

Speaker introduction



Ken Brause, Chief Financial Officer

- Ken Brause is Chief Financial Officer of Burford with responsibility for managing and overseeing Burford’s global finances and financial strategy
- In that capacity, he oversees Burford’s funding, capital management, financial reporting, and investor relations, and is a member of Burford’s Management Committee and an ex officio member of the Commitments Committee
- Prior to joining Burford, Mr. Brause was Chief Financial Officer of NYSE-listed OnDeck Capital [ONDK]



Liz Bigham, Chief Marketing Officer

- Liz Bigham leads Burford’s global marketing team and programs, responsible for enhancing Burford’s visibility and stature in the marketplace and its ongoing growth
- Prior to joining Burford, Ms. Bigham was Executive Vice President at Jack Morton Worldwide, a leading marketing services agency that works with Fortune 500 clients and that is owned by the Interpublic Group of Companies (NYSE: IPG)
- At Burford, Ms. Bigham is also a driving force behind The Equity Project, its award-winning initiative to promote diversity in the business of law through a \$100 million pool of capital earmarked to back commercial litigation and arbitration led by female and diverse lawyers

Introducing Burford Capital

Companies trust Burford as the world's most experienced, transparent and well capitalized provider of legal finance



\$4.8B

Group-wide investment portfolio of legal assets ¹

\$595M

Cash deployments in 2020

10,000

Burford has received at least 10,000 requests for funding ²

\$758M

Total commitments for full year 2020

57%

Corporate clients – from Fortune 500 companies to startups – accounted for 57% of the value of Burford's new 2020 commitments

72%

of clients who bring matters to Burford return to do business again ²

Note: This information, which is current as of 27 September 2021 has been compiled from public filings with regulatory agencies and other public information that is believed to be reliable, Burford cannot warrant its accuracy. Firms that invest in litigation as one of a number of strategies are excluded both because of the absence of reliable data about their litigation-only investing and because of their current limited market impact. Firms that claim to have access to capital in press releases and otherwise are excluded if there are not confirmatory regulatory filings (required in many jurisdictions) and if there has not been observed market activity consistent with the claimed access to capital. It is possible that firms have other sources of capital not included here. All currencies have been converted to USD using exchange rates as of 27 September 2021.

¹ Includes deployed cost, fair value adjustment and undrawn commitments.

² Since Burford launched with its 21 October 2009 IPO

Defining legal finance

Legal finance gives companies a tool to enhance liquidity and reduce risk using their legal assets

105%

Reported use of legal finance
has grown by 105% in the
last three years

2020 LEGAL FINANCE REPORT

- Legal finance
 - Enables companies to pursue valuable recoveries without added cost or risk
 - Moves the cost and risk of a litigation or arbitration to a specialist like Burford
 - Brings greater certainty to legal department budgets and to the timing of cash flows associated with pursuing high value recoveries (costs and revenue)
- How it works
 - The value of litigation or arbitration claim is used to obtain financing
 - The financing is not debt; it is typically non-recourse with funds provided in exchange for a return tied to case outcome
 - Non-recourse debt may be used to finance litigation or for more general business purposes
 - There is no change in relationship between client and law firm and the funder does not control the litigation

How companies use legal finance

USE CASE		FINANCING PRODUCT
Cost pressures	<ul style="list-style-type: none">• Mitigate expenses and preserve working capital• Pursue strong claims with counsel of choice	<i>Single-case</i> <i>Portfolio finance</i>
Certainty	<ul style="list-style-type: none">• Anticipate and manage risk and cash flow	<i>Portfolio finance</i>
Enhance liquidity	<ul style="list-style-type: none">• Generate immediate working capital• Create immediate liquidity against future receipts	<i>Monetization</i>
Enforcing judgments	<ul style="list-style-type: none">• Trace assets and enforce judgments against debtors	<i>Asset recovery</i>



Working with Burford

Choosing the right finance partner matters

- **TEAM**
 - Burford’s team of 140+ includes 66+ lawyers, equipping us to conduct diligence in-house and respond with speed and expertise to inquiries
- **POTENTIAL VALUE ADD**
 - Burford’s team offers value-add that many clients actively seek out
- **CAPITAL SOURCES**
 - Burford’s permanent capital provides assurance that it can be a reliable finance partner for the duration of litigation
- **PROFESSIONALISM AND TRANSPARENCY**
 - We are the institutional-quality legal finance partner – dual-listed on the New York Stock Exchange (NYSE: BUR) and London Stock Exchange (LON AIM: BUR)
- **Committed to ESG**
 - Burford’s Equity Project augments companies’ existing ESG & DEI initiatives and reflects values we share with leading companies

2021 Legal Asset Report

Companies are on the cusp of a paradigm shift in how they approach legal assets.

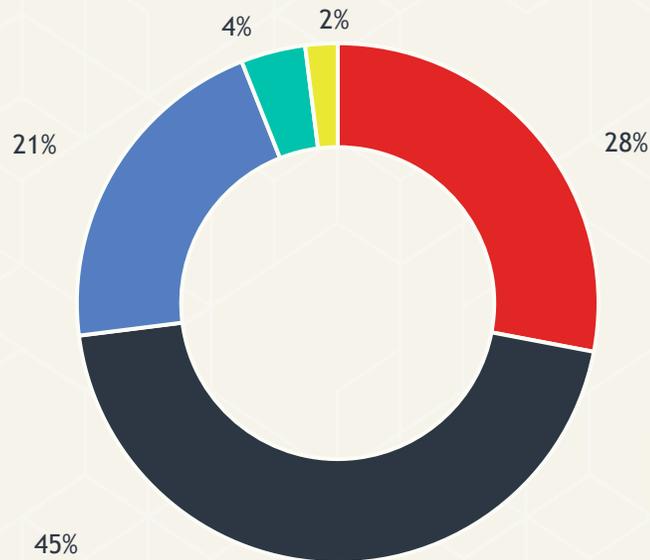
Research aims to understand whether and how finance teams are working with legal departments to maximize the value of corporate litigation assets.

- Survey conducted in March/ April 2021 with 378 senior financial officers of companies with annual revenues of \$50 million+, with the majority representing companies with over \$1 billion in annual revenue
- Geographies covered were the US, the UK and Australia
- All respondents are in roles that include knowledge of their companies' litigation expenditures
- 78% of respondents are at public companies; 52% hold the title CFO

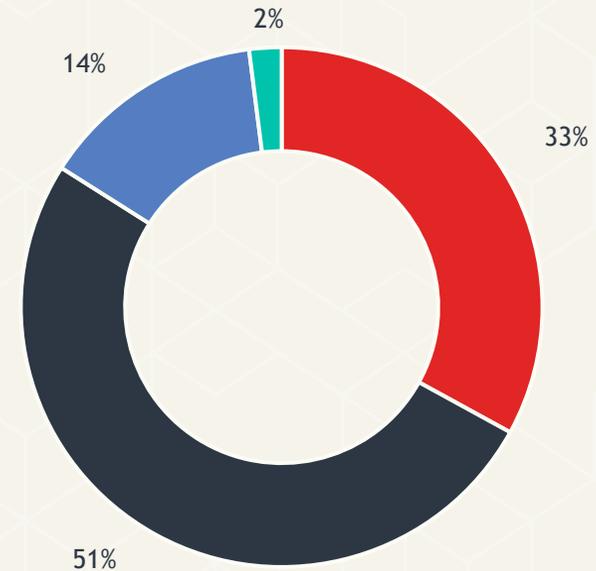
Affirmative recovery and legal cost management programs are extensive but could be more effective

Affirmative recovery programs focus on generating value while cost management programs focus on reducing the cost of the legal department

How extensive is your legal department's affirmative recovery program?



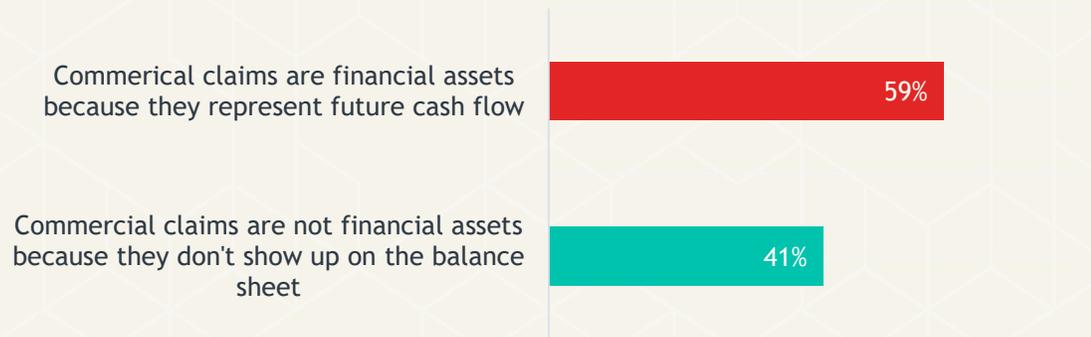
How extensive is your legal department's cost management program?



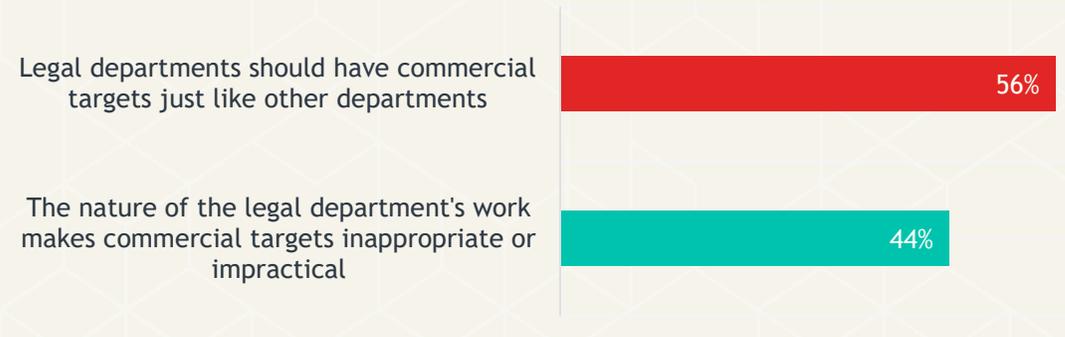
- Extremely extensive
- Very extensive
- Somewhat extensive
- Not too extensive
- Minimal/ Not at all extensive

Most financial officers understand that they have legal assets, but appear less aware of the tools available to enable them to monetize those assets

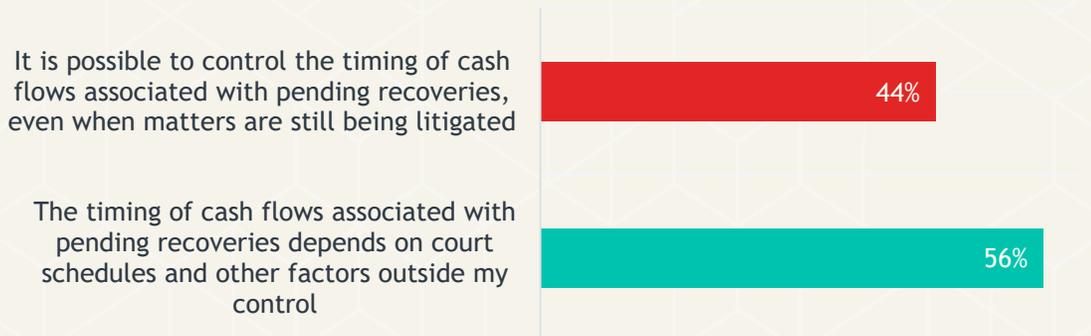
Are commercial claims financial assets?



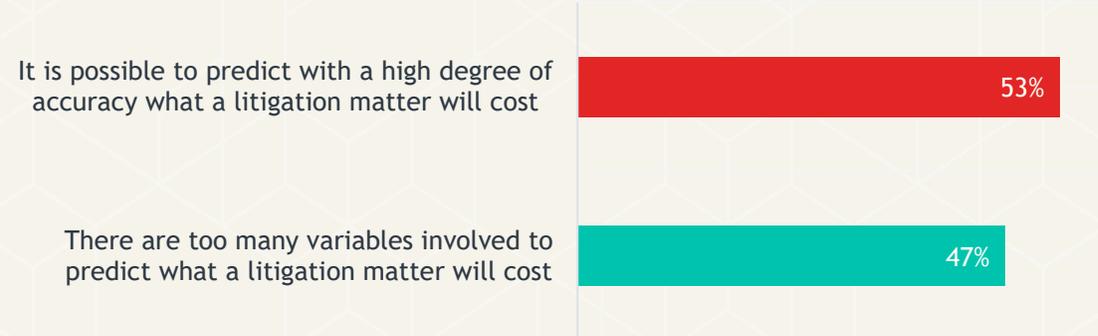
Should legal departments have commercial targets?



Can capital flows from litigation be timed?



Can litigation costs be predicted?



Finance and legal have an opportunity to collaborate to increase focus on creating value

It is essential that finance officers have robust sources of data to make informed decisions

- Nearly two thirds said that finance exerts control over key areas of the legal department including cost management and budget setting
- However, whilst 85% are regularly briefed on pending litigation matters, the extent of those briefings was often limited to costs rather than probable outcomes and time to resolution

Percentage reporting high level of control by finance

	All
Implementation of cost management strategies	65%
Implementation of new technologies	64%
Setting the legal department budget	62%
Setting recovery goals for the legal department	62%
Deciding which big-ticket litigation matters to pursue	56%

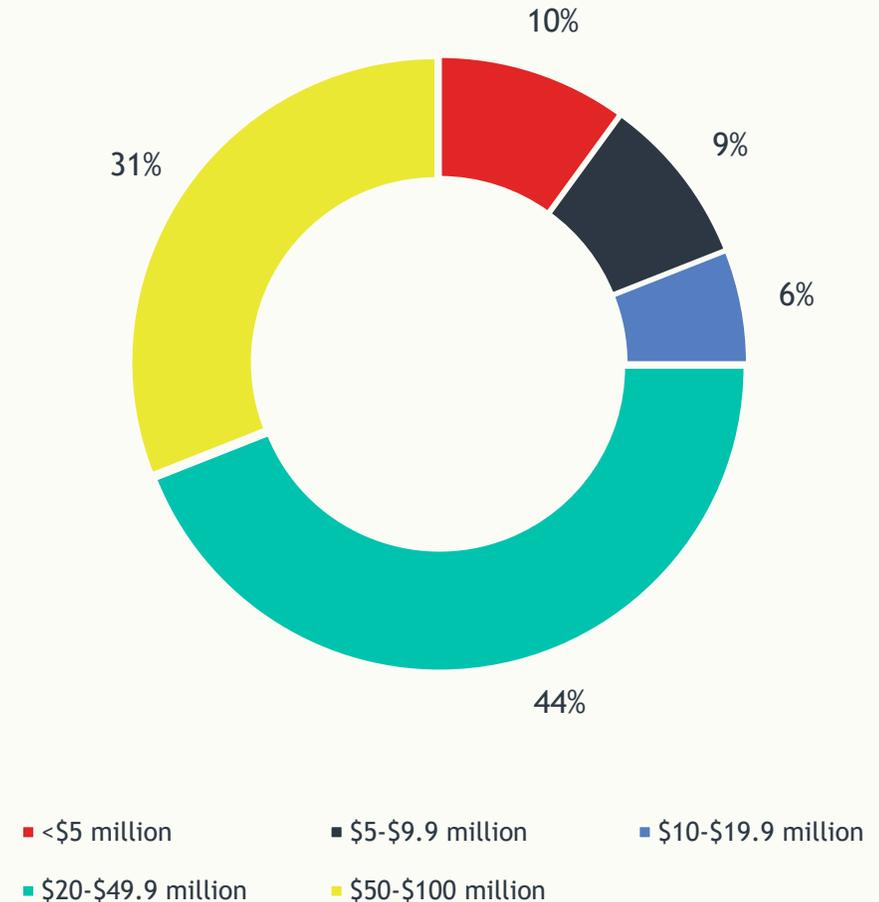
Companies are routinely leaving money on the table, but need not

**\$50-
100m**

Almost one in three large company financial officers report unenforced judgments worth \$50-\$100m

2021 LEGAL ASSET REPORT

What was the total value of judgments in 2020 whose enforcement you did not pursue?



Most financial officers are not using quantitative modeling to inform their decision-making on litigation risk and outcomes

Which of the following best describes the process when you or others in the finance function have evaluated whether to pursue litigation?

The decision is generally left to the legal department with little input from finance department

29%

Finance makes a qualitative decision or recommendation based on variables

47%

The finance department conducts its own quantitative financial modelling of litigation with the same rigor as in other decisions

24%

Which of the below describe why you do not conduct quantitative financial modeling of litigation recovery?

As an organization, we do not conduct enough affirmative litigation to have built expertise in modeling litigation value

26%

As a finance team, we do not get enough information from the legal team to model litigation value

59%

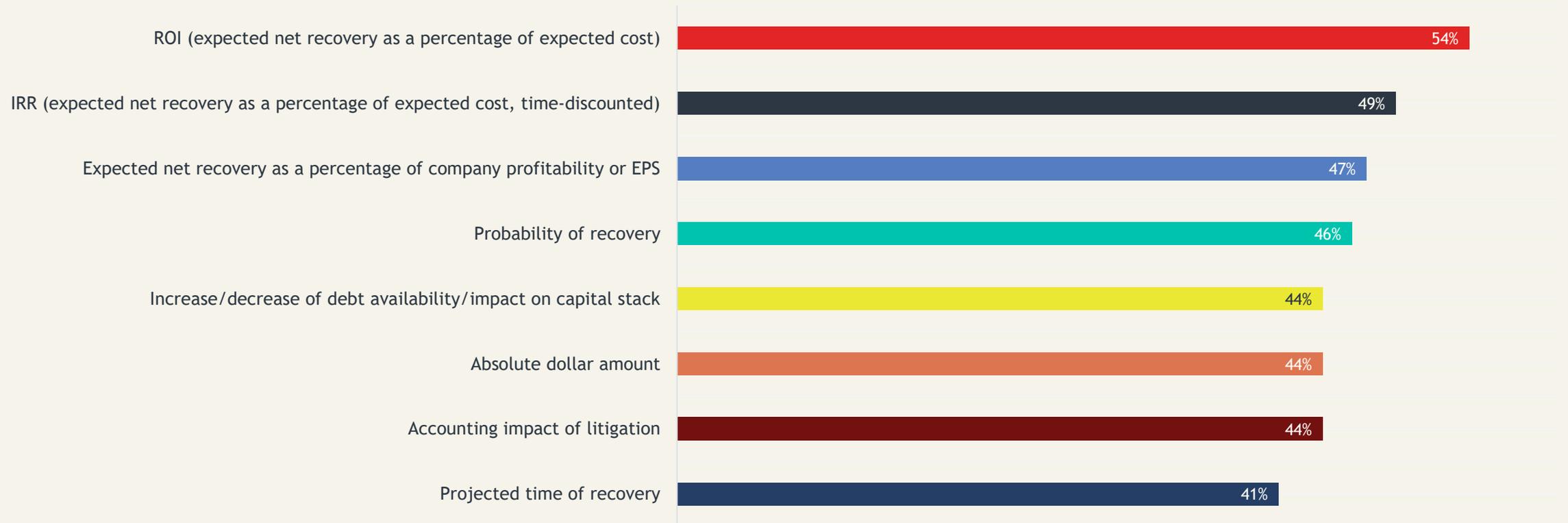
Neither the finance nor the legal team believes that the variables involved in modeling affirmative litigation outcomes lend themselves to quantitative analysis

39%

Time to resolution, a key variable, is the least likely primary factor to be considered when evaluating the impact of litigation

Even CFOs who do model the financial impact of litigation can expand their inputs about essential variables when they do so

Which factors do you consider when evaluating or modeling the impact of litigation?



Five steps to unlock the legal asset opportunity

1

Promote collaboration and innovation in legal

2

Recognize pending claims as corporate assets and treat them as such

3

Work with legal to set value-add goals alongside cost-control goals

4

Leverage quantitative modeling to make better decisions about litigation

5

Address any gaps in expertise, data and capital



ARE THERE ANY QUESTIONS
FOR TODAY'S PRESENTERS?



thank you!

FOR YOUR PARTICIPATION DURING
THIS WEBCAST!

Your CPE certificate will be emailed within 24 hours
should you meet the criteria.

For any additional questions regarding CPE, please email Conf@financialexecutives.org