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# WHO ARE WE?

We are the first **tech investment fund specialized in litigation in civil law countries**. We provide funding to companies, individuals, and law firms to pursue meritorious claims. We are a **young and interdisciplinary team** that believes in technology as a fundamental tool in decision-making.



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## WHAT IS LITIGATION FUNDING?

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Litigation funding, or litigation financing, involves a **third party unrelated to the litigation assuming the costs associated with the legal process**. In exchange, this third party receives a portion of the litigation proceeds only if the outcome is favorable. If the funded litigation is lost, the fund loses its investment.

## IS IT A SALE OF THE LITIGATION?

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No, it is not a sale of the litigation. We **finance the legal costs to pursue the litigation or advance a portion of the potential outcome**. In return for this capital, the party agrees to give us a percentage of the recovered amount, **only if the litigation is successful**. This percentage varies based on factors such as the likelihood of success, expected duration, credit risk, etc. Typically, it falls within the range of 20% to 40%. Our goal is for both the party and the lawyer to retain a majority share in the claim.





WE AIM TO LEVEL THE PLAYING FIELD  
SO THAT CAPITAL CEASES TO BE AN  
IMPEDIMENT TO ACCESS TO JUSTICE.

## OUR ROLE IN THE **LITIGATION**

In Qanlex, we tend to assume an **extremely passive role** in the processes we finance. This means that we do not interfere with the procedural developments, legal strategy, or team selection. Additionally, we do not have any involvement in the negotiation of fees for the professionals involved, which remains the responsibility of the client.

## REGULATORY **FRAMEWORK**

Litigation funding is structured through a private agreement between the parties, in accordance with the general principles of continental law, and is comparable to the contingency fee practice carried out by law firms, regulated by the pactum de quota litis. We rely on two main instruments: a framework funding agreement and an assignment of litigation rights as collateral.



## QUICK DECISION-MAKING PROCESS

We strive to present ourselves as a tool that aims to make professionals' and their clients' lives easier. To achieve this, we believe it is essential to be **responsive** and provide prompt feedback. Our estimated average turnaround time, from receiving the information to presenting a specific proposal, typically does not exceed three weeks.

## NO FINE PRINT

We are very **transparent** with our terms from the outset. For us, this is a long-term game, and what matters most to us is maintaining relationships and earning trust. **No surprises. No hidden clauses.**

## MISSION

We believe that capital should not be an obstacle to pursuing meritorious litigation.

**OFTEN, ACCESS TO THIS FINANCING CAN MAKE THE DIFFERENCE BETWEEN PURSUING A MERITORIOUS CLAIM OR NOT DOING SO.**

We have confidence that both companies and individuals can make **better use of their capital** by investing in areas that align with their core focus, without having to divert their attention to litigations that are not essential to their core activities.

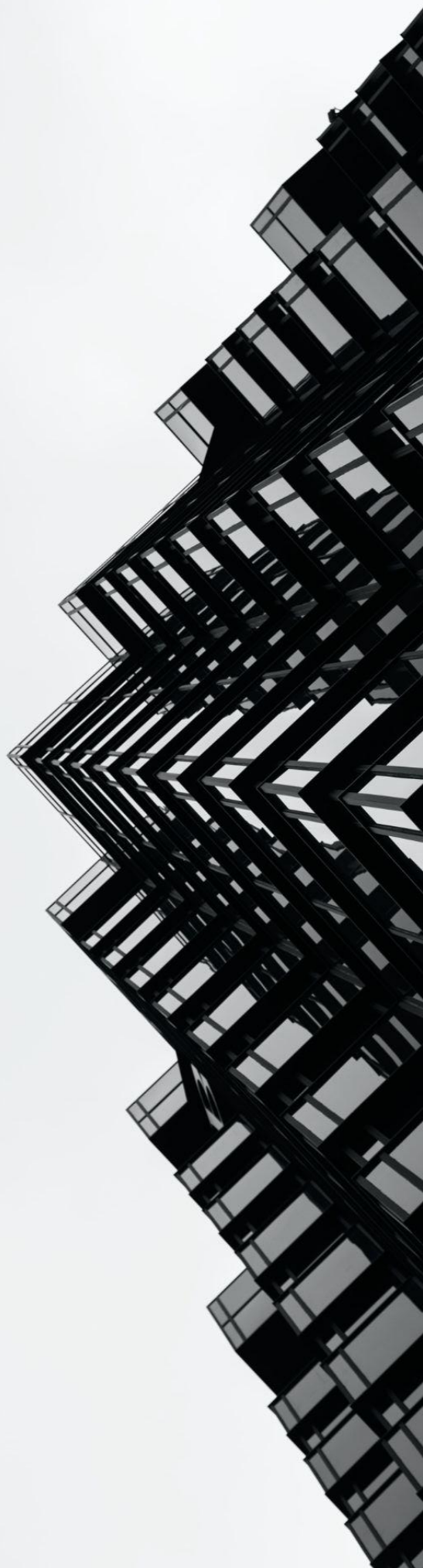


## IN WHAT TYPE OF CASES DO WE **INVEST?**

**We finance cases of a patrimonial nature, both in judicial and arbitration proceedings, regardless of the stage.**

Regarding the agreement with the professionals involved, we invest in cases with both fixed fee structures and those in which the lawyer has opted for a contingency arrangement.

Under this agreement, we can provide capital in advance to the professional to carry out the litigation, relieving the lawyer from relying solely on the outcome for payment.



# ADVANTAGES FOR THE CLAIMANT

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- ✓ **Liquidity:** On one hand, it maintains your liquidity without the need to divert funds to pay for the costs of litigation, which has uncertain outcomes and timing of payment. Additionally, in advanced stages of the process, it is possible to advance a portion of the estimated settlement amount, allowing access to cash without waiting for the outcome of the trial.
- ✓ **Risk mitigation:** Similar to any other financial asset (and litigation can certainly be seen as such), the use of our funding provides a way to diversify risk. By sacrificing a small portion of the potential gain, the litigant ensures that excessive capital is not spent on the process.
- ✓ **Balance sheet cleanup:** Litigation ceases to be a liability that consumes cash and becomes a potential asset. The company, in addition, can redirect the capital previously allocated to legal expenses towards its own activities. Lastly, obtaining capital in advance provides additional financing options.





## ADVANTAGES FOR THE LAWYER

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- ✓ **Liquidity:** For attorneys, it provides a way to obtain capital without having to wait for the outcome of the lawsuit. This advance of funds allows the professional to receive payment for their services in advance and cover necessary operational expenses.
- ✓ **Risk mitigation:** The provision of this type of funding enables attorneys to secure a portion of the recovery, protecting themselves against the risk of not receiving any payment in the event of a negative outcome.
- ✓ **Fostering client relationships:** Access to our capital allows law firms to handle a greater number of cases, without losing clients who may not be able to afford their fees. We believe that meritorious claims should be pursued by the best professionals, and lack of access to capital should not be an impediment to that.



## AN EXAMPLE

QANLEX OFFERS THE CLAIMANT AN **ADVANCE OF \$1MM** IN A **\$10MM CLAIM**. IN RETURN, QANLEX RECEIVES A **25% SHARE** OF THE PROCESS PROCEEDS **OR** A PREFERENTIAL RATE OF **1.3X** ON THE AMOUNT INVESTED.

- If the claimant is awarded \$10MM in the process, the client pays Qanlex 25%; \$2.5MM.
- If the claimant reaches a settlement of \$5MM, they owe Qanlex 25% of the amount; that is, \$1.25M. However, since the amount is less than the preferred return, the rate of 1.3x applies to the invested capital. In this case, the total amount to be paid would be \$1.3MM.
- If the process is lost, **nothing is owed**.

## NEXT STEPS

- The first step is the **signing of an NDA** . We provide the law firm with our standard confidentiality agreement, and with just a digital signature, we can proceed to the next step.
- **Information sharing:** Whether through a data room or by sending relevant documents via email, the objective is to access the case background for our internal evaluation. Additionally, we aim to have a brief case memo outlining the key facts and the potential funding budget, if applicable.
- Within approximately **three weeks** or less, we provide a response regarding the case. If it aligns with our internal criteria, we send a term sheet with the general terms of our proposal for the client's eventual acceptance.





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# QANLEX

LITIGATION FINANCE

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