Manolete
— PARTNERS PLC —

Proactive One2One Presentation

2 December 2021

Presenting Today

Steven Cooklin ACA
CEO

What We Do

- We **buy** legal claims from **insolvent companies** (liquidations or administrations)
- Unique to the world of insolvency – other listed “Third Party Funders” tend to only *fund someone else’s claim*
- Buying the claim gives Manolete: **control**
- **Control** over:
  - Every step of the litigation process
  - When/if to issue the claim in the Courts
  - When to approach the other side to “mediate”
  - When to make an offer to settle
  - When to accept an offer to settle
  - When to abort a claim
  - Costs of the external legal and other advisers
- NB: 97% of our cases settle long before trial and the majority before we have even issued the claim

What We Do

- We buy c. 90% of the cases that we take on
- c. 10% of the time we fund cases – but when funding we always only ever fund authorised and regulated Insolvency Practitioners (“IPs”) – never a lay individual/company
- The **Insolvency Act 1986** allows us to buy the **Insolvent Company** claims
- The **Small Business Enterprise and Employment Act 2015** allows us to buy *most* **IP** claims
- Large majority of our cases are corporate, but a small minority relate to individual bankruptcy claims (which we can only fund, not buy)
- Therefore, the funded claims only relate to old corporate cases (this category will phase out) and a few individual bankruptcy claims

FY 21	Completed Cases		New Investments	
Purchased	114	84%	178	90%
Funded	21	16%	20	10%
Total	135	100%	198	100%

H1 FY22: 94% of the 78 new cases taken on in this period were Purchased, only 6% Funded

What are these "Claims" ? The Seven Deadly Sins

1. Unpaid Director Loan Accounts
2. Misfeasance/Breach of Duty
3. Breach of contract
4. Unlawful dividends
5. Transactions at an Undervalue
6. Preference claims
7. Wrongful trading

Company Claims (since 1986 can be purchased)

IP Claims (since 1 Oct 2015 can be purchased)

Why what we do is important and ethical

<u>For the IP</u>

- Overriding statutory duty of IP: maximise returns to creditors (Insolvency Act 1986)
- Statement of Insolvency Practice 2: the IP ***has*** to investigate the claims and report to creditors and, if little/no assets, **then seek funding**
- All/most valuable assets have “disappeared” by the time the IP is appointed
- No cash to investigate claims, let alone pay for legal and Court fees to pursue them
- IP usually acts with **personal liability**

<u>For the Creditors</u>

- Get some/all their money back
- Litigation is not their area of expertise, so very seldom will they consider financing any claims
- HMRC is almost always a creditor and often the largest creditor – funds NHS, Education, Welfare

<u>For Society at large</u>

- Over 4 million registered companies in the UK and around 500,000 new companies formed every year (*Source: Companies House*)
- Around 18,000 become insolvent every year, which lead to around 2,300 UK insolvency claims
- We are helping to deal with the “bad apples” of the UK business-world

The Manolete Model .v. No Win No Fee

Jackson Reforms (2013-2016)

- Lord Justice Jackson commissioned by the Government in 2009 to examine high costs of UK litigation
- CFA (No Win No Fee legal fees) and ATE (litigation insurance) was costing around 160%-200% the size of the damages
- Inequitable justice system – major disincentive to entrepreneurs, encourages USA style litigation culture
- The Jackson Reforms: CFA and ATE costs have to be paid out of the damages, not on top of the damages
- Hopeless situation for insolvency where the aim is to maximise creditor returns – any "win" would just pay lawyers and insurance companies

The Manolete Solution

- We pay an initial consideration into the Insolvent Estate to contribute to appointment/investigation costs (usually £5-10k)
- We pay for all the **"Costs"** of taking the case forward (legal fees, Court fees, expert fees etc). This is usually 10%-15% of the case recovery
- When we get a resolution: costs back to Manolete first plus roughly 50/50 split of the remainder (the "Net Proceeds" of the case)
- On larger cases there is a ratchet in favour of the Estate as the "Net Proceeds" become very large
- **Crucial feature: Manolete is thereby completely aligned with the Creditors Estate** – the lower the Costs, the higher the Net Proceeds and the higher the return to the Creditors and to Manolete
- The CFA and ATE model always saw the lawyers and insurers take from the **Gross** recovery. No incentive to control costs. Creditors suffered.

An Example Manolete Case

1.	IP approaches us with £400k potential legal claims (Creditor: HMRC £400k)	**Time Zero: Jan 2020**
2.	Manolete Net Worth Check, Legal Analysis, Investment Decision & Offer Made to IP	Week 1
3.	Offer accepted by IP (£10k paid upfront)	Feb 2020
4.	Lawyers instructed and pre-action protocol letter issued	March 2020
5.	Response from Defendant	May 2020
6.	Further pre-action correspondence	June – Aug 2020
7.	Manolete send draft Claim = credible threat to issue	Sept 2020
8.	ADR agreed	Sept 2020
9.	ADR arrangement	Oct 2020
10.	ADR event	Nov 2020
11.	**Settlement signed for £300k in Nov 2020**. £150k paid in 21 days and £50k in 6 months (May 2021), £50k paid 12 months (Nov 2021) and £50k 18 months (May 2022).	

Most of the £40k case costs expended here

NB: Restriction or legal charge registered over Directors' houses until settlement paid in full. If miss any payment: Statutory Demand for whole amount outstanding in 21 days

An Example Manolete Case: the Result

1. Paid £10k upfront
2. Solicitor, Counsel and Mediator costs: £40k (NB: most costs come towards the end of the case e.g. costs of the mediation and settlement)
3. **Therefore total cash costs to Manolete: £50k**
4. Settlement: £300k less £50k = Net Proceeds of £250k
5. Manolete share of Net Proceeds = 50% = £125k and we get our costs of £50k back as top slice (always) = **Total Manolete cash return: £175k**

Stakeholder outcomes:

Manolete:

Paid £50k and gets back £175k (50+125)

Money Multiple of 3.5x

ROCE: 250%

IRR: over 350%

Creditor Estate:

£10k immediate receipt plus a further £125k (all risk free) = total £135k

Lawyers: £40k (risk free)

Insurance Company: Nil

An Example Manolete Case: the Result

Case Source and Application of Funds:

	£'000s	£'000s	%
Total cash recovered from delinquent directors:		300	
IP/Creditor Estate (10+125)	135		45%
Manolete Profit	125		42%
Lawyer costs	40		13%
Total use of funds		300	100%

An Example Manolete Case: the Result

- **HMRC** (the sole creditor for £400k) will recover around £100k (net of IP fees and possibly some initial lawyer CFA work)
- Therefore HMRC get 25p in £1 recovery in 18 months. Under CFA/ATE likely to be a nominal 1p paid to creditors (because **no credible issue threat** – once a claim is issued ATE becomes payable and costs rise sharply) and duration likely to be c**. 4 years+**
- Note: in many of our cases we are turning a **zero recovery to creditors into a material positive recovery**
- In one of our recent cases for a London IP, we turned the creditor dividend from 4p in £1 to over 60p in £1
- If the lawyers know the Defendant has a good asset base and the claim is strong, there is **no incentive to complete the case quickly**
- **Professor Peter Walton's** initial Report (April 2014) into Insolvency Litigation included an analysis of 96 Insolvency Service cases run on CFA/ATE between 2010 and 2014. *Very few had resolved at all – 71 were still ongoing*. Almost none of those that had resolved, paid anything other than a nominal return to creditors.

  See Appendix 3: https://wlv.openrepository.com/bitstream/handle/2436/618744/Jackson%20Reforms%20Insolvency%20Litigation%20April%202014.pdf?sequence=2&isAllowed=y
- Consider the knock-on impact to **other creditors**: local suppliers, employees, the Pension Fund etc

Case Vintages – as at 30 September 2021

Case Vintage	No. of investments No	No. completed No	% completion % total	No outstanding No	Open case investments £'000	Closed case investments £'000	Total invested £'000	Total recovered £'000	Total gain £'000	IP share £'000	Manolete gain £'000	Duration completed cases Months	ROI %	MoM %	IRR %
2010	3	3	100%	0	0	52	52	28	(24)	10	(35)	7.0m	(67%)	.33x	0%
2011	0	0	-	0	0	0	0	0	0	0	0	0.0m	0%	.00x	0%
2012	8	8	100%	0	0	763	763	2,524	1,761	580	1,181	18.0m	155%	2.55x	236%
2013	10	10	100%	0	0	174	174	780	606	316	290	7.1m	166%	2.66x	281%
2014	42	42	100%	0	0	594	594	3,884	3,290	2,427	863	10.0m	145%	2.45x	424%
2015	39	39	100%	0	0	1,404	1,404	7,029	5,625	3,290	2,336	12.8m	166%	2.66x	526%
2016	36	36	100%	0	0	1,930	1,930	9,279	7,349	4,116	3,233	15.0m	167%	2.67x	181%
2017	31	30	97%	1	286	1,101	1,387	4,269	3,167	1,905	1,263	12.2m	115%	2.15x	554%
2018	29	27	93%	2	1,547	1,545	3,092	14,036	12,491	8,734	3,757	14.0m	243%	3.43x	484%
2019	59	52	88%	7	464	1,939	2,404	13,182	11,243	6,302	4,941	14.4m	255%	3.55x	108%
2020	141	96	68%	45	1,841	3,725	5,565	12,691	8,967	5,197	3,769	11.4m	101%	2.01x	160%
2021	198	85	43%	113	2,748	1,748	4,496	8,288	6,540	3,254	3,286	6.6m	188%	2.88x	421%
2022	78	6	8%	72	631	96	726	516	421	188	233	3.0m	244%	3.44x	73228%
Total (exc. Cartel cases	**674**	**434**	**64.4%**	**240**	**7,517**	**15,071**	**22,588**	**76,505**	**61,434**	**36,318**	**25,116**	**11.3m**	**167%**	**2.67x**	**132%**

(i) The vintages table excludes 22 cartel cases and is net of deductions for bad debt provisions (excluding ECL provisions).

(ii) Ongoing cases includes partial realisations.

(iii) The large case completion in FY21 is presented net of discounting.

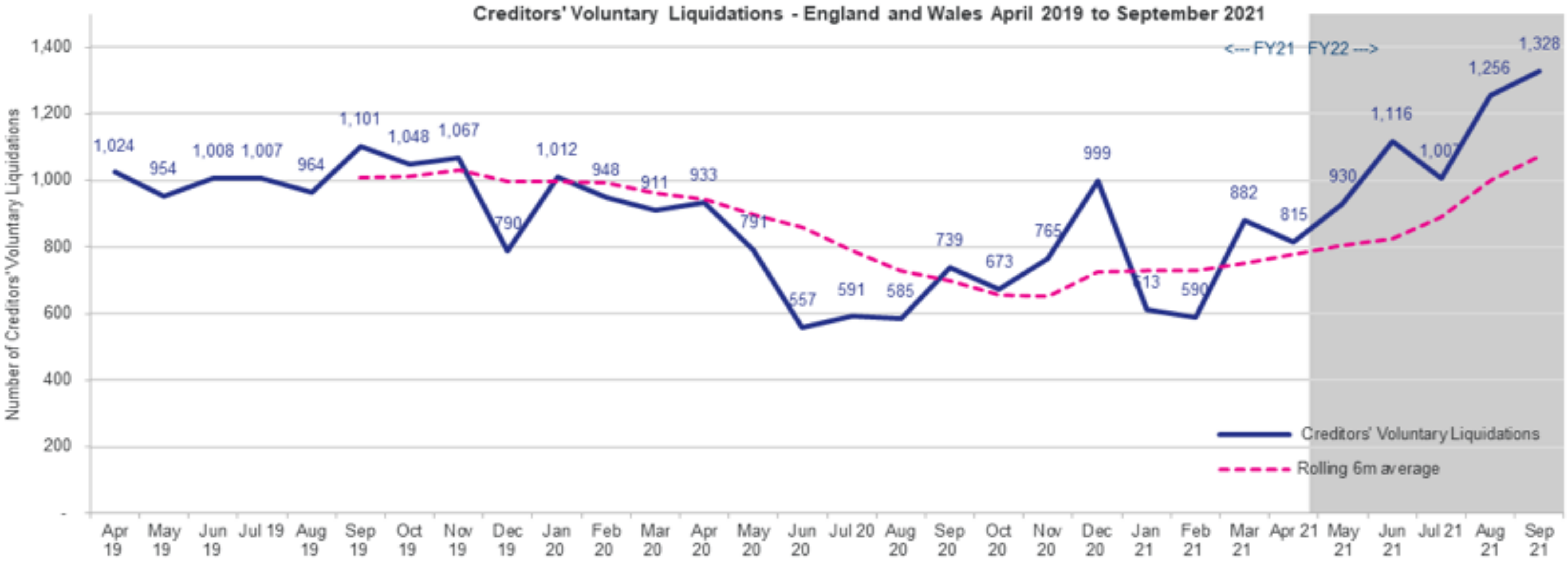
(iv) IRR's are presented for vintages where there are 12 or more months of historical cashflow information.

- Highly **consistent, strong returns** over a **10-year period**
- Well **diversified, granular returns** across **434 completed cases**
- **Short case durations**: 11 months

ROI: 167% MoM: 2.67x IRR: 132%

Covid-19 and the Current Situation

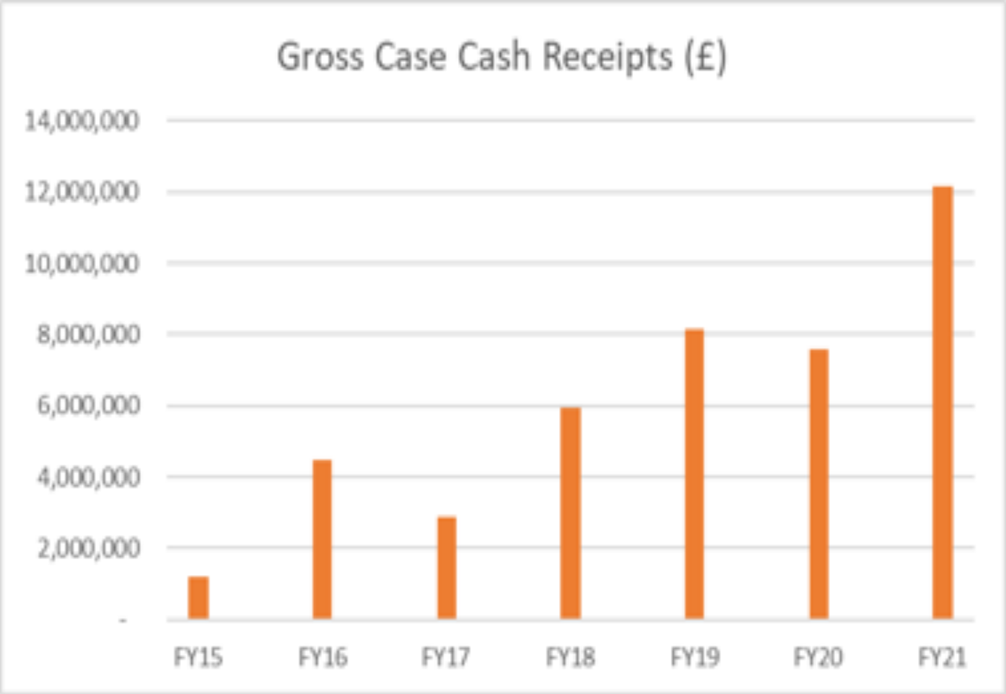
- We have been through a difficult period due to the Government's extraordinary emergency response to Covid-19
- "Wartime" style legislation to suppress insolvencies and protect the economy and employment: **CIGA June 2020** – "Temporary Measures"
- Government had said these would come to an end in December 2020 but then extended on multiple occasions
- Led to a sharp c. 40% decrease in UK insolvencies but last 4 months have rebounded strongly
- The Temporary Measures (and furlough etc) **ended 1 Oct 2021**, yet to see the "back log" as there will be time lag from appointment to case referrals



Source: The Insolvency Service

Well Set for Growth Resumption

- Prior to the Covid-19 impact, Manolete was growing strongly in terms of revenues and profits and the latent profile of the cash generation was emerging strongly
- In terms of number of new invested cases, until Covid-19 hit, the business was close to quadruple its size compared to the time of IPO



- **KPIs for Sept and Oct 2021** showing strong recovery:
  - Case enquiries 50 and 55 .v. low of 31 in March 2021
  - Signed cases 15 and 18 .v. low of 10 in Aug 2021
- As at end Oct 2021, gross case cash receipts 29% higher at £6.3m (FY20: £4.9m), with strong cash prospects for H2 FY22 from large number of completed cases in this and past financial years

Well Set for Growth Resumption

- We had only 4 in-house lawyers at the time of IPO (Dec 2018)
- We now have 11 plus the former Chief ICC Judge Baister on our Board – all these staff members have been with the Company for a number of years and are now seasoned insolvency litigation finance professionals
- We have contracted to add two new senior legal hires in January 2022
- This team is led by the ***Chambers*** award-winning Mena Halton, who has been a key operator business since joining seven years ago

Mena Halton
Head of Legal

Included in The Lawyer's "Hot 100"

- Once the two new joiners are up to speed, this should give the Company capacity to handle around 400 live cases at any one time from the current level of 262
- Therefore only a very small increase in our overhead will be needed to accommodate a much larger level activity across the business

Well Set for Growth Resumption

- As well as having Dr Stephen Baister on our Board and Mena as Head of our Legal Team, Manolete is incredibly well respected by the professional insolvency community
- The highly prestigious **Chambers and Partners Guide** ranked **Manolete as the only Band 1 ranked firm** for Insolvency Litigation:

  Band 1: Manolete Partners Plc

  Band 2: Henderson & Jones

  Band 3: Asertis, Apex Litigation Funding, Litigation Capital Management
- The Turnaround Recovery and Insolvency industry voted Manolete **"Insolvency Litigation Funder of the Year" in 4 out of the last 5 years** (a firm called Therium Capital won it in 2018 for their international work, Manolete focuses solely on UK claims)
- **This recognition is important**: IPs and insolvency lawyers need to know that their finance partner is experienced, trusted and well-capitalised before they sell cases or look for funding. Regulators need to be able to see that IPs have approached credible funders

Financial Results

6 months ended 30 September 2021

Trading Performance – H1 FY22

	31 March 2020	31 March 2021	6m to 30 Sept 2020	6m to 30 Sept 2021
	£'000's	£'000's	£'000's	£'000's
Realised revenue	7,782	24,427	13,523	7,693
Unrealised revenue	10,900	3,405	5,441	2,491
Gross revenue	**18,682**	**27,832**	**18,964**	**10,184**
Cost of sales	(4,292)	(14,420)	(9,484)	(4,763)
Gross profit	**14,390**	**13,412**	**9,481**	**5,421**
Administrative costs	(4,586)	(6,014)	(2,930)	(2,262)
Operating profit	**9,804**	**7,398**	**6,551**	**3,159**
Net interest expense	(348)	(407)	(193)	(554)
Profit before tax	**9,456**	**6,991**	**6,358**	**2,605**
Corporation tax	(1,841)	(1,291)	(1,208)	(497)
Profit after tax	**7,615**	**5,700**	**5,150**	**2,108**
KPI's				
Gross profit margin (%)	*77%*	*48%*	*50%*	*53%*
Operating profit margin (%)	*52%*	*27%*	*35%*	*31%*
New cases (#)	*141*	*198*	*110*	*78*
Completed cases (#)	*54*	*135*	*52*	*64*
Live cases at period end (#)	*152*	*245*	*237*	*262*
Realised revenue per case (£/ case)	*144*	*181*	*260*	*120*
Realised revenue per exc. Large case (£/ case)	*144*	*113*	*83*	*120*

Source: statutory accounts

Overview:

The 6 months to 30th September 2021 (H1 FY22) have been significantly impacted by the unprecedented levels of Government support to the UK economy which has artificially suppressed the number of insolvencies during this period which in turn impacts our number of new cases and fair value valuations.

- **Realised revenue** of £7.7m H1 FY22 (£13.5m H1 FY21) contributed the majority of gross revenue (76%) as we have continued to complete existing cases in our portfolio, with case completions of 64 in H1 FY22 (52 FY21) represented a 23% increase in absolute case completions. The prior year comparative was distorted by a single large case completion (average realised revenue per case increased from £83k to £120k *excluding* the large case completion in prior period).
- **Unrealised revenue** of £2.5m H1 FY21 (£5.4m H1 FY21) was impacted by the reduction in new cases, see Gross profit.
- **Gross profit** declined from £9.5m in H1 FY21 to £5.4m in H1 FY22 due to the fall in new case volumes (78 H1 FY22, 110 H1 FY21) and a decrease in fair value on existing cases both outcomes of the Government's action. Realised cases continued to contribute positively to gross profit.
- **Administrative costs / overheads** decreased by 23% to £(2.3)m (H1 FY21: £(2.9)m) due to cost control by Management and a decrease in the bad debt expense, a result of cash receipts from previously 'provided for' balances. Further savings were made in Professional fees and Marketing expenses.
- **Net interest expense** in H1 FY22 of £(0.6)m (H1 FY21: £(0.2)m) includes the write-off of £(0.3)m of HSBC set-up costs for the previous loan, which was refinanced in June'21.

Gross Profit

	31 March 2020 £'000	31 March 2021 £'000	6m to 30 Sept 2020 £'000	6m to 30 Sept 2021 £'000
Realised gross profit	3,490	10,007	4,040	2,930
Completions	(2,001)	(9,502)	(3,950)	(2,779)
Gross profit on completed cases	**1,489**	**505**	**90**	**151**
Change in fair value on existing cases	4,320	509	1,237	(352)
Gross profit before investment in new cases	**5,809**	**1,014**	**1,327**	**(201)**
New case additions	8,581	12,398	8,154	5,622
Gross profit	**14,390**	**13,412**	**9,481**	**5,421**
Realised gross profit	3,490	10,007	4,040	2,930
Unrealised gross profit	10,900	3,405	5,441	2,491
Gross profit	**14,390**	**13,412**	**9,482**	**5,421**
KPI's				
Realised gross profit margin %	*45%*	*41%*	*30%*	*38%*
Gross profit margin %	*77%*	*48%*	*50%*	*53%*
New cases	*141*	*198*	*110*	*78*
Completed cases (#)	*54*	*135*	*52*	*64*
Average gross profit per completed case (£)	*65*	*74*	*78*	*46*
Average unrealised gross profit per case addition (£)	*61*	*63*	*74*	*72*

Source: statutory accounts

Gross profit declined from £9.5m in H1 FY21 to £5.4m in H1 FY22 due to the fall in new case volumes and a decrease in fair value on existing cases.

Realised gross profit accounted for £2.9m H1 FY22 (£4.0m H1 FY21) generated by 64 completed cases.

Unrealised gross profit of £2.5m H1 FY22 (£5.4m H1 FY21) consisted of:

- **New case additions** fell from 110 in H1 FY21 to 78 in H1 FY22 whilst the average unrealised revenue recognised in the period remained broadly stable at c.£70k which has driven a fall in new case additions from £8.2m to £5.6m, a 31% decline. This decline is due to the Temporary Measures introduced by the Government which has artificially suppressed the volume of insolvencies during the last 12 months.
- **Change in fair value on existing cases** declined from a net £1.2m fair value uplift in H1 FY21 to a net fair value reduction of £(0.4)m in H1 FY22. Management have continued to carefully monitor case valuations during the period and in reference to the wider economic conditions have adjusted existing case valuations where appropriate.
- **Gross profit** on completed cases have remained positive demonstrating our ability to settle cases at or above the valuation on the balance sheet.

Balance sheet as at 30th September 2021

	31 March 2020	31 March 2021	30 Sept 2020	30 Sept 2021
	£'000s	£'000s	£'000s	£'000s
Investment in cases	7136.0	7,136	7,136	7,136
Trade receivables	443.0	10,660	9,871	12,246
Other assets	213.0	413	164	230
Non-current assets	**7792.0**	**18,209**	**17,171**	**19,612**
Investment in cases	25,279	30,372	32,169	34,300
Debtors	5,675	7,688	5,284	9,927
Cash at bank	8,371	1,144	2,593	717
Current assets	**39,325**	**39,205**	**40,047**	**44,944**
Current liabilities	**(4,456)**	**(4,089)**	**(4,339)**	**(3,809)**
Net current assets	**34,869**	**35,116**	**35,708**	**41,134**
Long term loans	(7,526)	(7,698)	(7,612)	(10,737)
Non current trade payables	(213)	(6,601)	(6,520)	(8,836)
Lease liability	-	(96)	-	-
Non-current liabilities	**(7,739)**	**(14,396)**	**(14,132)**	**(19,573)**
Net assets	**34,922**	**38,929**	**38,746**	**41,174**
Share capital	174	174	174	174
Reserves	34,748	38,755	38,572	41,000
Total equity	**34,922**	**38,929**	**38,746**	**41,174**

Source: statutory accounts

- **Investment in cases** (long-term and short-term) of £41.4m as at 30th September 2021 (£39.3m 30th September 2020) comprised 262 live cases (237 live cases 30 September 2020), a net increase of 25 cases (11%). We have continued to steadily grow our portfolio of cases despite the suppressed volume of new cases, and with the business continuing to settle existing cases over an average duration of 11 months.
- **Cartel cases** - we have not taken an uplift to the fair value of our cartel cases (£7.1m) in H1 FY22 due to the reduced activity in the European Courts. We expect further progress to be made with the cartel claims during the next 6 – 12 months.
- **Trade and other receivables** of £22.2m as at 30 September 2021 (30 September 2020: £15.2m) includes a receivable in relation to a single large case completion of £9.3m which is receivable over a 10 year timeframe from the prior period. This is unusual for our trade receivables which are typically receivable within 9 months of settlement. Debtor days (excluding the large case) are 247 days at 30th September 2021 (214 days at 31 March 2021).
- **Cash** of £0.7m was held at 30 September 2021. Debt draw down utilised on our HSBC revolving credit facility of £11.0m, an increase of £3.0m from 31 March 2021. £14.0m of our £25.0m HSBC facility remained unutilised at the 30 September 2021. Subsequent to the period end a further £1.25m has been drawn down to invest in new and existing cases.

Direct Cashflow Statement – H1 FY22

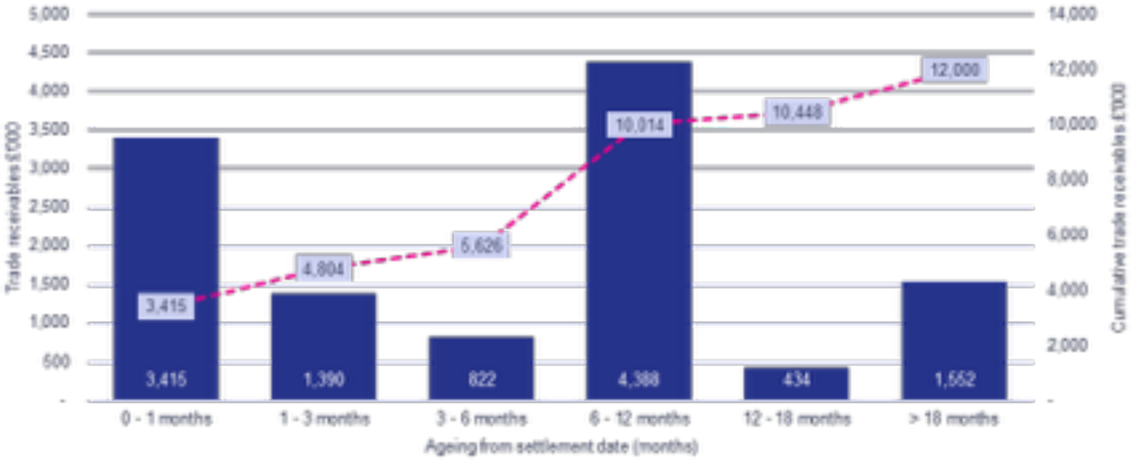
	31 March 2020	31 March 2021	6m to 30 Sept 2020	6m to 30 Sept 2021
	£'000	£'000	£'000	£'000
Gross cash generated from completed cases	7,569	12,203	4,157	4,263
Payments to IP's	(4,140)	(4,799)	(2,057)	(1,276)
Payment of legal and related costs on completed cases	(257)	(577)	(270)	(231)
Net cash generated from completed cases	**3,172**	**6,827**	**1,830**	**2,756**
Cash spent on legal and related costs on ongoing cases	(4,098)	(5,887)	(3,343)	(2,850)
Net cash generated from cases	**(926)**	**940**	**(1,513)**	**(94)**
Payments to employees and overhead suppliers	(3,918)	(4,040)	(1,858)	(2,399)
Corporation tax	(3,431)	(1,923)	(966)	(395)
Net cashflows from operating activities	**(8,275)**	**(5,023)**	**(4,337)**	**(2,888)**
Purchase of intangible assets	(50)	-	-	-
Net cashflows from investing activites	**(8,275)**	**(5,023)**	**(4,337)**	**(2,888)**
Proceeds from borrowings	8,000	-	-	3,000
Repayment of borrowings and interest	(129)	(234)	(46)	(192)
Issue of share capital	-	-	-	-
Lease repayments	-	(153)	(88)	(97)
Loan arrangement fees	-	-	-	(250)
Dividends paid to shareholders	(867)	(1,817)	(1,307)	-
Net cashflows from / (used in) financing activities	**7,004**	**(2,204)**	**(1,441)**	**2,461**
Net decrease in cash and cash equivalents	**(1,321)**	**(7,227)**	**(5,778)**	**(427)**
Opening cash and cash equivalents	9,692	8,371	8,371	1,144
Closing cash and cash equivalents	**8,371**	**1,144**	**2,593**	**717**

Source: Management accounts

- **Gross cash receipts** of £4.3m H1 FY22 (H1 FY21: £4.2m) remained broadly stable.
- **Cashflow generated from completed cases** was in excess of payments to IPs, legal costs relating to those cases, net cash from completed cases £2.8m FY21 (£1.8m H1 FY21), a 55% increase.
- **Investment in new and ongoing cases:** we have continued to invest in new cases and our existing case portfolio with £2.9m of investment in H1 FY22 (£3.3m H1 FY21).
- **Payments to employees and overheads:** payments increased marginally from £1.9m in H1 FY21 to £2.4m in H1 FY22, largely driven by increased headcount and staff pay rises. The Company has continued to benefit from reduced overhead expenditure as a result of lower travel and marketing expenditure.
- **Corporation tax** payments reduced to £0.4m (H1 FY21: £1.0m) as a result of the reduced profitability during H2 FY21 and H1 FY22. We pay corporation tax quarterly in arrears.
- **Financing activities:** during H1 FY22 a further £3.0m was drawn down under the HSBC £25m facility agreement which has been used to fund the Company's investment in cases. A loan arrangement fee of £250k was paid to HSBC in respect of the new facility agreed in June 2021.

Ageing of trade receivables

Ageing by settlement date at 30 September 2021 (exc. Large case)



Ageing by due date at 30 September 2021 (exc. Large case)

Ageing by settlement date at 30 September 2021 (exc. Large case)

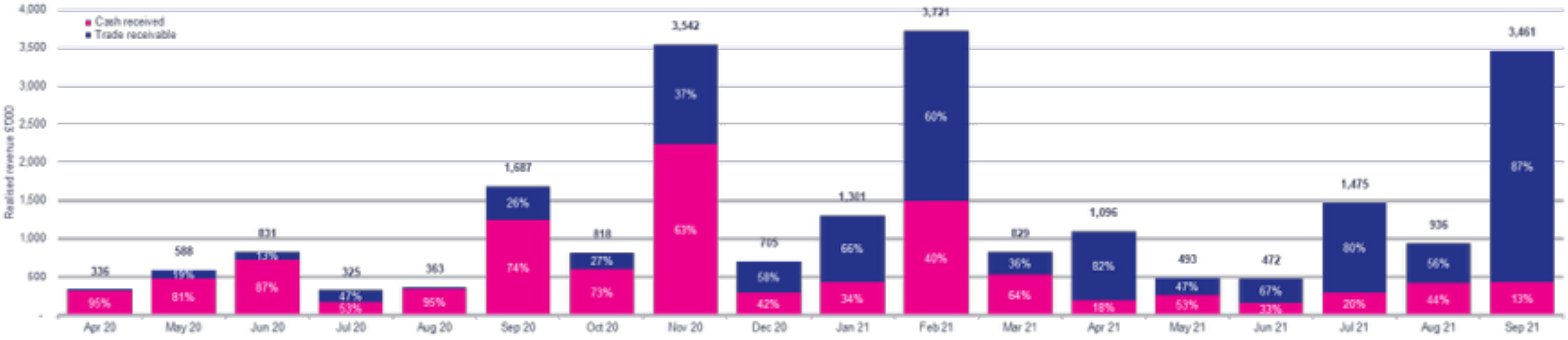
- Trade receivables relate primarily to recently closed cases - £10m (83%) of trade receivables (excluding the large case completion) as at 30 September 2021 relate to settlements that were reached less than 12 months ago.
- There are £2.0m in trade receivables aged more than 12 months from the settlement date. This however does not mean that they are past their due date, as it merely reflects the payment schedules agreed (i.e. phased repayment schedules).
- See below for ageing by due date.

Ageing by due date, at 30 September 2021 (exc. Large case)

- On a due date basis, which takes into account the legally-binding phasing of settlements, 79% of trade receivables (excluding the large case) are not due and a further 3% are within 3 months of the due date.
- There is a small tail of longer overdue balances where in most cases Manolete holds 'charging orders' over property which act as collateral against the amounts owed.
- Balances are presented net of specific and ECL provisions. Specific and ECL provisions of £2.5m are held primarily against the older balances.

Completed cases cash collection

The graph presented below illustrates monthly realised revenue and the proportion of cash collected on those realised cases, for cases completed in the 18 months to 30 September 2021 (exc. realised revenue generated from the large case completion).



- It is evident that we have good cash collection, with a higher proportion of the earlier months realised revenue collected in cash to date, as you would expect.
- Settlement terms will differ on a case by case basis consequently these proportions will fluctuate on a monthly basis.
- The large majority of our cases are completed via a legally-binding settlement agreement.

Q&A

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Thank You

Steven Cooklin ACA ACSI CF
CEO

Tel: 0203 859 3490
Mob: 07900 985559

21 Gloucester Place London W1U 8HR

steven@manolete-partners.com