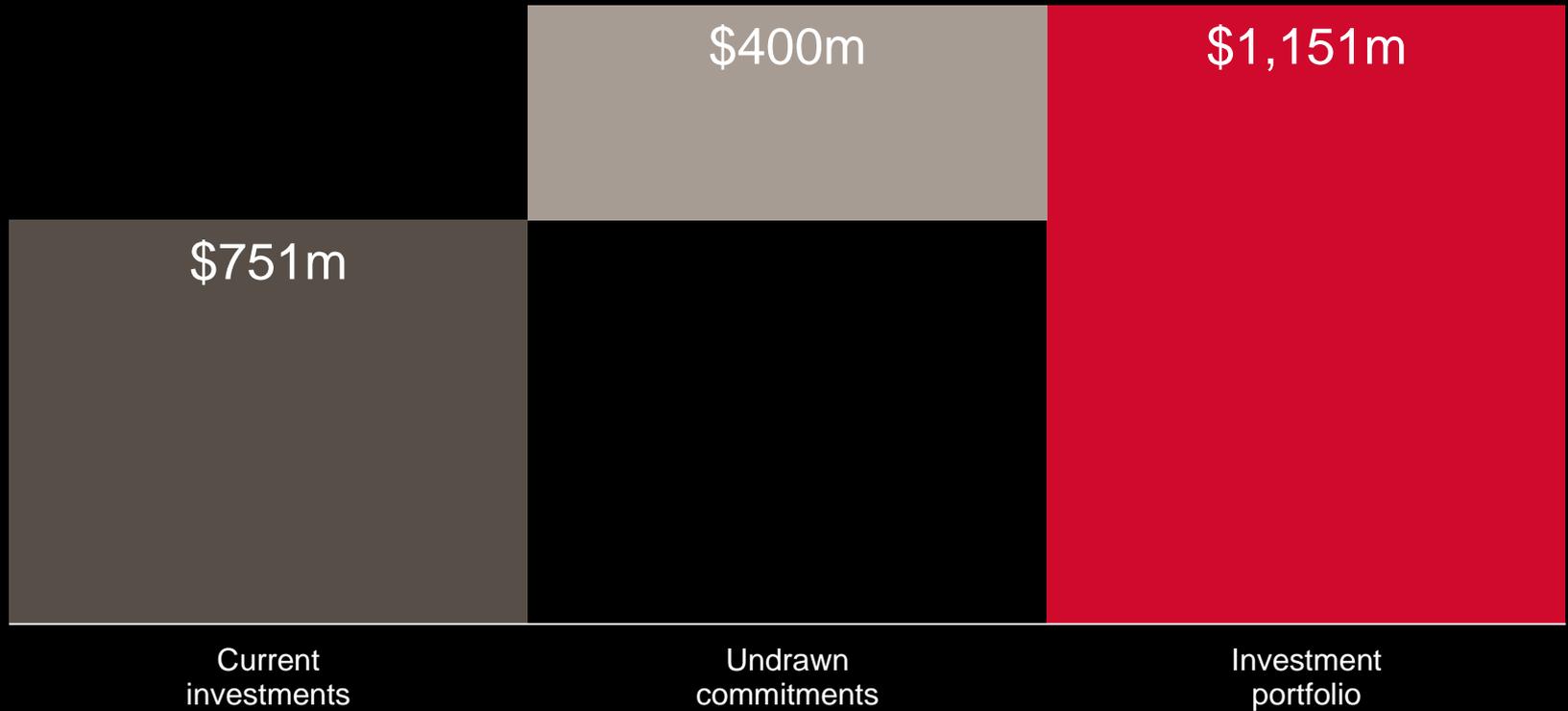
- In late 2016 and early 2017 Burford sold 10% of its interest for \$40 million to a number of institutional investors valuing Burford's investment at \$400 million
- In June 2017 Burford sold a further 15% interest for \$66 million valuing Burford's investment at \$440 million
 - The secondary sales produced Burford's most successful cash-generating investment and Burford still retains a 75% interest
- Petersen claims: classic asymmetrical litigation investment, with moderate invested cost and significant potential upside
- Procedurally, the case is proceeding through the US federal courts in New York
 - Petersen had an initial success in trial court that concerned the procedural ability of the US courts to hear the case
 - The defendants have appealed that result to the appellate court which has now heard oral argument on the appeal and will render its decision in due course – there is no date by which the court is obliged to release a ruling

Teinver: Significant success in 2010 vintage

Burford's entitlement from arbitration award estimated to be around \$140 million

- Arbitration tribunal released decision on 21 July 2017 against Argentina for \$324 million plus interest in connection with airline expropriation.
- Current investment approximately \$13 million ¹
- Carried on the balance sheet at a fair value of approximately \$30 million ¹
- Burford's entitlement estimated to be in the range of \$140 million ²
- Expected recognition of substantial additional income in 2H17, pursuant to valuation policies, although not approaching Burford's full potential entitlement above.
- This arbitral decision does not necessarily mean that this amount will actually be paid in full, or at all. There remain various avenues for challenge to the decision and the matter is not yet free of litigation risk; indeed, the entire decision could later be overturned by an adjudicatory body with higher authority and result in a loss for Burford. Moreover, it is commonplace for there to be negotiations, settlement discussions and discounting that could reduce materially the figures provided above, and Burford generally does not have any control over the outcome of those discussions as it is a third party to the actual litigation.

Balance sheet investments: Scale and diversification



Burford: Global leader in finance for law

The combination of Burford and GKC is proving to be as potent as we had hoped

- Combined firm has \$3.1 billion invested in and available for legal finance
 - \$1.4 billion in Burford direct investing (portfolio + available cash)
 - \$1.7 billion AUM in investment funds*
- Raised \$500 million complex strategies fund on 30 June 2017
 - Already deployed more than \$100 million in investments in the fund with several incremental opportunities expected in the next 30 to 60 days
 - Final management and performance fees match previous guidance
- Management fees earned during first six months of 2017 - \$6.2 million
 - Booked revenues in first half of year do not include fees that will be earned in second half from complex strategies fund
- Performance fees starting to flow - generated \$1.3 million of performance fees in Partners I, GKC's first fund
- Burford's position as clear leader in the space has enabled us to attract great talent to help us continue to expand our footprint and to deploy our growing capital base
 - First half saw Asian opening and first investment

Record-breaking 1H 2017 commitments

	Upfront Capital Outlay	Binary Risk	Multiple Paths to Recovery	Ownership Interest in Asset		Balance Sheet Commitments	Fund & Other Vehicle Commitments
Single case finance	X	X			Binary legal risk on a single claim investment	\$20.4m 9%	\$14.2m 6%
Portfolio finance	X		X		Legal claim risk with multiple paths to recovery to reduce the risk of total loss	\$57.5m 25%	\$63.4m 24%
Recourse finance	X		X	X	Underlying asset value in addition to risk on legal claim mitigates against the possibility of suffering a complete loss upon failure of the claim	\$87.5m 39%	\$173.7m 66%
Legal risk management		X	or X		No deployment of capital unless there is a failure of the claim (e.g., adverse costs indemnity)	\$60.6m 27%	\$10.8m 4%
TOTAL						\$226.0m 100%	\$262.1m 100%
TOTAL INVESTMENT COMMITMENTS						\$488m	

Capitalising the business for future growth

Successfully issued 3rd listed bond

- Over-subscribed offering that closed in June
- Raised £175 million 9½ year debt, 5.0% coupon
- Redeemed \$43.75 million of acquisition loans
 - Annual cash savings to Burford of \$2.6 million

Strong and conservative capital structure

- Weighted average life of debt = 7.8 years, considerably longer than average duration of investments
- Weighted average interest rate = 5.678%
- Net Debt / Equity leverage = 0.4x
- Significant liquidity = \$222 million in cash and short term investments

Summary income statement

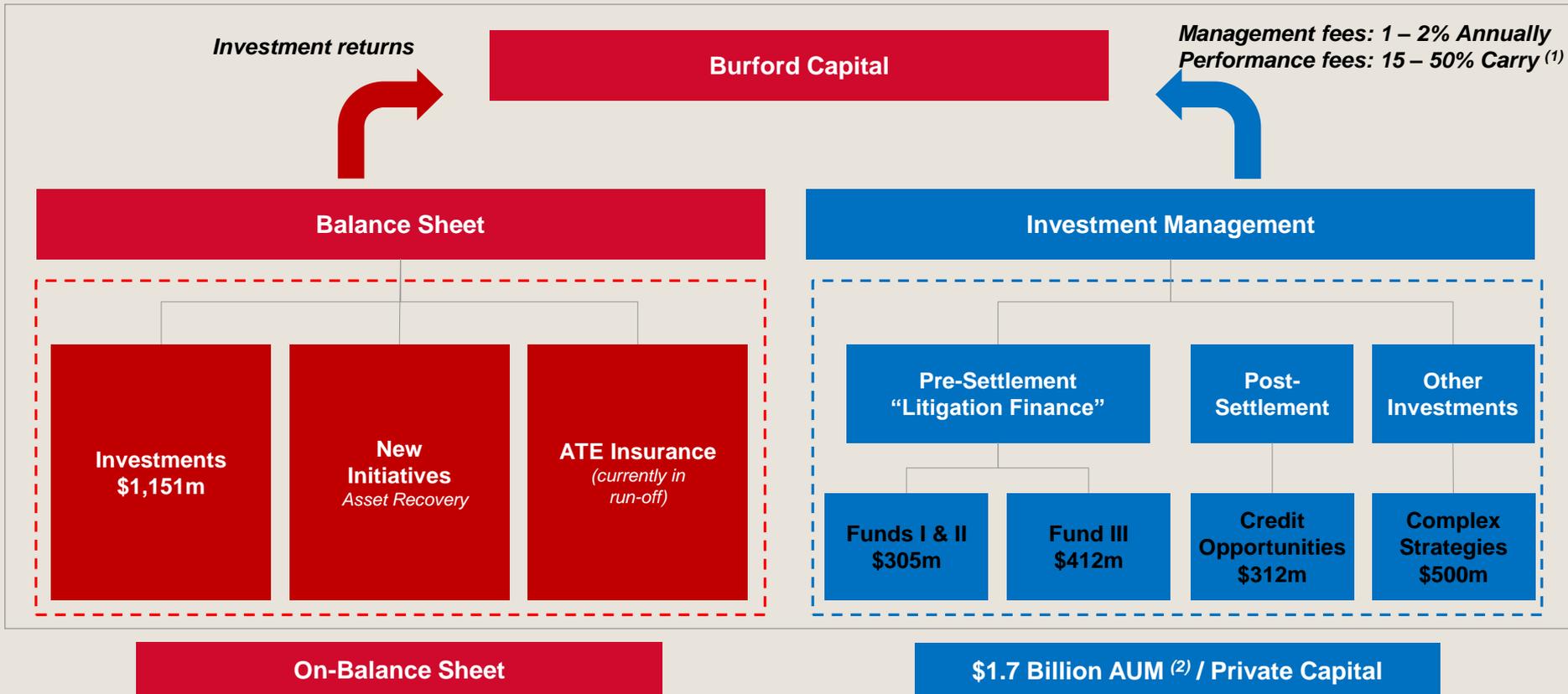
\$'000	30 June 2017	% change	30 June 2016
Investments income	161,633		65,267
Investment management income	7,534		-
Insurance income	4,626		5,113
New initiatives income	897		5,313
Other income	834		522
Total income	175,524	130%	76,215
Operating expenses – investments	(10,611)		(9,811)
Operating expenses – investment management	(3,569)		-
Operating expenses – insurance	(914)		(830)
Operating expenses – new initiatives	(1,755)		(1,457)
Operating expenses – corporate	(3,720)		(2,437)
Operating profit *	154,955	151%	61,680
Finance costs	(10,015)		(5,876)
Taxation	(2,206)		(3,000)
Profit after tax *	142,734	170%	52,804

Segmental balance sheet – 1H 2017 and 1H 2016

30 June 2017 \$'000	Investments	Investment management	Litigation insurance	New initiatives	Other corporate activity	Total
Non-current assets	790,756	379	410	3,723	168,729	963,997
Current assets	70,668	1,871	13,755	820	145,365	232,479
Total assets	861,424	2,250	14,165	4,543	314,094	1,196,476
Current liabilities	10,882	225	771	341	5,363	17,582
Non-current liabilities	3,567	-	38	-	470,201	473,806
Total liabilities	14,449	225	809	341	475,564	491,388
Total net assets	846,975	2,025	13,356	4,202	(161,470)	705,088

30 June 2016 \$'000	Investments	Investment management	Litigation insurance	New initiatives	Other corporate activity	Total
Non-current assets	509,059	-	347	3,621	1,653	514,680
Current assets	50,804	-	11,913	2,166	177,215	242,098
Total assets	559,863	-	12,260	5,787	178,868	756,778
Current liabilities	7,877	-	400	12	4,677	12,966
Non-current liabilities	194	-	-	-	251,262	251,456
Total liabilities	8,071	-	400	12	255,939	264,422
Total net assets	551,792	-	11,860	5,775	(77,071)	492,356

Public and private capital combined: Greater versatility, profitability and stability



The first \$15 million of all pre-settlement investments will be allocated on a 50/50 basis between on-balance sheet capital and Fund III, with balance sheet capital taking any commitment in excess of 15 million

1. GKC pre- and post-settlement funds have European structure for performance fees such that no performance fees are paid until fund investors have had their entire capital repaid.
2. SEC Regulatory AUM, including funds and sidecar vehicles. Individual fund sizes shown here do not include sidecar vehicles.

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