Burford sees successful end to Teinver annulment

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This announcement contains inside information.

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BURFORD CAPITAL ANNOUNCES SUCCESSFUL CONCLUSION TO TEINVER ANNULMENT APPLICATION

Burford Capital Limited ("Burford Capital" or "Burford" or "the Company"), the leading global finance and investment management firm focused on law, announced today that the World Bank arbitration panel considering the Republic of Argentina's annulment application in the Teinver matter unanimously dismissed the application and upheld the original tribunal's decision in full.

As previously reported, Burford sold its entire interest in the Teinver matter for $107 million in 2018. The transaction included the ability of the purchasers to put the investment back to Burford should annulment be granted whereupon Burford would have had to return $100 million of the purchase price (and Burford would have regained the investment to relitigate the matter). With the decision on annulment, the put has now expired.

Burford previously recognised $87 million of income associated with the Teinver sale ($100 million of the sale price less Burford's $13 million investment) and treated the incremental $7 million as the premium for the put, which was then carried at fair value on Burford's balance sheet. With the put now expiring, the

$7 million will be recognised as income in Burford's financial results for the six-month period ending 30 June 2019.

Now that this investment has concluded, Burford is able to provide a valuation history for the matter, which illustrates Burford's longstanding and conservative valuation process. At the end of 2016, at a point when the arbitral tribunal had decided the key question of jurisdiction in Teinver's favour but had not decided the merits of the case, the investment was carried at a fair value of $30 million, $17 million of which was recognised as an unrealised gain (19% of the ultimate total profit) and $13 million of which was cost. During 2017, the arbitral tribunal decided the entire matter in Teinver's favour and awarded it substantial damages, and Burford increased the investment's fair value by $39 million to $69 million, generating $39 million of unrealised gain and bringing the total amount of unrealised gain to $56 million (60% of the ultimate profit). In 2018, when Burford sold the investment, it recognised a further $31 million of income to bring the matter to $100 million of proceeds and an $87 million realised gain. Now, in 2019, Burford will recognise the final $7 million of income associated with the put's expiration.

In aggregate, the Teinver investment produced $107 million of proceeds on a $13 million investment for a total profit of $94 million, a 722% return on invested capital and a 39% IRR.

The person responsible for arranging for the release of this announcement on behalf of the Company is Elizabeth O'Connell, Chief Financial Officer.

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About Burford Capital

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For more information about Burford: www.burfordcapital.com

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