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# Investor Day

27 March 2024

All figures are in Australian Dollars (AUD, A\$) and financial information is at 31 December 2023 unless otherwise stated.

# Introduction



Raymond van Hulst  
Managing Director and CEO



Mark Wells  
Global Head of Portfolio Management



Guillaume Leger  
Global Chief Financial Officer



Clive Bowman  
Global Chief Investment Officer



Jeremy Sambrook  
Global General Counsel and  
Company Secretary



Tom Glasgow  
Managing Director and Chief Investment Officer – APAC  
Portfolio Manager – Global International Arbitration



Mel Buffier  
Global Head of Investor Relations



Kristen Smith  
Portfolio Manager – Australia

# Key takeaways and objectives



Legal assets and  
unique OBL platform



Fair value and OBL-only  
attribution



OBL value generation  
and valuation framework



Key priorities and  
strategic initiatives

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## Mission for OBL

To leverage our **leading alternative fund management platform** for diversified legal assets globally, realising stable and **superior investment returns**, which form the basis for **accretive equity returns** to shareholders.

# Transition to global fund management platform

## IMF Bentham (30-Jun-15)

- Legal finance provider
- 30 headcount | 4 countries
- Merits funding only
- 30 investments
- Balance sheet funding only
- \$296m market cap • \$50m drawn debt

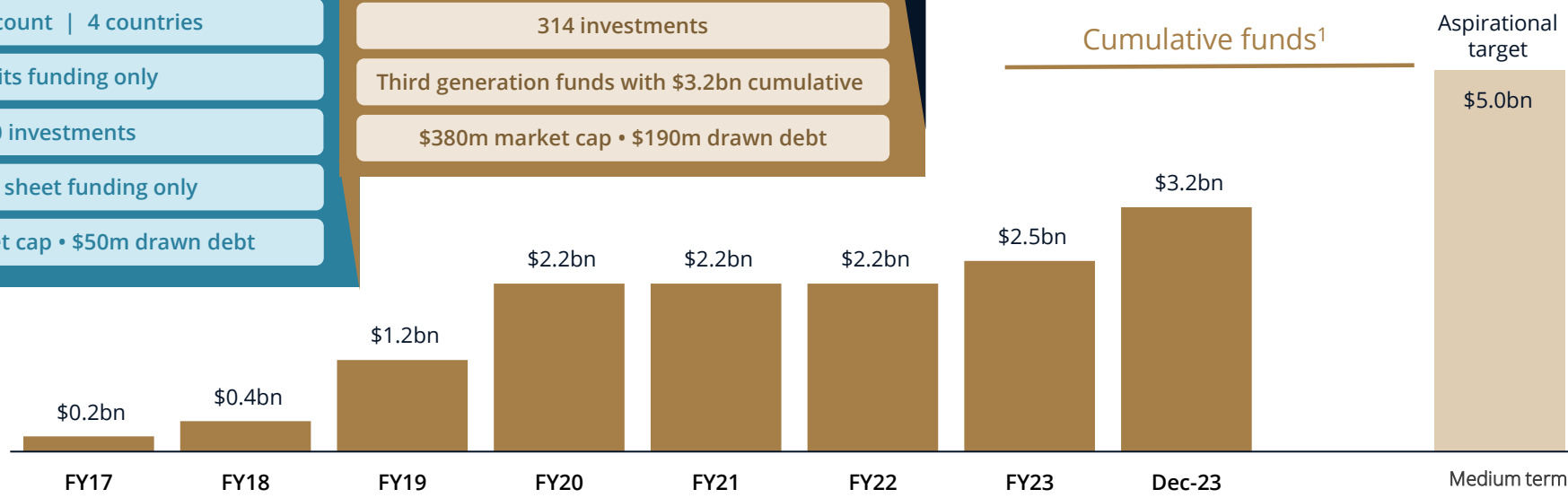
## OBL today (31-Dec-23)

- Global, legal asset fund manager
- 213 headcount | 15 countries
- Full scope of expertise (merits, enforcement, IP)
- 314 investments
- Third generation funds with \$3.2bn cumulative
- \$380m market cap • \$190m drawn debt

## Future OBL

The leading alternative fund management platform for legal assets

- Focus on operational leverage and scale benefits
- Broadened LP base
- Management and performance fee economics



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Dec-23
Cumulative investment commitments	\$106m	\$253m	\$476m	\$789m	\$1,202m	\$1,665m	\$2,209m	\$2,469m
Cumulative management fees	<\$0.1m	<\$0.1m	\$0.1m	\$8m	\$26m	\$42m	\$59m	\$70m
Cumulative cash performance fees	-	-	-	\$0.8m	\$1.2m	\$4.3m	\$7.6m	\$13.8m

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# Lifecycle of our platform – private equity comparison

OBL entering the 'maturing' stage

## How Do We View the Lifecycle Of a Platform?

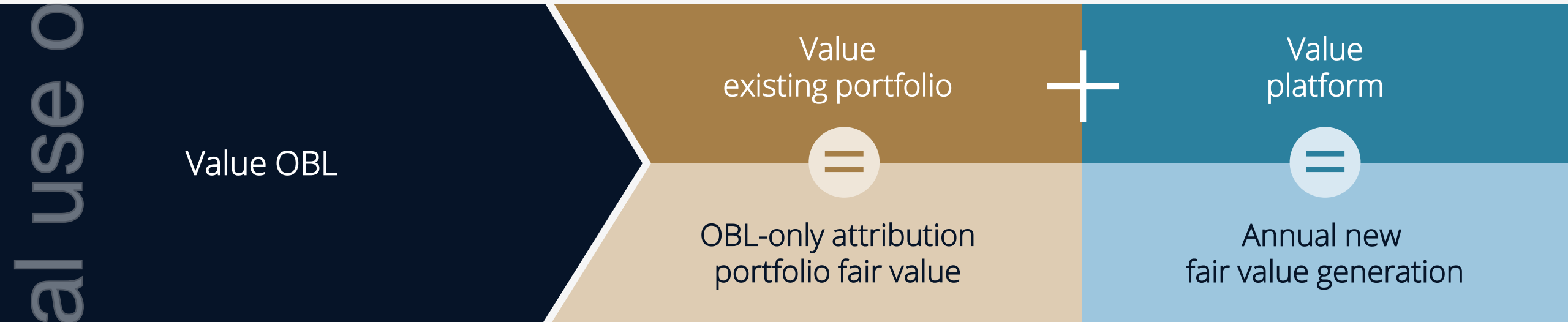
	Early Platform Formation	Developing Product Buildout	Maturing Building Scale	Scaled Scale Benefits
<b>Fund</b>	I	II / III	III / IV	IV+
<b>Management Fees</b>	Modest	Growing	Begins to impact management fee line item	Meaningful
<b>Capital Markets Fees</b>	Modest	Episodic	Begin to see consistency	Portfolio companies + syndication + third party + on a global basis
<b>Performance Income</b>	--	Modest	Growing	Meaningful
<b>Investment Income</b>	Draw on capital	Draw on capital	Begin to see return of capital	Source of yield and gains
<b>Focus</b>	<ul style="list-style-type: none"> <li>Attract leading talent</li> <li>Establish track record</li> </ul>	<ul style="list-style-type: none"> <li>Geographic expansion</li> <li>Adjacencies</li> <li>Credentialize leadership</li> <li>Increase LP visibility</li> </ul>	<ul style="list-style-type: none"> <li>Harvest LP relationships</li> <li>Increase market share</li> <li>Proactively drive operational leverage</li> </ul>	<ul style="list-style-type: none"> <li>Scale benefits</li> </ul>

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# Value generation and valuation framework

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# Platform value generation – business model

Hypothetical example based on FY24 targets

		OBL fund management model	
Annual commitments		625	Commitments in this hypothetical example are based on our FY24 target.
Pricing (fair value per dollar of commitment)		100%	The fair value / commitment pricing ratio equals the fair value we expect to generate at the fund level per dollar of these new commitments. It reflects how the commitments are priced versus the key investment risks specific to these new commitments.
<b>Fair value generation (NPV investment profit)</b>		<b>625</b>	
Co-investment	20%	125	The attribution percentages in this example are based on our fund 4/5 terms, which have a 20% co-investment and a 20% base performance fee.
Performance fees (on LP share)	20%	100	
<b>Total attribution</b>	<b>36%</b>	<b>225</b>	OBL attribution represents the part of fair value generated at the fund level that will flow to OBL as co-investment profit, performance fees and other profit entitlements.
Platform opex		95	Platform costs in this example are based on our FY24 target.
Management fees (% deployed, 4-year duration)	2.0%	-20	
Transaction fees (% committed)	0.0%	0	
<b>Net opex</b>		<b>75</b>	
Cost coverage %		21%	The cost coverage ratio equals the part of platform opex covered by management fees and transaction fees, excluding performance fees and investment profits.
<b>Steady state – net annual OBL-only fair value generated (pre-tax and pre-interest)</b>		<b>150</b>	



# Agenda

## Panel 1

Tom Glasgow  
Clive Bowman  
Mark Wells  
Kristen Smith

Introduction to Legal Finance and OBL  
Q&A

## Panel 2

Raymond van Hulst  
Guillaume Leger  
Mark Wells  
Tom Glasgow

Fair value  
Q&A

## Panel 3

Raymond van Hulst  
Guillaume Leger  
Mark Wells  
Jeremy Sambrook

Strategic update  
Q&A

## Cornerstone of the business

Our track record of generating consistent and high investment returns over multiple decades and economic cycles is the cornerstone of the business and future growth.

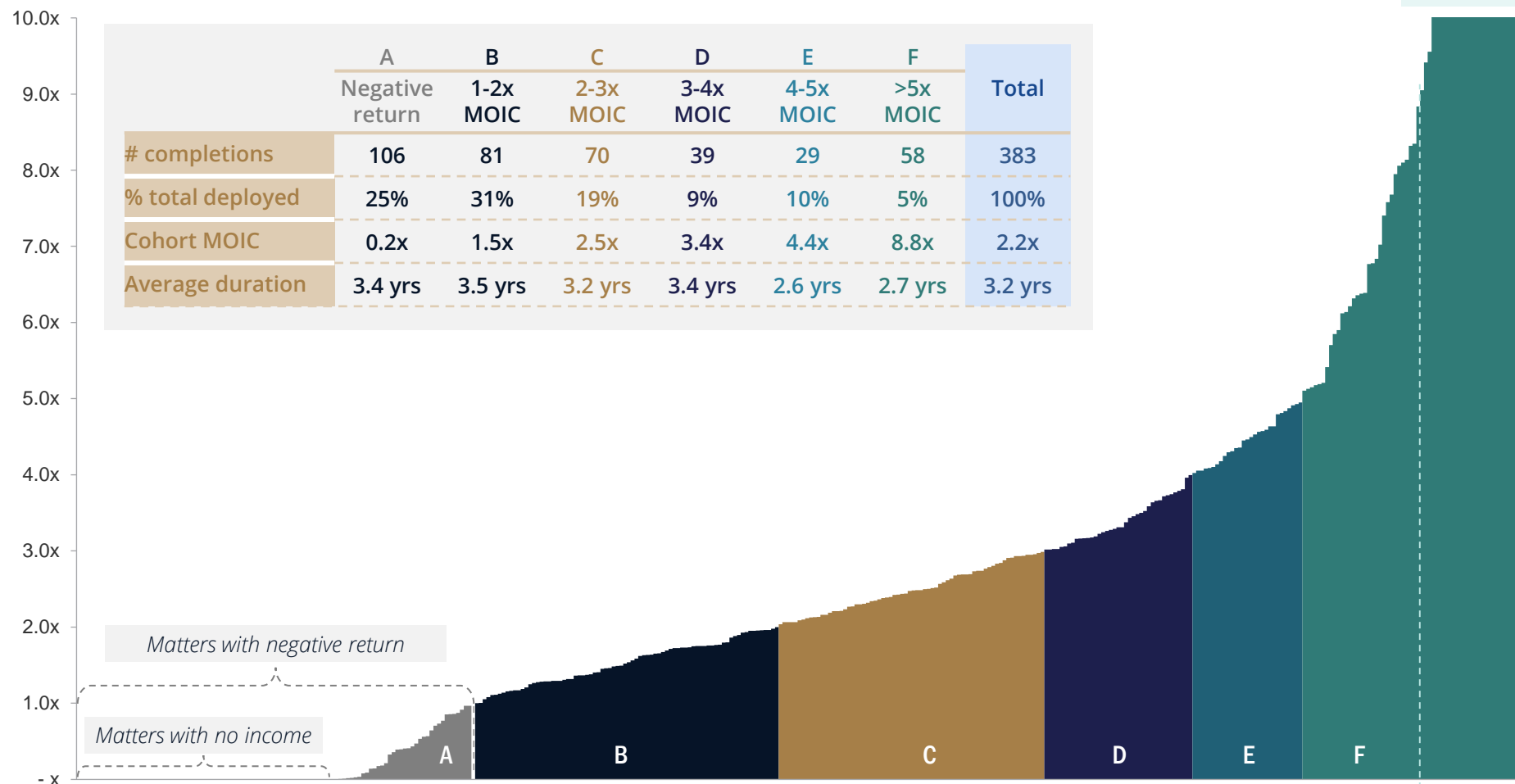
# Investment performance – full history

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- Overall MOIC of completed investments at 2.2x.
- More than 40% of investments delivering a MOIC >2.0x.
- Positive investment returns in 75% of investments on a dollar weighted basis.

MOIC distribution for completed investments<sup>2</sup>

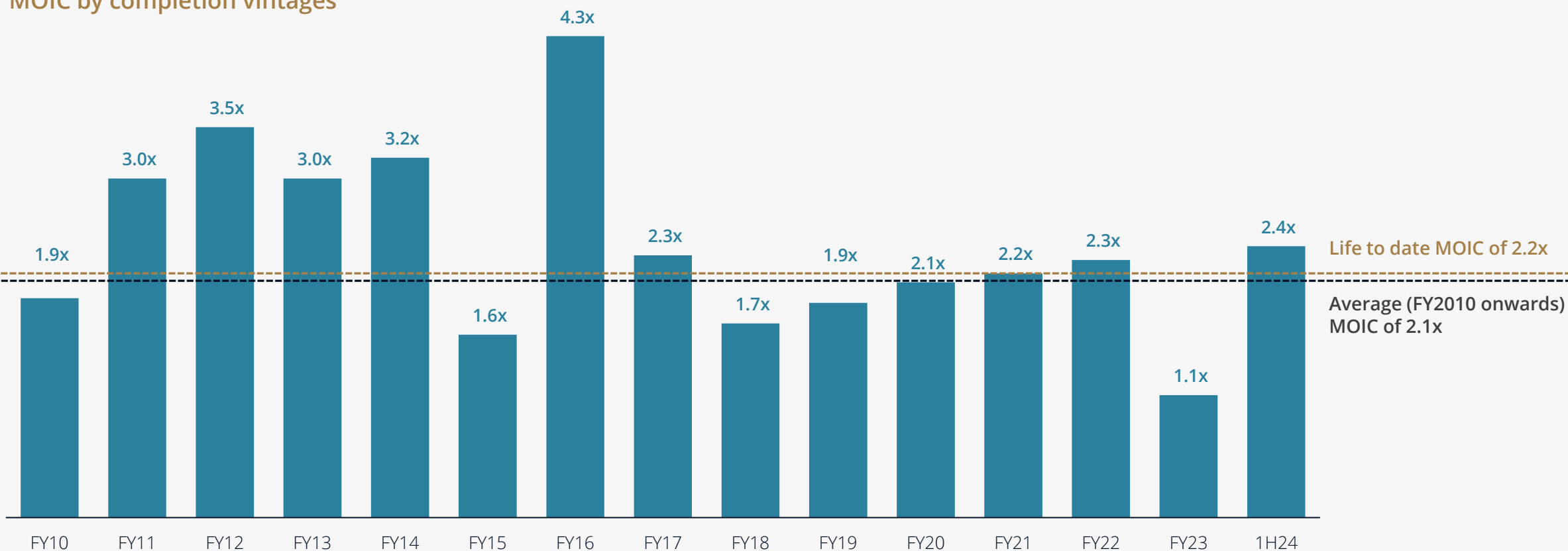
	A	B	C	D	E	F	Total
	Negative return	1-2x MOIC	2-3x MOIC	3-4x MOIC	4-5x MOIC	>5x MOIC	
# completions	106	81	70	39	29	58	383
% total deployed	25%	31%	19%	9%	10%	5%	100%
Cohort MOIC	0.2x	1.5x	2.5x	3.4x	4.4x	8.8x	2.2x
Average duration	3.4 yrs	3.5 yrs	3.2 yrs	3.4 yrs	2.6 yrs	2.7 yrs	3.2 yrs



# Investment performance by completion vintage

Fully completed investments<sup>3</sup>

MOIC by completion vintages



Session 1

# Introduction to Legal Finance and Omni Bridgeway

Panel:



Tom Glasgow

Managing Director and  
Chief Investment Officer – APAC  
Portfolio Manager –  
Global International Arbitration



Mark Wells

Global Head of Portfolio Management



Kristen Smith

Portfolio Manager – Australia



Clive Bowman

Global Chief Investment Officer

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# What is legal finance?

Rapidly growing alternative asset class that is uncorrelated to economic trends

## Overview

- Provides capital to litigants, usually the claimant, in exchange for a pre-determined portion of the monetary recovery from the lawsuit.
- Funds lawyers' fees, investigative fees, expert witness fees and other court expenses plus operational expenses incurred by the funded party.
- Limited recourse to the dispute recoveries; the funder incurs the full loss as a write-off of invested capital.
- Providing cover for adverse costs, in cost shifting jurisdictions, is a benefit to the claimant and is often an incentive to seek funding.
- Litigation funders do not provide legal advice but engage with law firms who represent funded claimants.
- Offers alternatives to self-funding and traditional bank financing for legal actions, improving legal system accessibility.
- Allows corporate claimants to outsource management and financing of litigation assets similar to other non-core assets.

## Who uses litigation funding?

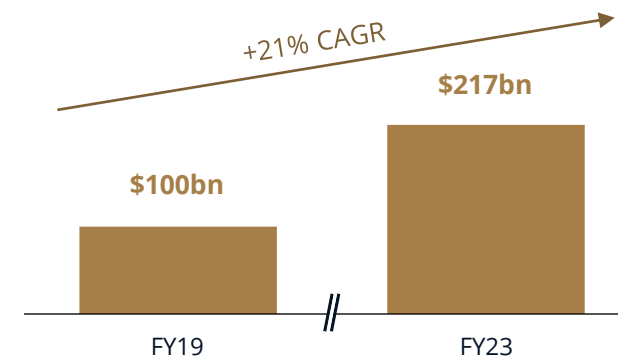


# Growth of legal finance as an asset class

Legal finance has received increasing attention from global capital allocators and investors

- Unique class within alternative assets offering superior risk adjusted returns given its binary and asymmetric risk profile.
- Underlying assets are subject to a shorter and more well-defined time horizon relative to traditional alternative assets, including private equity and real estate which are dependent on macroeconomic factors.
- Significant market growth in recent years due to its potential to generate returns uncorrelated to other asset classes.
- Higher barriers to entry compared to other alternative investments, and ultimately less competition.

Growth in legal finance TAM<sup>4,5</sup>



## DEFINED TIMEFRAME

Average hold period for private market assets

**LEGAL FINANCE**  
3 to 5 years<sup>9</sup>  
(OBL portfolio)

**PRIVATE EQUITY** 5.4 years

**VENTURE CAPITAL** 8.2 years

**INFRASTRUCTURE** +10-20 years

## UNCORRELATED RETURNS

**LEGAL FINANCE**  
**~0.1% R<sup>7</sup>**

MOIC by year of completions for Omni Bridgeway<sup>6</sup> vs. Annual MSCI World 5 Year MOIC<sup>8</sup> (FY09-FY20)

**PRIVATE EQUITY**

**~30% R<sup>7</sup>**

Gross pooled MOIC for buyouts by year of exit<sup>7</sup> vs. annual MSCI World 5 Year MOIC<sup>8</sup> (FY09-FY20)

Source: Omni Bridgeway Market Analysis, FactSet, Bain Research, CEPRES Market Intelligence, Pitchbook, Private Equity Wire, Correlation Ventures.

# An underpenetrated market with high barriers to entry

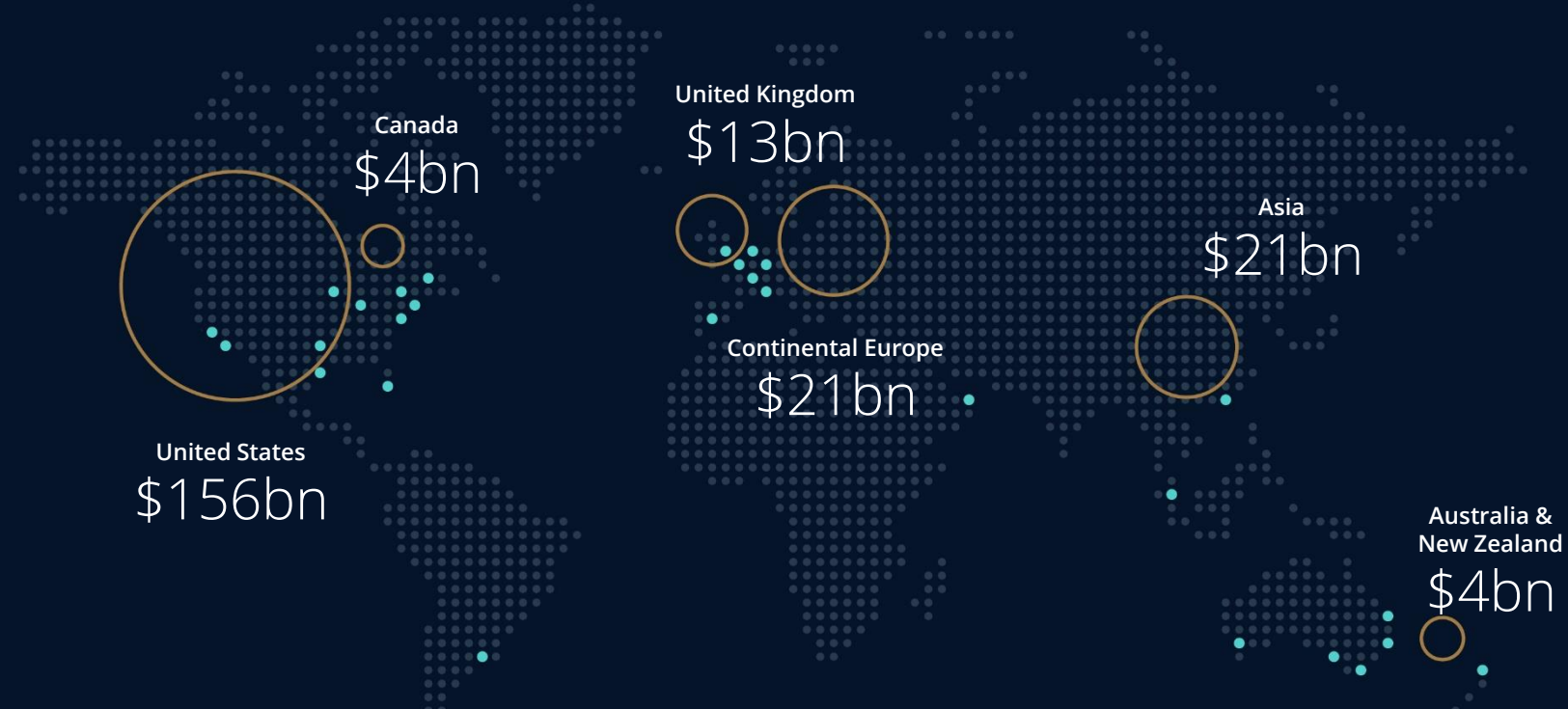
~\$220bn<sup>4,5</sup>

estimated total addressable market in the rapidly growing \$1tn global legal market

~\$10bn

in available funding capital from incumbent industry players

○ Estimated addressable market  
● Omni Bridgeway locations



## Key barriers to entry

- Importance of established relationships
- Success reliant on sector and geographic expertise
- Scale, scope and strong track record required, difficult to replicate in the short term

## Supported by structural growth drivers

- (De)regulation
- Emerging markets
- Education/awareness



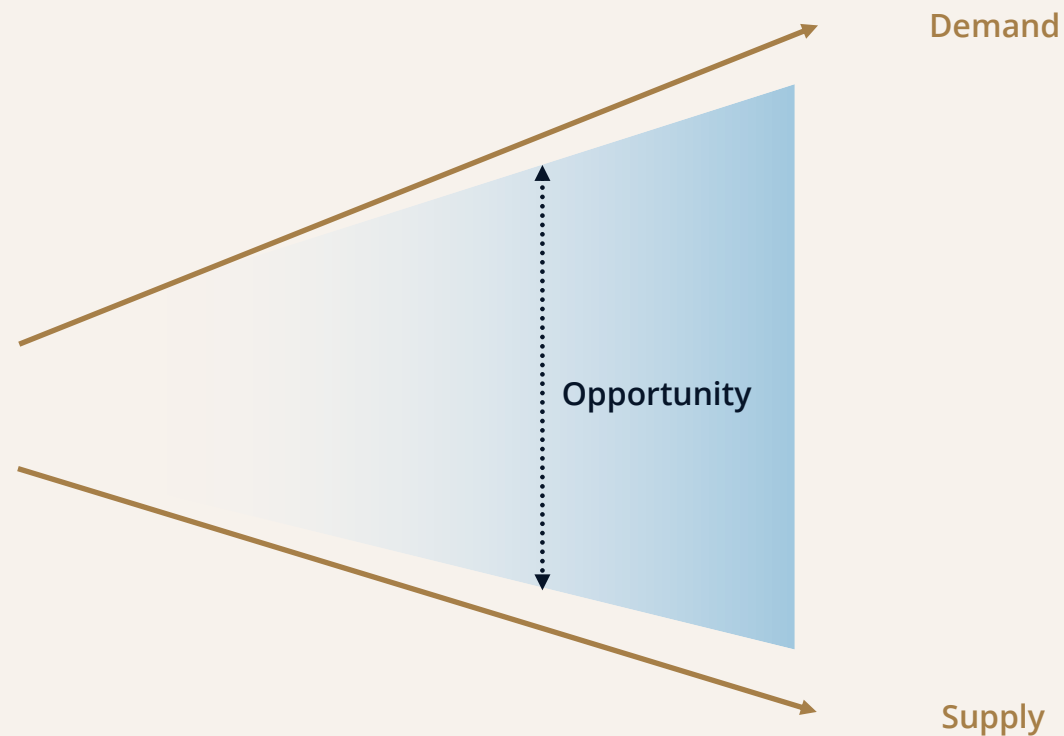
# Current supply / demand dynamics

## Increasing demand

- Broader awareness and deeper penetration
- Rising interest rates – higher cost of self-funding
- Escalating costs of litigation
- Emerging areas of litigation – data breaches, cybersecurity, etc.

## Reducing supply

- Reduction of competition, principally due to insufficient returns
- Hedge funds returning to core strategies, away from litigation finance



# Regulatory landscape

Maturing industry pattern – overall supportive regulatory developments

## US

- Certain US courts have implemented rules mandating the disclosure of litigation funding arrangements, but no further regulation.
- The US Chamber of Commerce’s Institute for Legal Reform continues to lobby for litigation finance regulation with draft legislation proposed in Florida, Arizona, Georgia, Indiana and Oklahoma; however, these lobbying efforts have not resulted in any restrictive reforms being passed to date.

## UK

- In July 2023, in PACCAR Inc vs. Competition Appeal Tribunal, the UK Supreme Court ruled that litigation funding agreements (LFAs) at issue were considered damages-based agreements (DBA) under English law, and subject to the DBA Regulations 2013, rendering the agreements non-compliant and unenforceable in that case.
- The UK government is now introducing corrective legislation to address the impacts of the UK Supreme Court judgment in PACCAR that will restore the position that existed before the Supreme Court ruling and ensure cases can continue to be funded.

## Europe

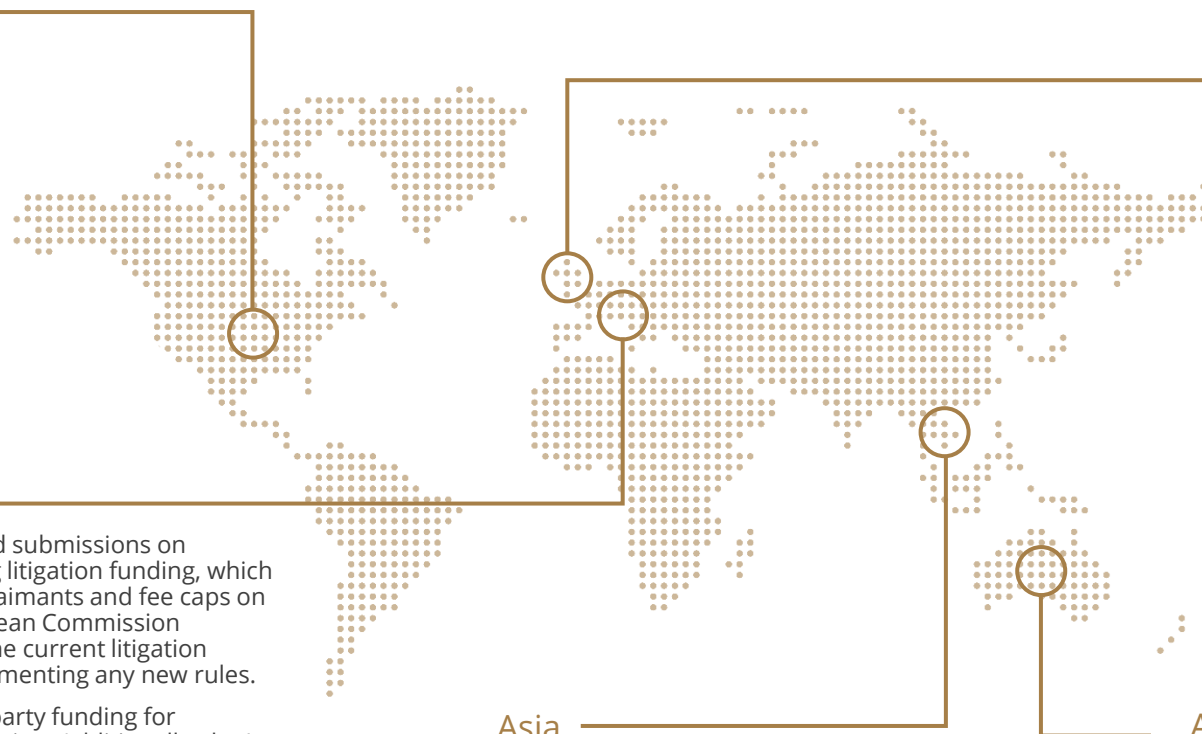
- In June 2023, ILFA made detailed submissions on proposed EU reforms regulating litigation funding, which included disclosure duties for claimants and fee caps on funders. In response, the European Commission announced a careful study on the current litigation funding landscape before implementing any new rules.
- In 2023, Ireland legalised third-party funding for international commercial arbitration. Additionally, the Law Reform Commission sought opinions on various legislative options for legalising third-party funding for litigation, including considering the abolition of maintenance and champerty torts and offences.

## Asia

- Express legislation and case law facilitating funding of international arbitration and insolvency related claims in Singapore and Hong Kong, correcting and positively expanding on historically restrictive litigation funding policies.

## Australia

- In December 2022, the Australian government exempted litigation funders from holding an Australian Financial Services Licence and other financial services regulations for funded class actions, overturning previous government implementations.



# Our differentiators in the global litigation finance market

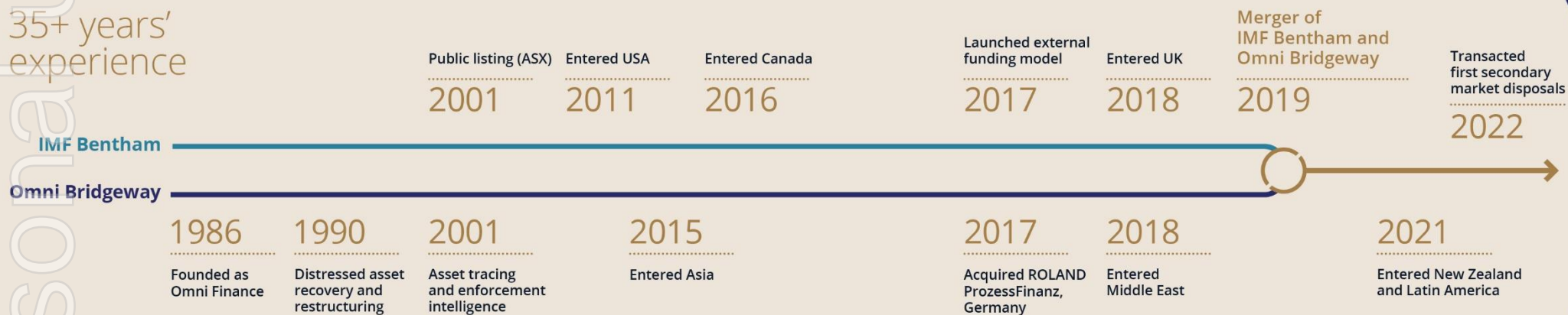
## Competitive advantage

<b>Unmatched expertise and experience</b>	<ul style="list-style-type: none"> <li>• Pioneers of global litigation finance industry</li> <li>• 500+ years' collective litigation and finance experience</li> <li>• Un-matched know-how in case selection and management</li> <li>• Investment Committees comprising industry leaders and former judges</li> </ul>
<b>Geographic footprint and origination network</b>	<ul style="list-style-type: none"> <li>• 120+ specialists focused on origination and investment management</li> <li>• Scale and depth of origination network</li> <li>• Immediate access to quality investments</li> <li>• Resources on the ground; jurisdictional know-how, local market knowledge, networks, cultural and linguistic sensitivity</li> </ul>
<b>Track record</b>	<ul style="list-style-type: none"> <li>• Success rate; total investments, total completions</li> <li>• Fair returns to claimants</li> <li>• Over multiple decades and economic cycles</li> </ul>
<b>Strong and transparent financial position</b>	<ul style="list-style-type: none"> <li>• ASX listed 2001</li> <li>• Transparent reporting and corporate governance</li> <li>• Robust balance sheet and cash position</li> <li>• Significant funds to invest</li> </ul>

# Evolution of the OBL platform

- IMF Bentham established in 1998 in Australia, listed on the ASX in 2001.
- First publicly listed legal financier to specialise in large scale non-insolvency litigation.
- Expanded its international footprint starting in 2011 to locations across the Americas, the UK, Asia and the Middle East.
- Merged with Omni Bridgeway Europe (OBE) in 2019:
  - Founded in 1986 in the Netherlands with a focus on distressed assets
  - A leading funder of litigation, arbitration and legal enforcement proceedings, with a pre-eminent enforcement and legal recovery investment business
  - Claim values under management of ~€2.5bn with five locations across Europe and the Middle East.
- Following the merger, IMF Bentham rebranded globally as Omni Bridgeway Limited and became one of the largest diversified legal asset funding platforms across common and civil law jurisdictions, by AUM and strategy, operating in developed and emerging markets, and all relevant areas of law.

35+ years' experience

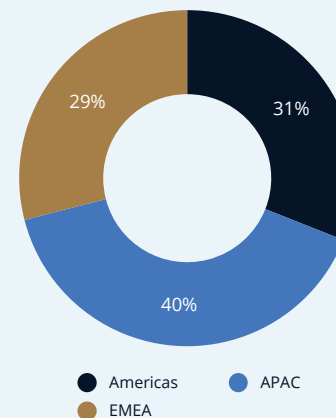


Diversified, scalable, returns- focused platform offering full capability across the litigation finance spectrum

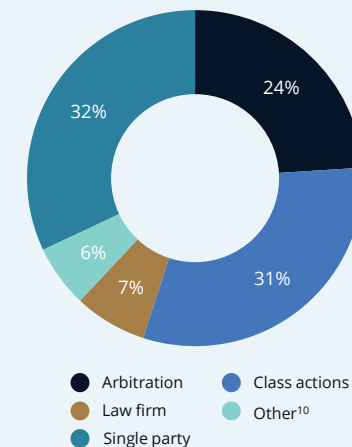
# Global leader in financing and managing legal risk



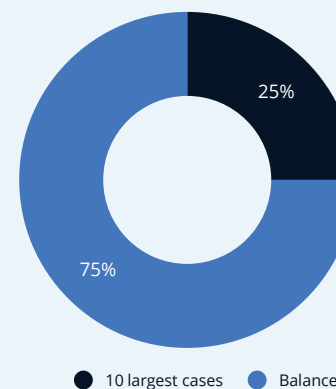
Fair value by region



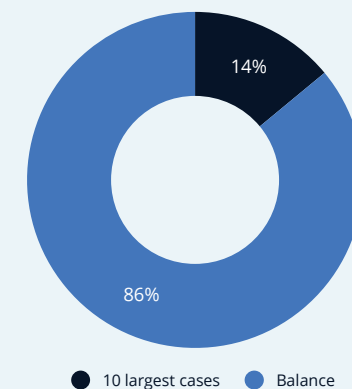
Fair value by investment type



Fair value by case concentration



Commitment by case concentration



26  
Locations



15  
Countries



120+  
Investment  
specialists





35+  
Languages

# The leading international origination platform in legal finance

Expansive origination network provides immediate access to quality investments, augmented by our expertise in various jurisdictions, marketing efforts, proven track-record, and invaluable personal relationships

Only  
 use  
 personally

	<b>Potential claimants</b>	<ul style="list-style-type: none"> <li>• Direct approaches to the group for funding</li> <li>• Either claimant or law firm seeking funding for single claims or portfolios of cases</li> </ul>
	<b>Advisors</b>	Including lawyers, insolvency practitioners, accountants and financial planners
	<b>Other third parties</b>	Includes litigation finance brokers, stockbrokers, journalists, regulators, politicians, or OBL investors

Presence in every relevant time zone with funding capabilities in nearly every region.

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Led by specialists focused on origination and investment management.

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Global Investment Committee with three regional chairs supported by multidisciplinary in-house damages experts, intelligence, asset-tracing and legal professionals.

# Industry acknowledgement: #1 or #2 in all relevant markets

## Chambers AND PARTNERS

Omni Bridgeway is recognised with **the most Band 1 rankings – and most rankings overall –** of any litigation funder globally in 2023

Chambers and Partners Litigation Support Guide 2023

### THE ONLY BAND 1

- South East Asia
- Canada
- Middle East
- Asia-Pacific

### BAND 1

- Australia
- Europe
- USA
- Latin America
- Global Asset Tracing & Recovery
- International Arbitration

### RANKED

- UK
- Insolvency
- Intellectual Property (US)

Highly rated and consistently recognised by clients and peers across other respected third-party industry rankings such as:



#### WHO'S WHO LEGAL THOUGHT LEADERS

More team members recognised than any other funder (since 2020)

#### WHO'S WHO LEGAL ARBITRATION

Team members recognised (since 2020)



#### LITIGATION FUNDERS

Ranked 'leading', 'excellent', 'highly recommended' and 'recommended' for litigation and arbitration funding in the UK, US, LATAM, Spain and Europe (since 2019)

#### ARBITRATION & DISPUTE RESOLUTION

Team members recognised



#### GLOBAL 100 LEADERS IN LITIGATION FINANCE

Team members recognised (since 2016)



#### THE LEGAL 500 (LEGALEASE) LITIGATION FUNDING RANKINGS

Top ranked litigation funder in 2024

# Distillation of the investment process and objectives



Generate opportunities



Select the right deals  
at the right price



Size appropriately –  
diversification vs efficiency



Monitor to  
maximise outcome

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# Risk underwriting and structuring

## Key risks

Win / loss probability

Budget

Range of likely damages and recoverability

Duration

## Core pricing principles

Priority return of OBL invested capital

Return structured as:  
Percentage, and/or  
Multiple  
Greater of / additive

Returns should reflect risk

Protect downside but participate in upside

## Additional structuring levers

Capped budget

Increase returns over time

Risk sharing to ensure alignment


Avoid overfunding

Commitment-based profit terms

Milestone the investment

# Duration is a key risk – how we protect returns

Nearly all funders have success ratios >50% but many have disappointing returns due to:



Optimistic duration and damages assumptions



Underpricing of risk

## OBL approach

- Realistic assumptions informed by data: both OBL proprietary and market sourced
- Fair value protection through pricing:
  - Increasing multiples or percentages over time
  - Compounded interest and IRR based pricing
- Deal sizing and portfolio diversification
- Secondary market to accelerate cash conversion

# Risk underwriting and structuring

The Group evaluates each opportunity in depth by assessing several qualitative and quantitative factors

## Application review & underwriting

- IMs determine whether to progress a funding application. Term sheet may be offered after review by the portfolio manager and Pricing and Structuring team.
- If term sheet is accepted, the due diligence process is started. The aim is for the process to take no longer than one month.
- After the initial phase of due diligence, a draft Investment Committee (**IC**) memorandum is prepared by the IM with input from portfolio manager and Pricing and Structuring.
- If approved by the regional portfolio manager and Pricing and Structuring the investment is submitted for consideration by the IC.

## Assessment criteria

- Type and strength of case: win/loss
- Defendant's ability to satisfy a judgment
- Range of likely damages
- Likely length of time to resolution
- Capital requirement (incl. adverse costs)
- Investment / return metrics

## Assessment inputs

Obtain relevant documentation from the claimant and other sources.

Discuss with the potential claimant's lawyers and experts.

Investigate financial health of the claimant and other stakeholders.

Factual research, legal analysis and verification of assumptions – including independent expert input if needed.

Check defendant(s) have the capacity to pay and judgment can be enforced.

Due diligence results inform fair value assessment of expected return and risk metrics.

Investment process and portfolio risk management

1,723 applications

A disciplined approach to the assessment of financial and legal risks

505 reviewed

39 funded  
18 IC approved & conditionally funded

**Monitoring and realisation**

An investment typically takes between 1 and 5 years to complete.

The IM will monitor developments in the investment as it progresses and receive periodic updates from the lawyers.

In certain jurisdictions, we may provide insight and strategic guidance concerning the investment and settlement opportunities.

**Risk underwriting and structuring**

Opportunities are evaluated based on legal and financial risk criteria, including legal merits, budget, range of damages outcomes and likely duration.

**Funding decision**

A due diligence report is presented to the IC. The IC determines and recommends (by unanimous approval) the investment to the fund.

IM

CIO

PS

IC

Investment Manager (IM)

Portfolio manager / CIO

Pricing and structuring team

Investment Committee (IC)

**Origination**

Opportunities are primarily originated through potential clients, advisors, and other third parties.

**Investment selection**

**Portfolio construction**

Data for 12 months to 30 June 2023.

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# Platform drives origination: illustrative case studies

Omni Bridgeway team has the range of skills to compete beyond price

## Portfolio corporate deal, international arbitration and enforcement

### Overview

- PE-owned media company seeking public listing or acquisition.
  - Two large international arbitration claims, seated in London and Singapore.
  - Multi-jurisdictional enforcement risk, in Asia and Africa.
  - Originated in Singapore (M&A lawyer)
  - Underwritten by IA specialists in Singapore and London, global enforcement team and asset-tracing / intelligence.
- Cross-collateralised portfolio funding deal, with partial monetisation:
    - Increased cash on balance sheet – no liability associated with monetisation
    - Cash available to support listing or transaction costs
    - On-going cost defrayed and significant enforcement concerns de-risked
    - Positive messaging to potential investors – claims represent potential upside only, downside de-risked
    - Reduced funding risk through cross-collateralisation
    - Business sold in private M&A deal
    - Both claims successful, one successfully enforced and one with settlement imminent
    - OBL MOIC ~5x within 4 yrs.

## IP infringement case

### Overview

- Spin out from prestigious European University holds US & European patents in respect of foundational innovation underpinning network switching technology.
- The spin out suspects widespread infringement but needs financial and project support.
- Initial point of contact with German OBL team who expanded the deal team to include our Global IP Head and IMs with a scientific and legal background.
- OBL secured the deal with a combination of:
  - local relationship and communication in local language
  - ability to support infringement actions in Europe & US
  - deep technical understanding of the patents.

Wide and deep platform of OBL drives investment origination

# Platform drives origination: indicative case studies (cont'd)

Omni Bridgeway team has the range of skills to compete beyond price

## Australian class action

### Overview:

Claim concerning a defective medical device. The device, intended for use in surgical procedures, experienced significant issues that affected patients worldwide. A class action was commenced in the US, prompting OBL to conduct due diligence on the possibility of funding parallel proceedings in Australia.

In assessing the viability of the proceedings in Australia and NZ, US based OBL Investment Managers assisted their Australian counterparts in procuring US court filings and introductions to lawyers and potential expert witnesses, fast tracking the due diligence process, with superior depth of information.

OBL's Pricing & Structuring team, together with our in-house research capabilities, were involved in assessing the number of device sales in Australia and whether the potential damages were sufficient to make the claim viable to fund.

Wide and deep platform of OBL drives investment origination

Session 2

Fair value

Panel:



Mark Wells

Global Head of Portfolio Management



Guillaume Leger

Global Chief Financial Officer



Raymond van Hulst

Managing Director and CEO



Tom Glasgow

Managing Director and  
Chief Investment Officer - APAC  
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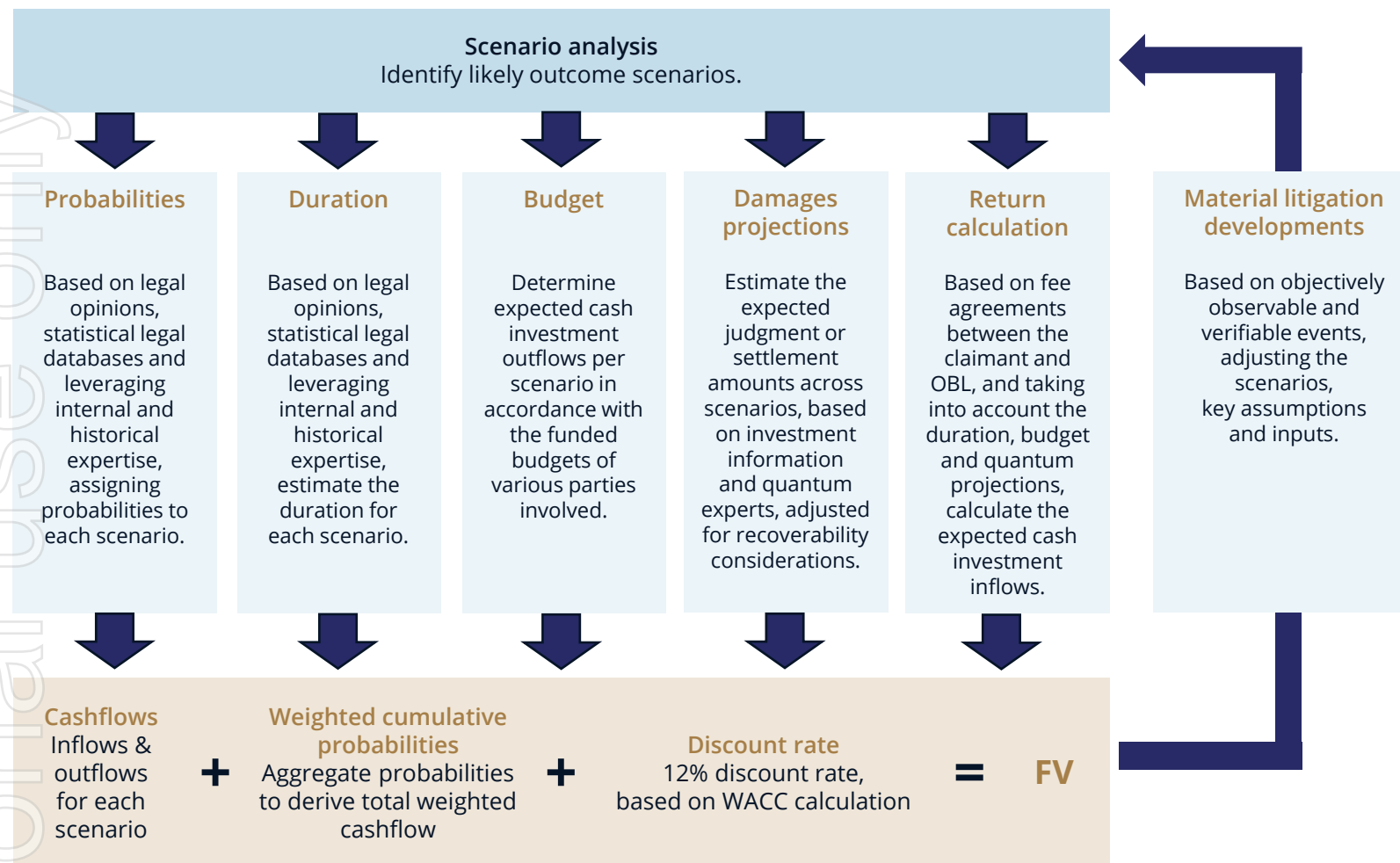
# Fair value

Fair value is the net present value of the expected loss-adjusted and probability-weighted investment cash flows

- Omni Bridgeway is replacing estimated portfolio value (**EPV**) and implied embedded value (**IEV**), with fair value (**FV**) as its key investment value metric going forward.
- Fair value, based on probabilistic scenario analysis, better captures the multiple outcome scenarios – including losses – of legal assets, compared to the more static and binary nature of the EPV/IEV methodology.
- Fair value also better captures the duration, pricing and other value and risk drivers of legal finance investments.
- Fair value is widely used and better understood by the capital markets, and it aligns better with disclosures of our peers.
- (Non-IFRS) fair value reporting to fund investors mitigates the J-curve effect of legal assets and is therefore supportive of fund capital raising.



# Fair value methodology: how much, when and how likely?



## Assumptions

- **Outcome scenarios** – the points during the life of an investment when it may complete in whole or in part
- **Cash flows** – the amount and timing of outgoing and incoming cash flows over the life of the investment
- **Probabilities** – the probability of each cash flow arising

## Data inputs

**Observable data inputs** are used in addition to management assessment:

- Investment fact base
- External legal advice
- External expert advice
- Third party investment budgets
- Fee arrangements
- Market data
- Statistical legal databases
- Internal and historical expertise

*There remains a significant amount of judgment which is inherently subjective when assessing probabilistic future cash flows for a legal risk investment.*

## Additional concepts

- **Monte Carlo Analysis** – Deployed for investments with complexities such as cross-collateralized portfolio investments, and investments with multiple defendants or proceedings.

# Fair value framework

Omni Bridgeway's fair value approach is based on probabilistic scenario analysis

## At inception the fair value of an investment is determined:

- As the net present value of the future loss-adjusted probability-weighted investment cash flows for the likely outcome scenarios (including loss) for the investment.
- Using informed assumptions for outcome scenarios, probabilities, cash inflows and cash outflows, which rely on inputs around the key risk factors for legal investments: loss risk, duration risk, budget risk, quantum risk and recoverability risk (credit risk).

## In subsequent periods the fair value of an investment is adjusted, positively or negatively, based on the combination of:

- Deployments made for the investment during the period.
- The unwinding of the discount due to the passage of time.
- Changes in the discount rate.
- Material litigation developments, which are objectively verifiable events leading to changes in assumptions or inputs.

## Discount rate

- A discount rate of 12% is used, based on the weighted average cost of capital (WACC) for the legal finance asset class, which closely aligns with the WACC for OBL and with the hurdle rates for our third-party fund capital.
- All main investment risks associated with legal investments, including loss risk, duration risk, budget risk, quantum risk and credit risk are reflected in the probabilistic scenarios, and therefore fall outside the scope of risks determining the required discount rate.

## Material litigation developments

There are many possible material litigation developments, with some generally applicable to most litigation investments and others more investment specific. A material litigation development is always objectively verifiable and not just based on a subjective reassessment of an investment.

Typical material litigation developments include:

- Judgments, arbitral decisions, new relevant case law, mediations, partial settlements or recoveries, new legal opinions (eg. as a result of changes to fact base or legal discovery), new expert opinions (eg. on damages)
- Changes to expected duration (eg. following case management hearings, court timetables or observed delays), book-building results, budget changes, asset freezes, new recoverability intelligence, etc.

## Governance and Context

- The valuation process is embedded in a governance framework, including a valuation policy, implemented by the Pricing & Structuring (P&S) team, with Valuation Committee oversight, and quarterly reporting to Audit & Risk Committee.
- The P&S team, with members in each of the regions and reporting to the Global Head of Portfolio Management, builds and maintains the fair value models for all (prospective) investments until completion of the investments. These models are guiding the pricing, term sheet and investment management decisions, as well as feeding into investment reporting. The team closely collaborates with the investment managers, but independently verifies and benchmarks the assumptions.
- Omni Bridgeway has been using the described valuation framework in EMEA from the inception of Fund 6 in 2016-2017.
- In evaluating our framework, we also benchmarked with industry peers, to align where possible in methodology.
- Key similarities in methodology include the use of probabilistic modelling, discounted cash flow analysis, material litigation developments (also called litigation milestones or litigation events) and making informed assumptions around inputs such as discount rates, timing and risk factors.
- The framework and discount rate was reviewed by BDO who concluded that using a probabilistic cash flow approach is an appropriate methodology to employ for determining cash flows for the purposes of calculating the fair value of litigation assets.



# Simplified illustrative fair value case study

## Investment information

The case study involves investment in a merits dispute with an estimated claim value (quantum) – based on expert reports – of up to \$60m. Based on legal statistics for the relevant jurisdiction, the estimated timeline for receiving a judgment is approximately two years, with an additional two years potentially required for the appeal process. The total budget – based on a fee arrangement with the law firm – is \$4m. Scenarios and probabilities are established based on legal opinions, historical data on similar investments and investment team experience and assessment.

### Process

Based on the investment information, the fair value model at inception is established as per the next slide, which for this purpose is highly simplified with only 7 scenarios. The table to the right summarises the key metrics as produced by the model, which are key drivers for our pricing, term sheet, and investment decisions throughout the life of an investment.

### Example set of scenarios

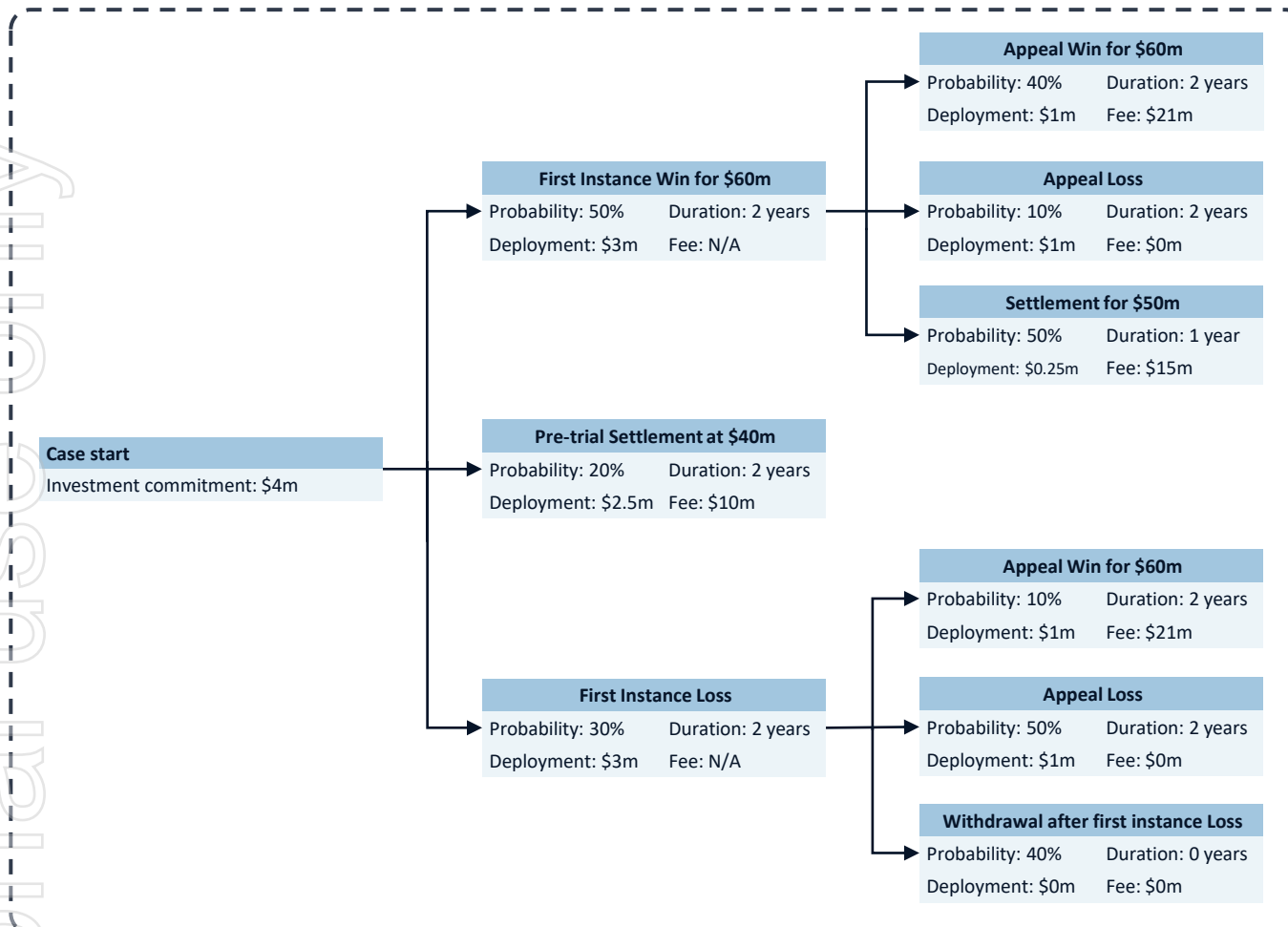
1. Pre-trial settlement
2. First instance win, followed by settlement
3. First instance win, followed by appeal win
4. First instance win, followed by appeal loss
5. First instance loss, followed by withdrawal
6. First instance loss, followed by appeal win
7. First instance loss, followed by appeal loss

Our real-life models will typically include many more scenarios, to reflect duration and quantum uncertainties, as well as enforcement risks.

Forward looking metrics	Base	Sensitivity 2Yr duration	Sensitivity -20% quantum
<b>Total commitment</b>	4,000,000	4,000,000	4,000,000
<b>Expected total investment</b>	3,330,000	3,330,000	3,330,000
<b>Expected total proceeds</b>	10,580,000	14,010,000	8,464,000
<b>NPV discounted at 12% (fair value)</b>	5,064,920	5,908,327	3,422,302
<b>Pricing (NPV to commitment)</b>	1.27	1.48	0.86
<b>MOIC of expected cashflows</b>	3.09x	4.13x	2.47x
<b>IRR of expected cashflows</b>	114.2%	66.9%	83.5%
<b>Probability of total loss</b>	32.0%	32.0%	32.0%
<b>Expected duration (years)</b>	3.11	5.11	3.11
<b>Maximum scenario duration (years)</b>	4.00	6.00	4.00

# Simplified fair value case study – Case start

Personal use only



## Outcome Scenarios

**Appeal Win after first instance win**  
Probability: 20% Duration: 4 years  
Deployment: \$4m Fee: \$21m

**Appeal Loss after first instance win**  
Probability: 5% Duration: 4 years  
Deployment: \$4m Fee: \$0m

**Settlement after first instance win**  
Probability: 25% Duration: 3 years  
Deployment: \$3.25m Fee: \$15m

**Pre-Trial Settlement**  
Probability: 20% Duration: 2 years  
Deployment: \$2.5m Fee: \$10m

**Appeal Win after first instance loss**  
Probability: 3% Duration: 4 years  
Deployment: \$4m Fee: \$21m

**Appeal Loss after first instance loss**  
Probability: 15% Duration: 4 years  
Deployment: \$4m Fee: \$0m

**Withdrawal after first instance loss**  
Probability: 12% Duration: 2 years  
Deployment: \$3m Fee: \$0m

## Scenarios Cashflows

Year 1	Year 2	Year 3	Year 4
-1.50	-1.50	-0.50	-0.50
			21.00

Year 1	Year 2	Year 3	Year 4
-1.50	-1.50	-0.50	-0.50

Year 1	Year 2	Year 3	Year 4
-1.50	-1.50	-0.25	
			15.00

Year 1	Year 2	Year 3	Year 4
-1.50	-1.00		
			10.00

Year 1	Year 2	Year 3	Year 4
-1.50	-1.50	-0.50	-0.50
			21.00

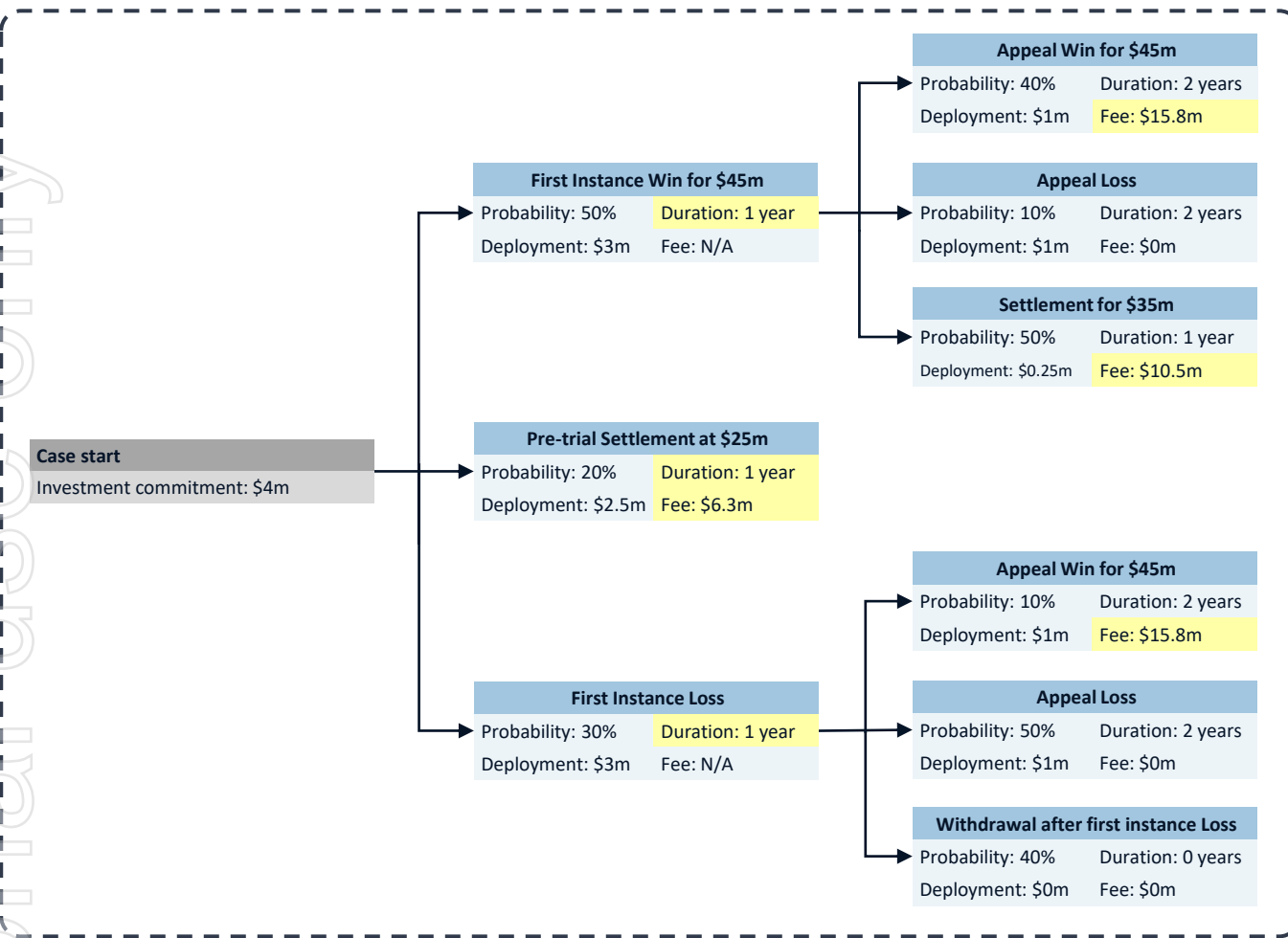
Year 1	Year 2	Year 3	Year 4
-1.50	-1.50	-0.50	-0.50

Year 1	Year 2	Year 3	Year 4
-1.50	-1.50		

Loss adjusted probabilistic cashflows			
Year 1	Year 2	Year 3	Year 4
-1.50	0.60	3.44	4.62
<b>Fair value (NPV@12%)</b>			<b>\$5.06m</b>

# Simplified fair value case study – Year 1

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## Outcome Scenarios

Appeal Win after first instance win	
Probability: 20%	Duration: 3 years
Deployment: \$4m	Fee: \$15.8m

Appeal Loss after first instance win	
Probability: 5%	Duration: 3 years
Deployment: \$4m	Fee: \$0m

Settlement after first instance win	
Probability: 25%	Duration: 2 years
Deployment: \$3.25m	Fee: \$10.5m

Pre-Trial Settlement	
Probability: 20%	Duration: 1 year
Deployment: \$2.5m	Fee: \$6.3m

Appeal Win after first instance loss	
Probability: 3%	Duration: 3 years
Deployment: \$4m	Fee: \$15.8m

Appeal Loss after first instance loss	
Probability: 15%	Duration: 3 years
Deployment: \$4m	Fee: \$0m

Withdrawal after first instance loss	
Probability: 12%	Duration: 1 year
Deployment: \$3m	Fee: \$0m

## Scenarios Cashflows

Year 1	Year 2	Year 3	Year 4
	-1.50	-0.50	-0.50
			15.80

Year 1	Year 2	Year 3	Year 4
	-1.50	-0.50	-0.50

Year 1	Year 2	Year 3	Year 4
	-1.50	-0.25	
			10.50

Year 1	Year 2	Year 3	Year 4
	-1.00		
			6.30

Year 1	Year 2	Year 3	Year 4
	-1.50	-0.50	-0.50
			15.80

Year 1	Year 2	Year 3	Year 4
	-1.50	-0.50	-0.50

Year 1	Year 2	Year 3	Year 4
	-1.50		

### Fair value adjustments

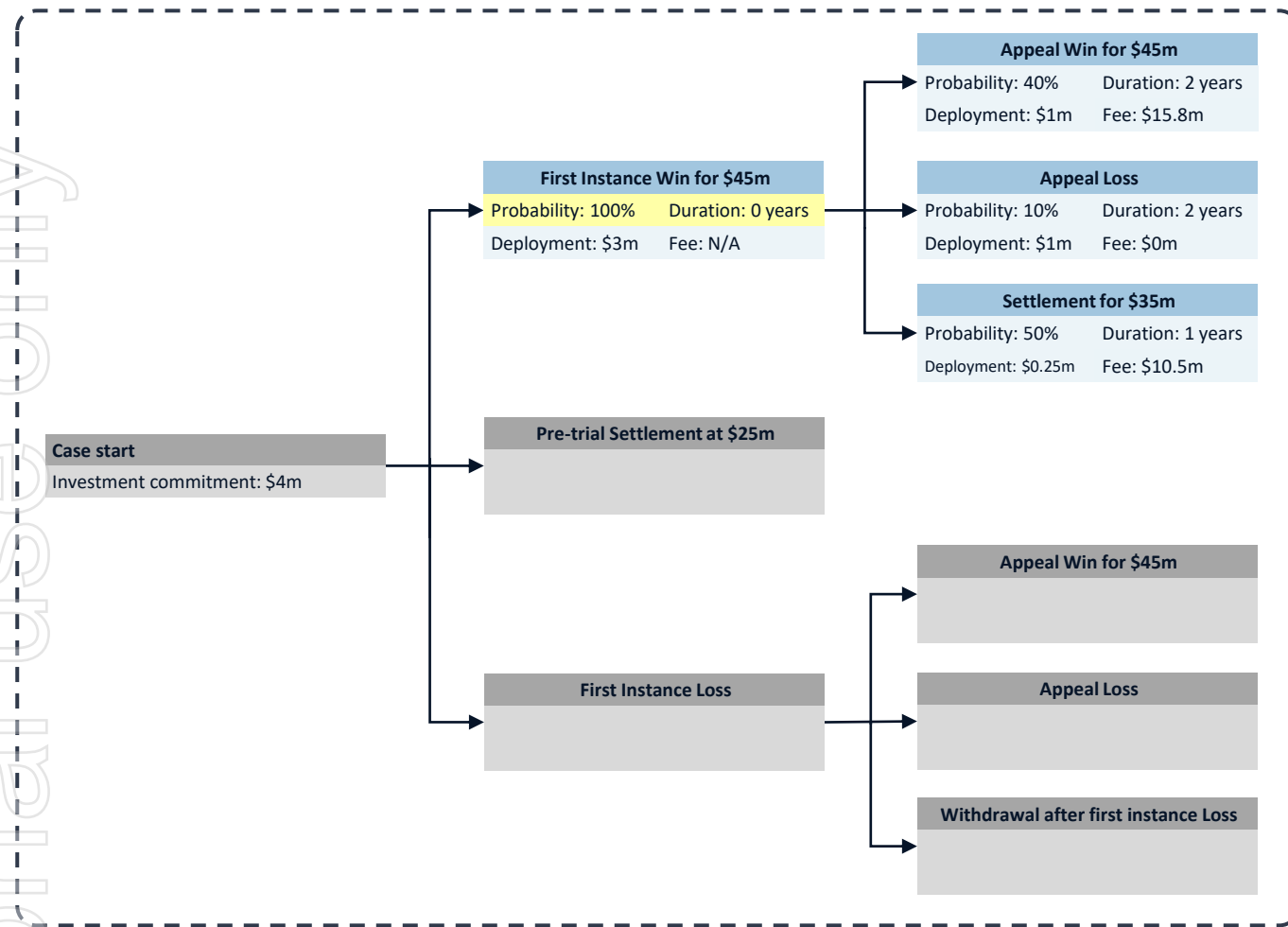
- Unwind of discount due to the passage of time.
- Further deployments have been made.
- Material Litigation Event: new expert evidence has come in reducing quantum from \$60m to \$45m.

### Loss adjusted probabilistic cashflows

Year 1	Year 2	Year 3	Year 4
	-0.14	2.35	3.42
<b>Fair value (NPV@12%)</b>			<b>\$4.68m</b>

# Simplified fair value case study – Year 2

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## Outcome Scenarios

<b>Appeal Win after first instance win</b>
Probability: 40%    Duration: 3 years
Deployment: \$4m    Fee: \$15.8m
<b>Appeal Loss after first instance win</b>
Probability: 10%    Duration: 3 years
Deployment: \$4m    Fee: \$0m
<b>Settlement after first instance win</b>
Probability: 50%    Duration: 2 years
Deployment: \$3.25m    Fee: \$10.5m
<b>Pre-Trial Settlement</b>
<b>Appeal Win after first instance loss</b>
<b>Appeal Loss after first instance loss</b>
<b>Withdrawal after first instance loss</b>

## Scenarios Cashflows

Year 1	Year 2	Year 3	Year 4
		-0.50	-0.50
			15.80
Year 1	Year 2	Year 3	Year 4
		-0.50	-0.50
Year 1	Year 2	Year 3	Year 4
		-0.25	
		10.50	
Year 1	Year 2	Year 3	Year 4
Year 1	Year 2	Year 3	Year 4
Year 1	Year 2	Year 3	Year 4
Year 1	Year 2	Year 3	Year 4

### Fair value adjustments

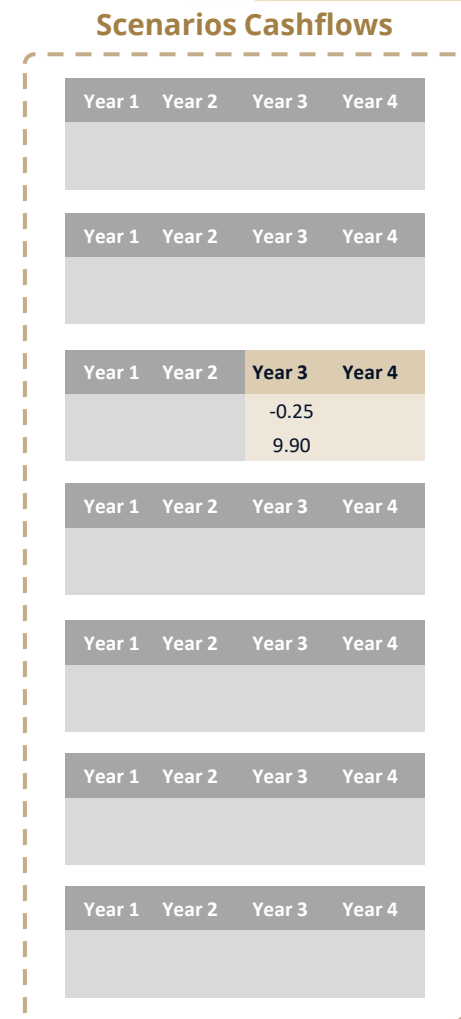
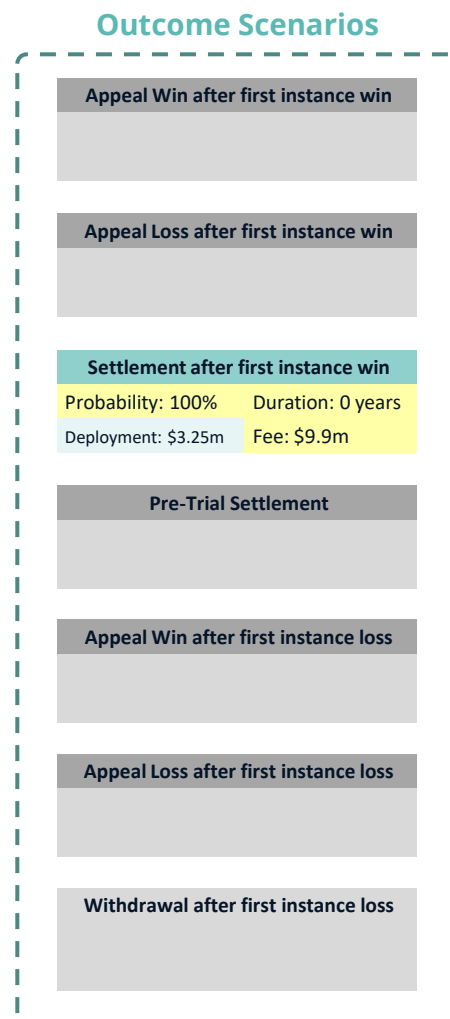
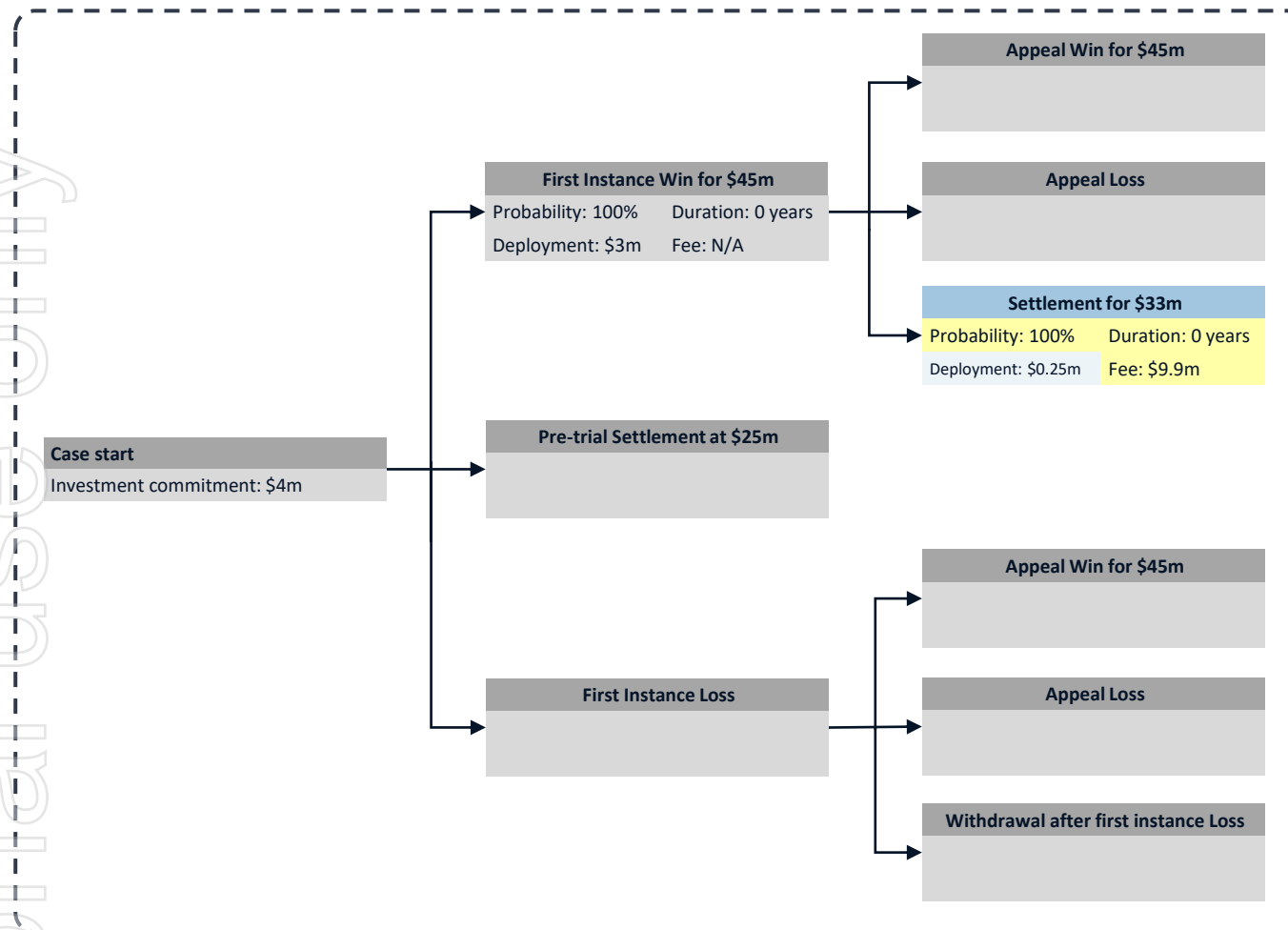
- Unwind of discount due to the passage of time.
- Further deployments have been made.
- Material Litigation Event: pre-trial mediation was not successful, and the funded claimant subsequently obtained a positive judgment.

### Loss adjusted probabilistic cashflows

Year 1	Year 2	Year 3	Year 4
		4.88	6.07
<b>Fair value (NPV@12%)</b>			<b>\$10.29m</b>

# Simplified fair value case study – Year 3

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### Fair value adjustments

- Unwind of discount due to the passage of time.
- Material Litigation Event: claim settled for \$33m, \$2m less than expected, reducing cash proceeds from an initially expected \$10.5m to \$9.9m.

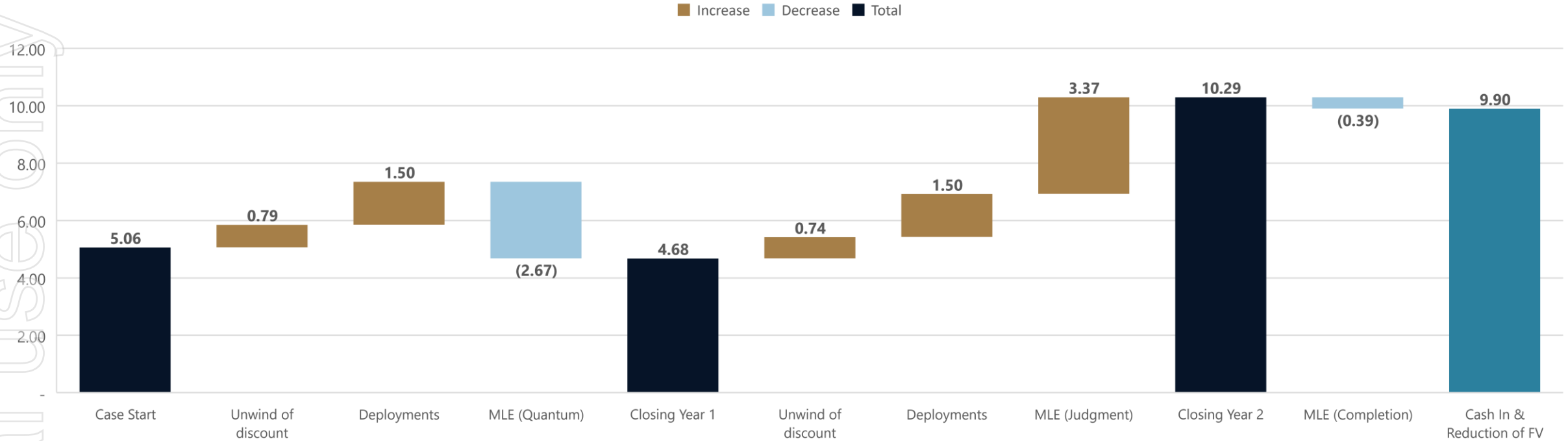
### Loss adjusted probabilistic cashflows

Year 1	Year 2	Year 3	Year 4
		9.65	0.00
<b>Fair value (NPV@12%)</b>		<b>\$0.00m</b>	



# Simplified illustrative fair value case study

Resulting fair value movement bridge



Case start  
FV: \$5.06m

Year 1  
FV: \$4.68m

Year 2  
FV: \$10.29m

Year 3 completion  
FV: 0, Cash In: \$9.9m

- Material Litigation Event: Adjustment of quantum

- Material Litigation Event: Judgment

- Material Litigation Event: Settlement at reduced value



# OBL attribution of fair value

• Fair value equals the net present value of future cash flows of an investment at a specific moment in time. It is therefore a forward-looking cash profit metric, net of future deployments and excluding any past deployments.

• The OBL fair value attribution rate is the part of the investment or portfolio fair value which flows to OBL as co-investment cash proceeds, performance fees and other profit entitlements. It represents the net present value of the expected OBL-only cash flows from the investments.

• The OBL fair value attribution varies per fund, depending on fund specific co-investment percentage, performance fees and other profit-sharing entitlements, as well as fund waterfall arrangements.

• For later generation funds with investment-by-investment waterfall arrangements (case-by-case capital return, profit share and performance fees), the OBL fair value attribution percentage is generally stable, whereas for funds with full fund waterfall arrangements (full fund capital return before performance fees are paid), the attribution percentage may change when matters within the funds have material litigation events resulting in timing or quantum changes.

	OBL attribution existing portfolio fair value	OBL attribution of new investment fair value
Balance sheet	100%	100%
Fund 1	100%	N/A
Funds 2/3	52%	N/A
Funds 4/5	32%	35%
Funds 6	28%	N/A
Fund 8	75%	75%
Total portfolio	<b>37%</b>	<b>N/A</b>

# OBL attribution of fair value (cont'd)

## Methodology

Fair value model investment cash flows on an investment-by-investment basis have been applied to the fund specific terms and waterfall arrangements to arrive at the OBL attribution percentages on a fund-by-fund basis.

**Fund 1:** The portfolio fair value included for Fund 1 only the OBL residual interest in fund cashflows. The OBL attribution rate is therefore 100%.

**Funds 2/3:** Given the European waterfall structure of Funds 2/3, material litigation events resulting in changes to timing or amounts of investment cashflows, may impact the investment and portfolio fair value, but also the OBL attribution rate.


**Funds 4/5:** It has been assumed that the fund IRR will exceed the 8% hurdle but remain below the 20% hurdle for the 30% performance fee. An ultimate fund IRR below the 8% hurdle will reduce the OBL attribution, whereas an ultimate fund IRR exceeding the 20% hurdle will increase the OBL attribution.

**Fund 6:** Given the European waterfall structure, material litigation events resulting in changes to timing or amounts of investment cashflows, may impact the investment and portfolio fair value, but also the OBL attribution percentage.

**Fund 8:** It has been assumed that the fund will commit and deploy as per track record-based projections and will achieve an overall MOIC of 3.5x, which is below the historical track record for that strategy. Changes in ultimate fund deployment and MOIC will change the OBL attribution.

**Management fees:** Management fee payments to OBL for Funds 4/5, 6 and 8 are in addition to the OBL attribution percentage but have been considered in calculating the effective attribution percentage (management fees reduce distributable profits, resulting in a slightly reduced attribution percentage).

# Fair value attribution



\$2.5bn fair value of the balance sheet and funds investment portfolio at 31-Dec-2023.

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Out of which, \$928m or 37% is attributable to OBL (excluding management fees).

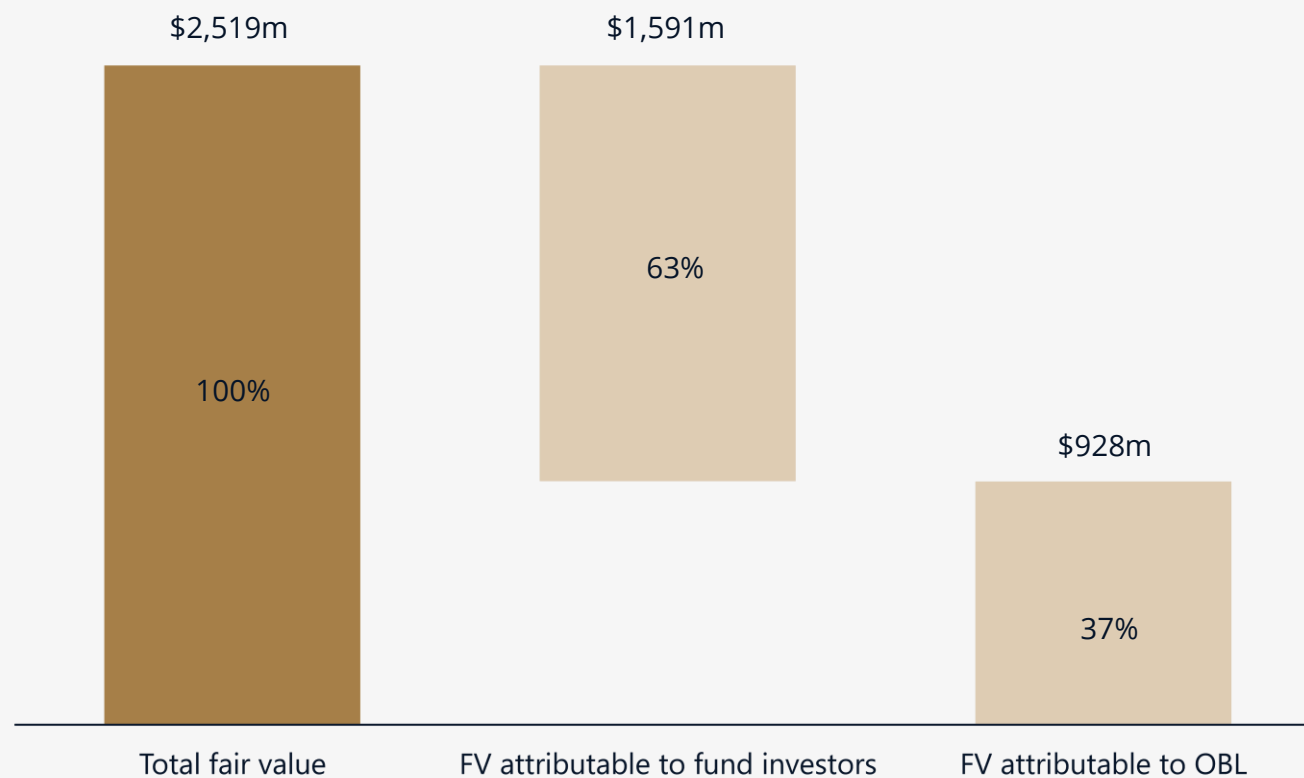
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Attribution rate for new investments in Funds 4/5 is 35%.

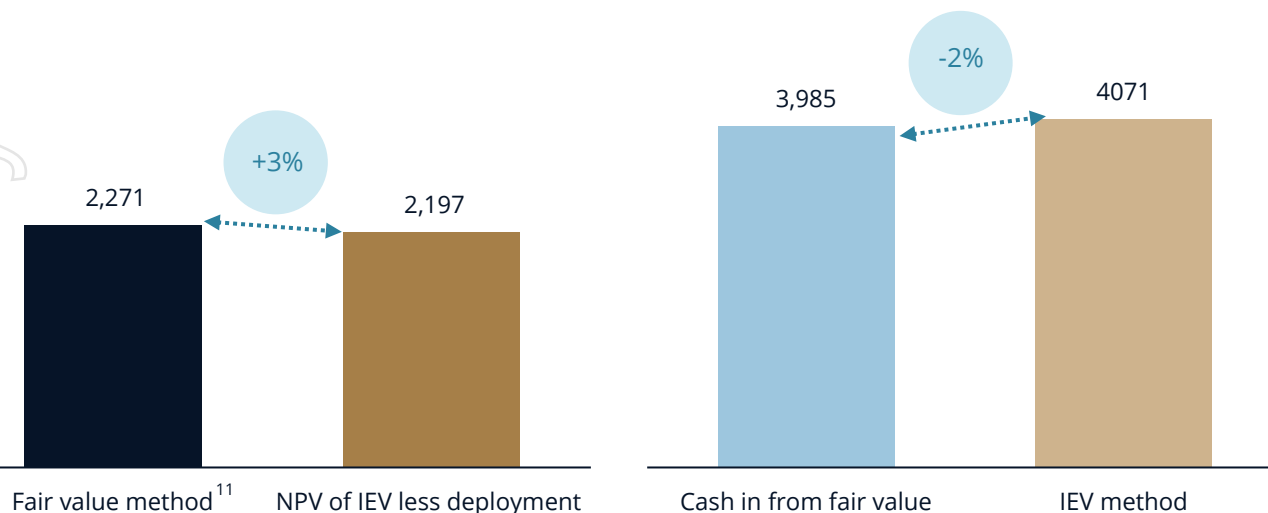
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Attribution rate for new investments in Fund 8 is 75%.

## FV attribution split



# EPV, IEV and fair value reconciliation



\$m	Total	Yr1	Yr2	Yr3	Yr4	Yr5
<b>Fair value<sup>11</sup></b>	<b>2,271</b>					
EPV	24,448	5,088	4,840	4,840	4,840	4,840
IEV @ 15%	3,667	763	726	726	726	726
Remaining deployment	888	298	236	177	118	59
Illustrative IEV net of future deployments	2,780	465	490	549	608	667
<b>NPV of IEV less deployments @ 12%</b>	<b>2,197</b>	465	438	438	433	424
<b>Variance</b>	<b>3%</b>					

## Reconciliation method 1

- EPV has been assumed with a 5-year deployment schedule, where year 1 equals the 12-month rolling forecast provided in the 1H24 results presentation, and the balance has been distributed evenly over the subsequent years.
- The Long-Term Conversion Rate (LTCR) of 15% has been applied to the EPV schedule.
- Remaining deployments are derived from the funds summary table and converted to AUD. The deployment phasing across five years aligns with the EPV/IEV profile, producing higher deployments earlier in the assets' life and lower deployments in later stages.
- The difference between IEV and deployment in any year represents net investment cash flow, and when discounted at 12% results in an EPV/IEV based FV approximation of \$2.2bn.
- With a difference of 3%, this is marginally lower than the \$2.3bn of total fair value reported in the 1H24 results presentation (excl. Fund 1 residual interest and conditional/IC approved investments).

## Reconciliation method 2

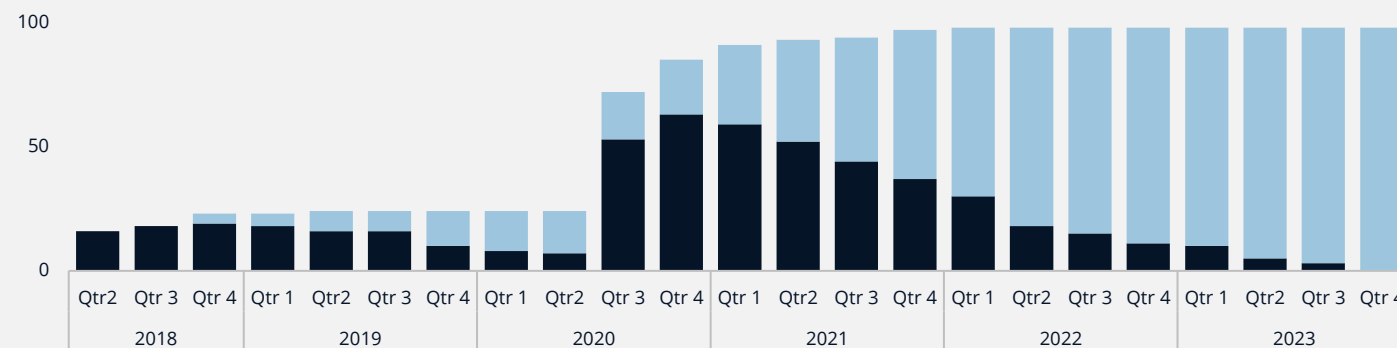
- The total probability-weighted undiscounted cash inflows from the fair value models conceptually equals IEV. With a difference of 2%, the undiscounted fair value cash inflows of \$4.0bn are marginally lower than the total IEV of \$4.1bn.

# Validation of fair value approach with Fund 6

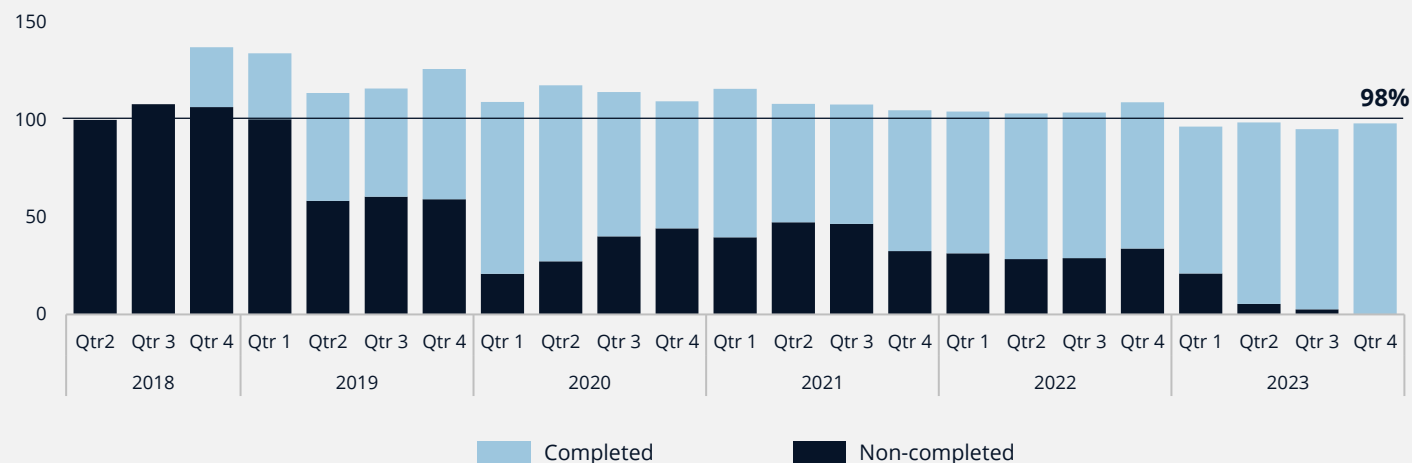
Experience indicates relative stability at a portfolio level

- Omni Bridgeway has introduced the fair value framework in EMEA at the inception of Fund 6.
- Fund 6 has 98 investments which had completed by 4Q23 and for which initial fair values were established as early as 2018. The increase in portfolio in 2020 represents the German portfolio investments for which initial fair values were established in 2020.
- Using this sample portfolio of completed investments, we have assessed the total fair value for the portfolio at each period (excl. discounting), divided by the initial (inception or first available) fair value for the individual investments in the portfolio.
- Total completion fair value for these 98 investments was 2% less than the initial fair value for these investments (excl. unwind of the discount).
- This result is evidence of the relative stability of the fair value framework on a portfolio basis.

Number of cases



Fair value development of the portfolio (excl. discounting) compared to initial fair value



# Portfolio fair value analysis

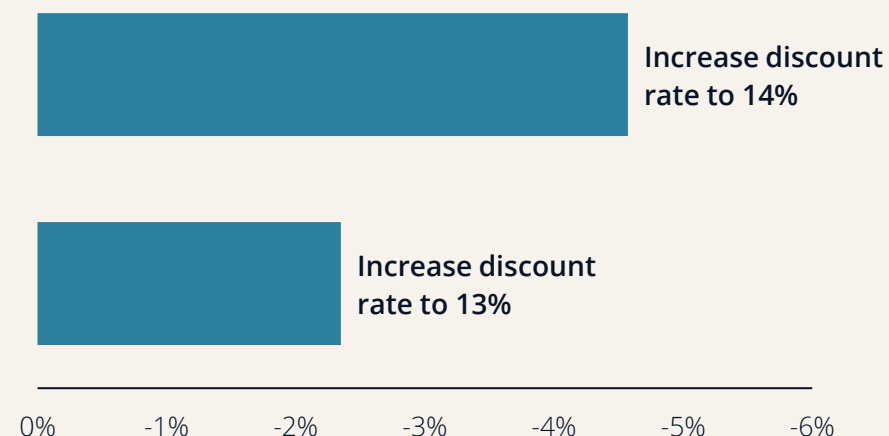
## Portfolio implied loss rate and implied duration

- The portfolio fair value models have an overall implied probability-weighted loss rate of 28%<sup>12</sup> which aligns with our historical loss rate of 25%.
- The portfolio fair value models have an overall implied probability-weighted remaining duration of 2.96 years (weighted by commitment).
- An increasing part of our portfolio has pricing structures which (partially) protect against duration extension. This will reduce the sensitivity of the portfolio fair value to duration extensions.

## Sensitivity of portfolio fair value to discount rate changes

- As a result of the 2.96 year implied remaining duration in the portfolio, the sensitivity of the total portfolio fair value to increases in discount rate is relatively modest at 2.3% per 1% increase.

Discount rate sensitivity on 12% discount rate base



Session 3

Strategic  
Update

Panel:



Raymond van Hulst  
Managing Director and CEO



Guillaume Leger  
Global Chief Financial Officer



Mark Wells  
Global Head of Portfolio Management



Jeremy Sambrook  
Global General Counsel and  
Company Secretary

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# Key drivers and strategic initiatives



Platform business model – value framework

Focus on OBL attribution as the key value driver



Volume – value optimisation

Focus on value per dollar of commitment generated through enhanced pricing and structuring



Fund raising

New fund raising to support commitment growth, while optimising OBL attribution and cost coverage



Cost coverage

Management of cost base, while growing the fee income



Liquidity management

Managing liquidity through completions of maturing portfolio, cash and debt reserves, and secondary market transactions



Reporting and disclosures

Improving and simplifying visibility on implied value and value generation



# Platform business model – transition\*

Hypothetical examples based on FY24 targets

	Balance sheet model	Growing fund management model	Maturing fund management model
Management fees basis	None	Deployed	Committed
Duration	4	4	4
Annual commitments	625	625	800
Pricing (fair value per dollar of commitment)	100%	100%	100%
<b>Fair value generation (NPV investment profit)</b>	<b>625</b>	<b>625</b>	<b>800</b>
Co-investment	100% 625	20% 125	15% 120
Performance fees (on LP share)	0% 0	20% 100	25% 170
<b>Total attribution</b>	<b>100% 625</b>	<b>36% 225</b>	<b>36% 290</b>
Platform opex	95	95	95
Management fees	0.0% 0	2.0% -20	2.0% -54
Transaction fees (% committed)	0.0% 0	0.0% 0	2.0% -16
<b>Net opex</b>	<b>95</b>	<b>75</b>	<b>25</b>
Cost coverage %	0%	21%	74%
<b>Steady state – net annual OBL-only fair value generated (pre-tax and pre-interest)</b>	<b>530</b>	<b>150</b>	<b>265</b>
<b>Outstanding commitments</b>	<b>2,500</b>	<b>2,500</b>	<b>3,200</b>
<b>Outstanding deployments</b>	<b>1,250</b>	<b>1,250</b>	<b>1,600</b>
LP capital	0	1,000	1,360
OBL-only capital (co-invest and net opex)	1,345	325	265
ROE LP	N/A	38%	34%
ROE OBL-only	39%	46%	100%

\* Refer to assumptions on slide 8.

# Value generation and valuation framework

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Value OBL

Value existing portfolio  
\$928m



OBL-only attribution  
portfolio fair value

Value platform  
~ \$150m per annum  
with growth potential



Annual new  
fair value generation

Note: to be read in conjunction with slides 41-43 and 49.

# Volume – value optimisation

Pathways to \$1bn annual fair value generation target

	0.6x	0.8x	0.9x	1.0x	1.1x	1.2x	1.3x	1.4x
600	360	480	540	600	660	720	780	840
800	480	640	720	800	880	960	1,040	1,120
900	540	720	810	900	990	1,080	1,170	1,260
1,000	600	800	900	1,000	1,100	1,200	1,300	1,400
1,100	660	880	990	1,100	1,210	1,320	1,430	1,540
1,200	720	960	1,080	1,200	1,320	1,440	1,560	1,680

- Aspirational target of \$1bn annual fair value generation
- Through combination of funds and strategies with different volume (commitments) versus return (ROIC) characteristics
- Lower value generation funds and strategies may have lower attribution rates, but higher cost coverage rates

# Capital raising for our Funds

- High profile institutional investors, with extensive legal finance experience, anchored all three generations of our funds.
- Recurring and increasing commitments by these anchor investors is a strong validation of OBL's leading investment returns and underwriting process.
- Our main peers are continuing a balance sheet model, with OBL developing into the only institutional scale fund management platform for legal assets.
- Launch of capital markets team with objective to further expand and diversify OBL's fund investor base.
- Managed significant fund raising in 2023, arguably one of the most challenging years for fund raising.
  - Fund 8 Series I: close in 2023 for €150m
  - Funds 4 and 5 Series II: first close in Dec-23 for US\$485m, further closes anticipated in 2024
- Fund 9 pre-marketing commenced: soft target US\$500m

## Pipeline of future funds

		Fund strategy	Target launch
Second Generation (core) Funds	Fund 4 Series II	US focused investments	2024 (currently fundraising)
	Fund 5 Series II	Rest of World focused investments	2024 (currently fundraising)
Third Generation (specialist) Funds	Fund 8	Global legal enforcement fund – credit financed and insurance wrapped	Series I FY23 (currently investing) Series II to be raised
	Fund 9	Lower return, lower risk, targeting IRR of 15-20% investing primarily in portfolios	Pre-marketing
	Fund 10	Impact litigation (ESG funding)	Future pipeline
	Fund 11	Opportunistic, focused equity deployment to aggregators, claimants and law firms	Future pipeline

# Full cost coverage on management of existing portfolio

## Existing portfolio

Management and administration

25% to 30%

of platform time and resources  
~\$25m

~100% cost coverage

Fund 6 management fee  
Fund 4/5 Series I management fee  
Fund management fees - costs passthrough

## New investments

Origination and underwriting

70% to 75%

of platform time and resources  
~\$70m

Low but increasing cost coverage

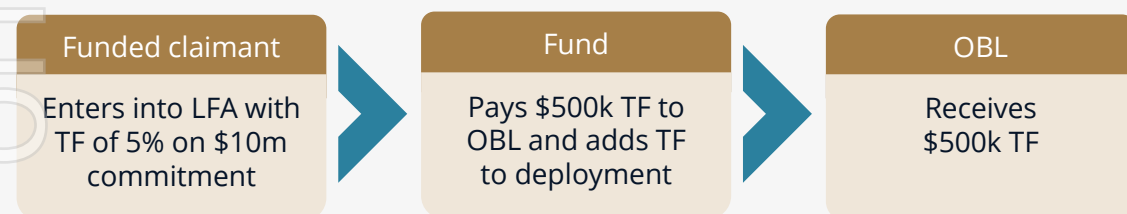
Funds 4/5 Series I - growing management fees  
Funds 4/5 Series II - management fees  
Fund 8 - management fees  
Transaction fees

# Transaction fees

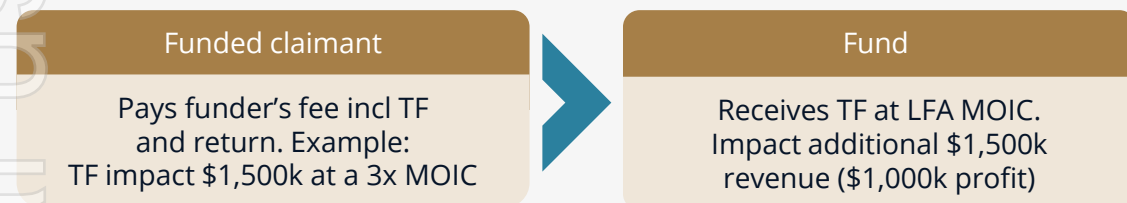
What they are and how they work

## Example

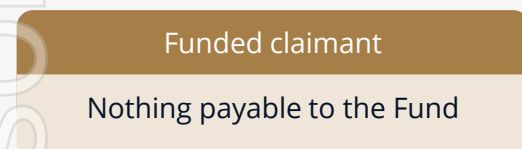
### Start of investment



### Successful completion of investment



### Unsuccessful completion of investment



- The Fund includes a Transaction Fee (TF) in the LFA with the funded claimant counterparty.
- The TF is paid by the Fund to OBL.
- The TF is added to the outstanding amount deployed to the claimant counterparty.

### If case is:

- Successful – the Fund recovers the TF and any associated multiple applied to deployment.
- Unsuccessful – the Funds loss is increased by the TF but OBL keeps the money.<sup>13</sup>

### Example investment

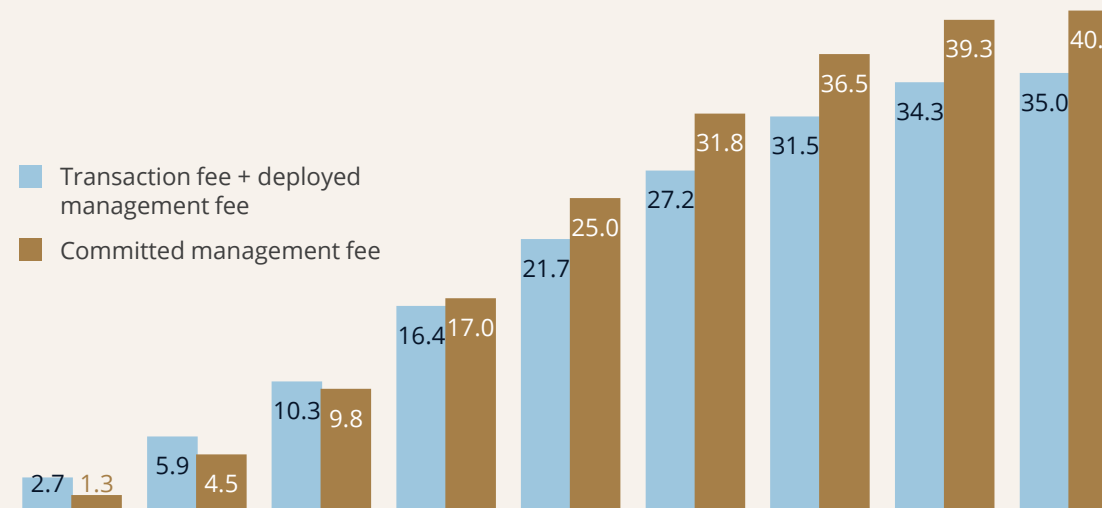
	With TF	No TF	
Investment commitment	\$10.00	\$10.00	
Transaction fee	5%	0	
Investment commitment after TF	\$10.50	\$10.00	
Investment MOIC if won	3	3	
Success rate	72%	72%	
Expected profit	\$12.18	\$11.60	Fund benefit
<b>OBL</b>			
- PF	\$1.95	\$1.86	
- TF	\$0.50	-	
<b>Total</b>	<b>\$2.45</b>	<b>\$1.86</b>	OBL benefit

# Transaction fees

Impact: potential to significantly increase early-year fees for OBL-only

## Example scenario

- Fund size: \$500m
- Commitment period: 4 years
- Fund fully committed at steady rate over 4 years
- Each investment
  - Commitment fully deployed over 4 year life
  - Completes after 5 years



### Option 1

Transaction fees applied to investments at 2% of commitment  
 Management fee 2% of outstanding deployment

### Option 2

No transaction fee  
 Management fee 2% of outstanding commitment

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9
Outstanding commitment	125.0	250.0	375.0	500.0	500.0	375.0	250.0	125.0	-
Outstanding deployment	19.5	70.3	152.3	265.6	371.1	320.3	238.3	125.0	-
Deployed management fee	0.2	0.8	1.9	3.5	5.3	5.5	4.3	2.7	0.8
Transaction fee	2.5	2.5	2.5	2.5	0.0	0.0	0.0	0.0	-
<b>Total</b>	<b>2.7</b>	<b>3.3</b>	<b>4.4</b>	<b>6.0</b>	<b>5.3</b>	<b>5.5</b>	<b>4.3</b>	<b>2.7</b>	<b>0.8</b>
<b>Cumulative</b>	<b>2.7</b>	<b>5.9</b>	<b>10.3</b>	<b>16.4</b>	<b>21.7</b>	<b>27.2</b>	<b>31.5</b>	<b>34.3</b>	<b>35.0</b>
<b>Commitment management fee</b>	<b>1.3</b>	<b>3.3</b>	<b>5.3</b>	<b>7.3</b>	<b>8.0</b>	<b>6.8</b>	<b>4.8</b>	<b>2.8</b>	<b>0.8</b>
<b>Cumulative</b>	<b>1.3</b>	<b>4.5</b>	<b>9.8</b>	<b>17.0</b>	<b>25.0</b>	<b>31.8</b>	<b>36.5</b>	<b>39.3</b>	<b>40.0</b>

# Management of cost base

## Benchmarking

	OBL	LitFin listed peers
Cost coverage	25%	0% to 5%
Origination efficiency (cash cost per new commitment)	17%	14% to 17%
Cash burn runway (liquidity / (opex + interest + deployments))	14 mths	7-11 mths

## Differentiated platform expertise and quality

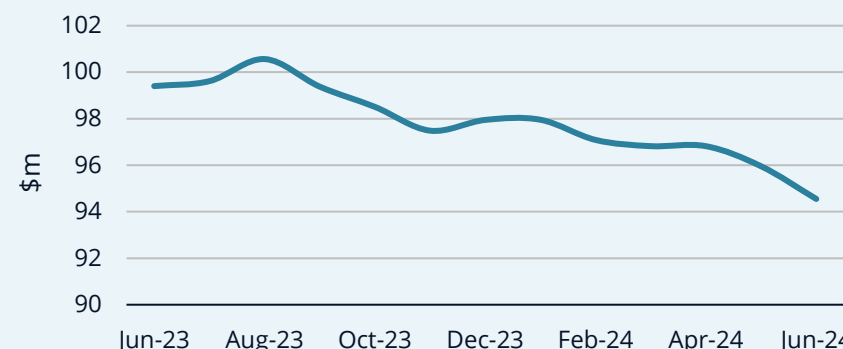
High correlation between ROIC (value generation) and volume. Large volume investments typically correspond with lower ROIC.

- E.g. originating and underwriting large single law firm portfolios typically requires less expertise and platform costs but will have lower pricing/return (ROIC).
- Originating and underwriting a diversified portfolio of smaller single investments requires more expertise and platform costs but will have higher pricing/return (ROIC).

## Platform efficiency

- Headcount currently at 205 (213 at 31-Dec-23, 224 at 30-Jun-23)
- Overhead optimisation
- Manage infrastructure
- Investment Manager efficiency: organisation/underwriting/management

## Cash opex – trailing twelve months

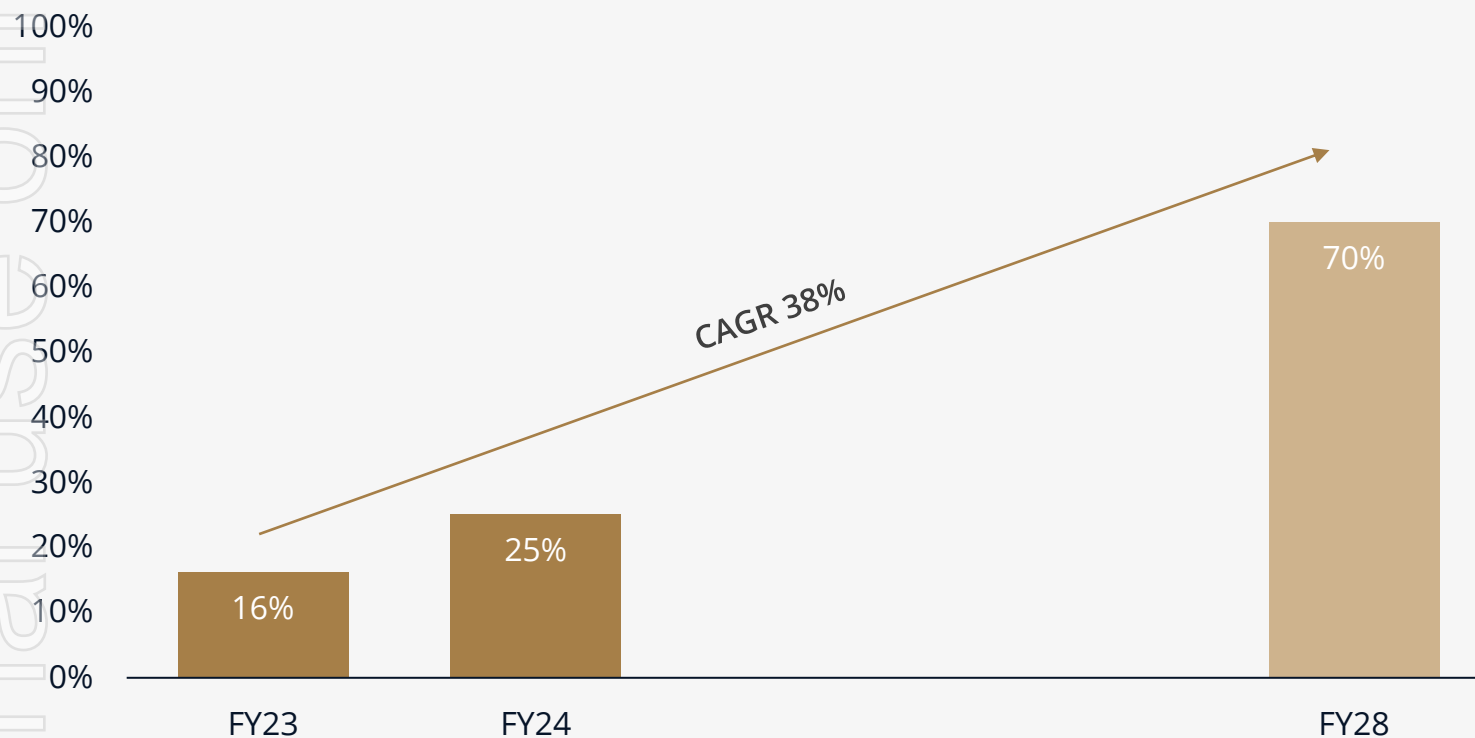


- Expected cash opex curve for FY24
- Run-rate expected to stabilise at c.\$93m, based on current cost management measures and before inflation



# Cost coverage aspirational target

Our aspiration is to achieve > 70% cost coverage over the medium term

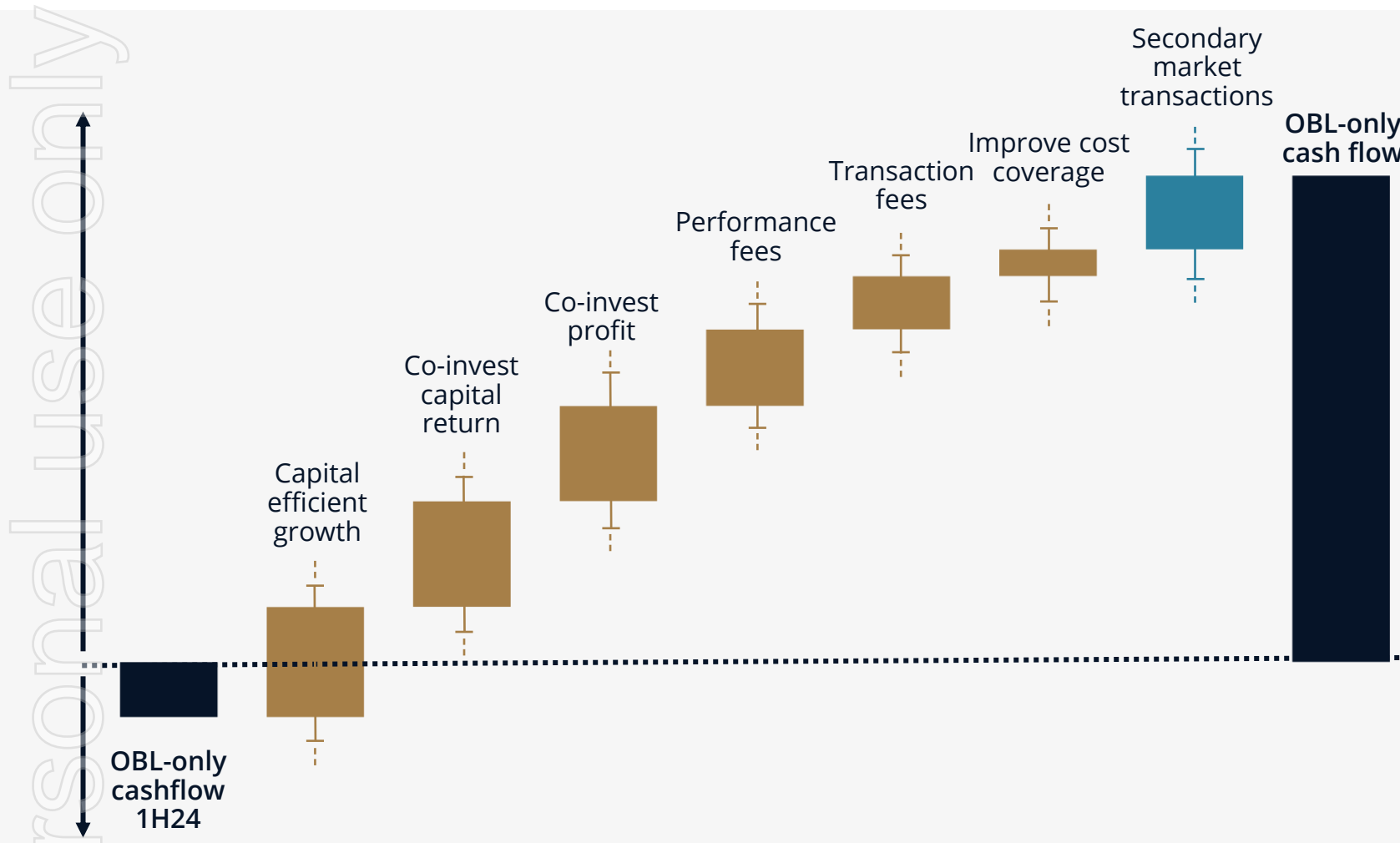


## Levers:

- Growth of FUM
- Improvement of fee terms
- Transaction fees
- Cost management

# Liquidity management

Pathway to positive OBL-only free cash

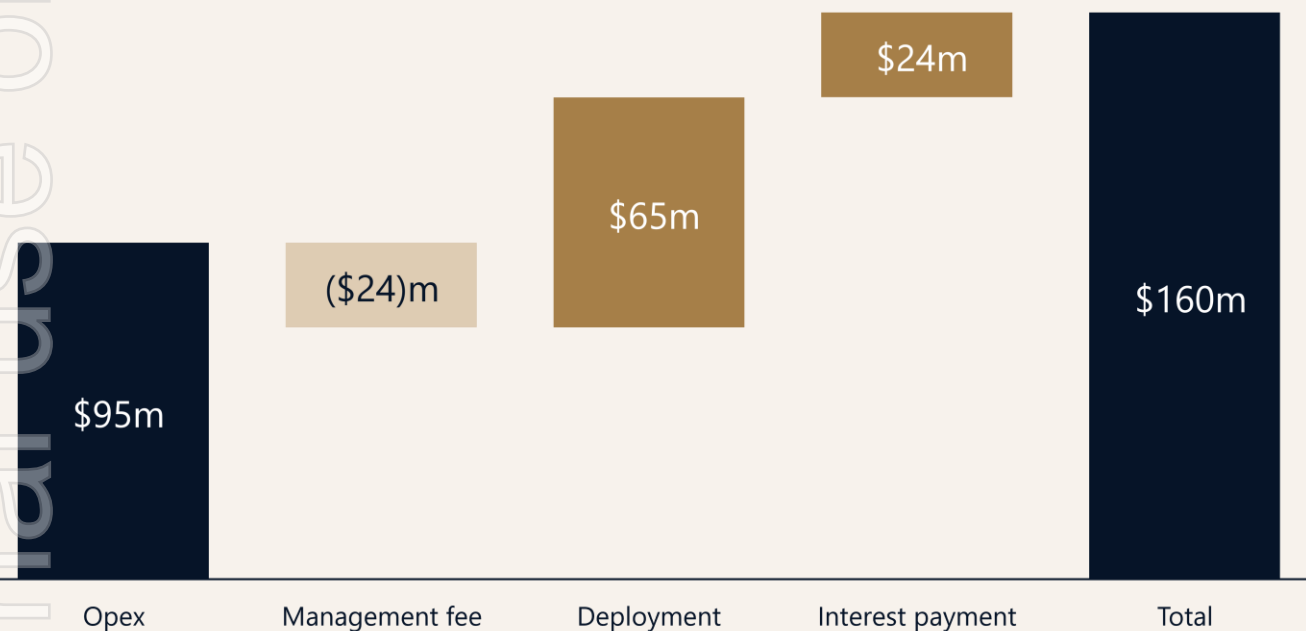


- Initiatives underway are contributing to improvements across all the levers available to OBL to increase free cash flows
- The improvements to the platform support the ability to produce more sustainable cash flows in the medium term

# Liquidity management

## Liquidity runway

### Annual OBL-only cashflows



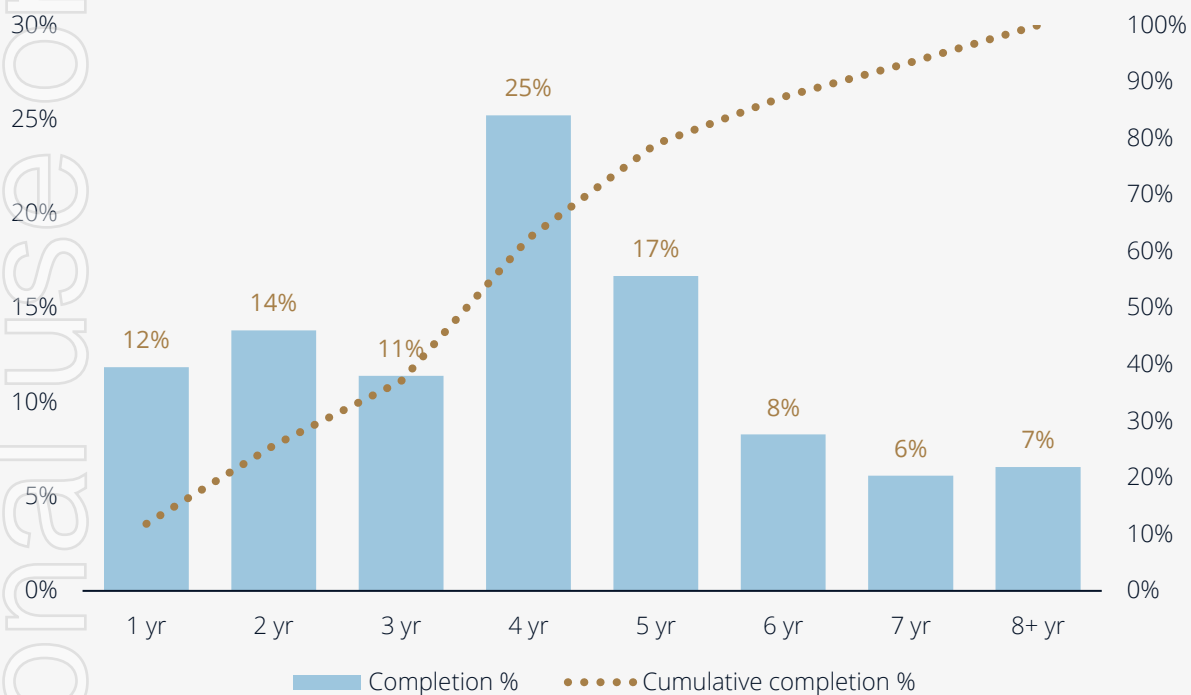
### Sources of liquidity



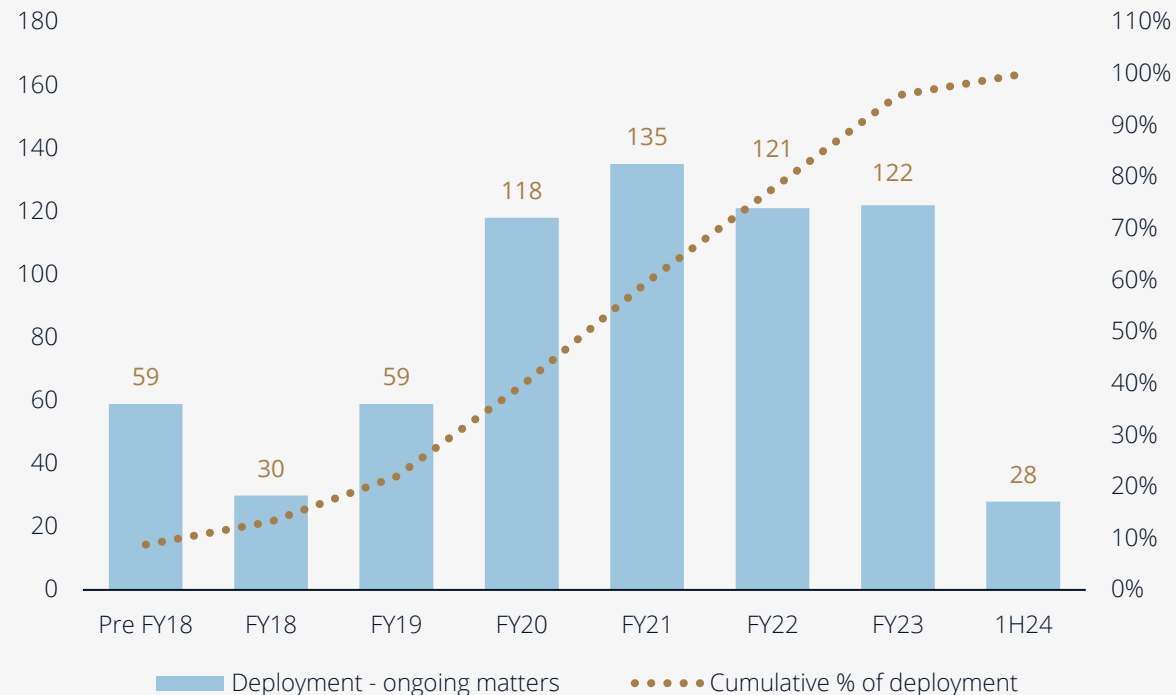
# Mature portfolio – driving increasing investment returns

Historical duration profile versus outstanding commitments duration profile

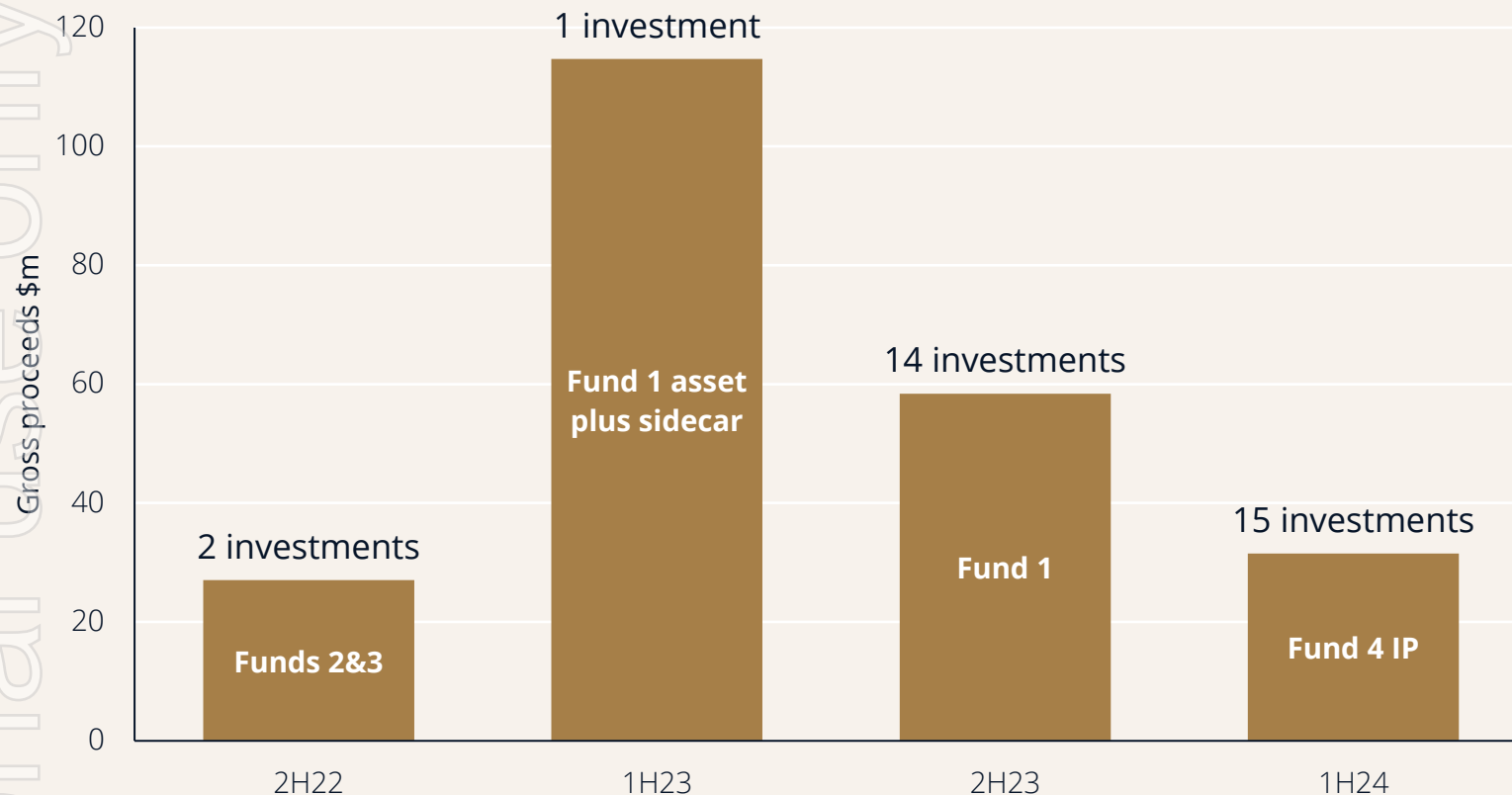
Completed investments by duration<sup>14</sup>



Deployment by investment vintages<sup>15</sup> (\$m)



# Secondary market sales executed in FY22 to FY24

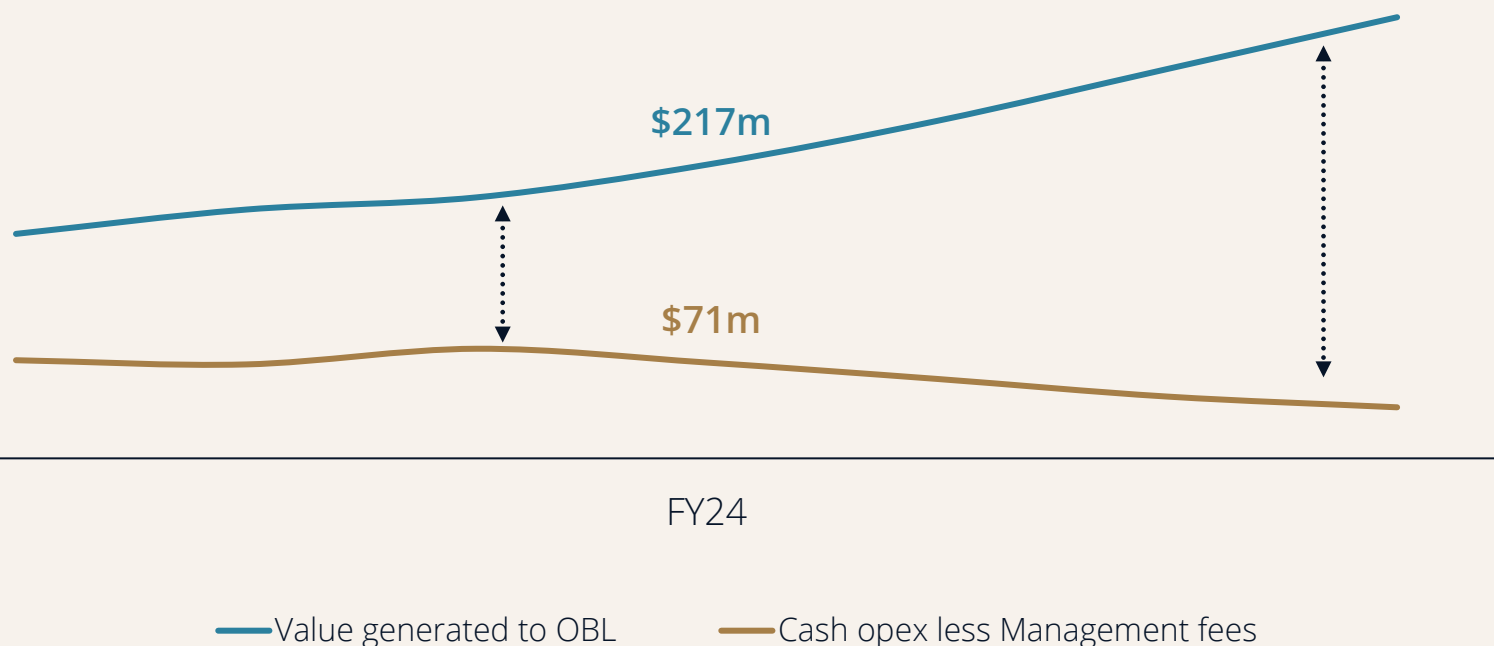


- Used for risk management, portfolio construction and duration/liquidity management
- Developing secondary market for legal assets
- Increasing number of counterparties

ersonal use only

# Platform stabilisation with concurrent portfolio growth

Value profile attributable to OBL vs cash opex net of management fees



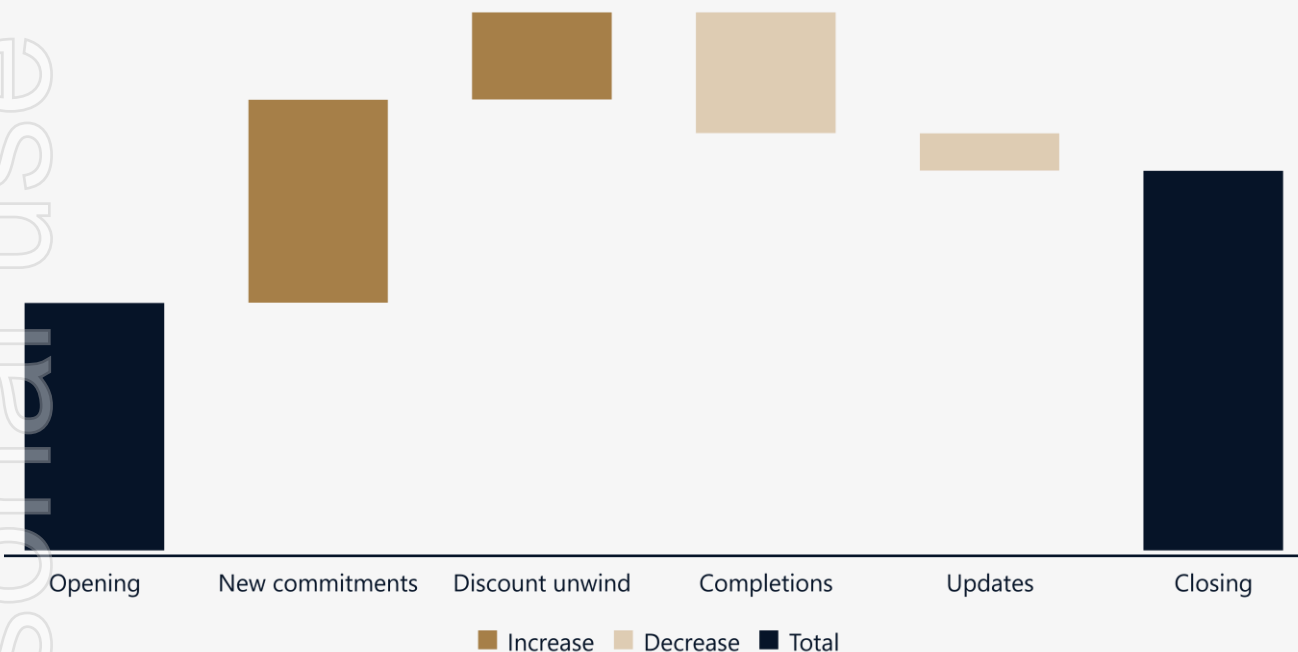
- With the platform build out now complete, the portfolio is strategically positioned to offer growth potential in all regions.
- In line with the 35% attribution described in the business model overview, achieving our \$625m value generation target for FY24 will result in ~\$222m attributable to OBL.
- OBL's operating leverage is expected to improve with the continued growth of the platform & pricing efficiency vs. declining cash expenses net of management fees.
- Improving utilisation of the existing platform with cash expenses.

# How do we anticipate reporting FV

The fair value figure will be reported on a half yearly basis, at a total portfolio level only

A periodic movement waterfall will be presented

FV movement bridge



We are working towards a non-IFRS OBL only fair value based P&L

## Fair value OBL-only P&L

\$ million	1H24
Commitment	259.8
FV to commitment ratio	1.4x
<b>FV generated</b>	<b>362.5</b>
OBL attribution %	35%
<b>FV attributable to OBL</b>	<b>127.4</b>
FV updates	
FV completions	
OBL revenue	
<b>FV change and revenue attributable to OBL</b>	<b>127.4</b>
Less: platform expenses	(49.2)
Add: management fees	10.8
<b>Non-IFRS fair value based profit/(loss) before interest and tax</b>	<b>89.0</b>

# Non-IFRS OBL-only cash P&L

\$m	FY21	FY22	FY23	1H24
<b>Investments</b>				
Litigation investments proceeds	101.6	109.4	73.4	60.1
Proceeds from secondary market transactions	-	-	47.7	6.3
Interest payments	(7.4)	(7.5)	(19.4)	(11.0)
	94.2	101.9	101.7	55.4
<b>Management</b>				
Management and other fee income	16.0	15.8	15.1	7.6
Performance fees	0.4	3.1	3.3	6.2
	16.4	18.9	18.4	13.8
<b>Platform</b>				
Employee expenses	(50.6)	(54.2)	(72.9)	(33.9)
Other expenses	(39.6)	(32.5)	(35.7)	(13.9)
	(90.2)	(86.7)	(108.6)	(47.8)
<b>Normalised cash profit / (loss)</b>	20.4	34.1	11.5	21.4
Non-recurring cash items <sup>16</sup>	(14.5)	(0.1)	12.0	3.8
<b>Cash profit/(loss) excluding deployments</b>	5.9	34.0	23.5	25.2
Deployments	(37.2)	(28.8)	(45.2)	(32.5)
<b>Cash profit/(loss)</b>	<b>(31.3)</b>	<b>5.2</b>	<b>(21.7)</b>	<b>(7.3)</b>



## Key takeaways from today

- We have built a leading fund management platform for legal assets.

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- We have generated a valuable portfolio of existing investments.

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- We will leverage the platform and manage the portfolio to deliver superior investment returns driving accretive shareholder returns.

### This will be delivered via:

- Increased cost coverage through increasing fund fees and focused management of our cost base
- Improved pricing and structuring, focusing on value per dollar committed
- Continued raising of new fund capital with favorable attribution rates and fee structures
- Simplified and consistent disclosures based on a robust fair value framework

# Appendix

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# Senior management overview

Omni Bridgeway has an experienced senior management team with an established track record of success and effective risk management.

Highly credentialed executive management, with decades of relevant legal finance and investment experience

+22  
Years

+22  
Years



**Raymond van Hulst**  
Managing Director & CEO  
Geneva

Raymond van Hulst has been at the forefront of legal finance for over two decades and brings extensive experience structuring solutions for complex and high value litigation globally. He has launched three litigation funds, acted as IC member and regional EMEA MD for many years and managed the merger with IMF Bentham.

+22  
Years

+25  
Years



**Clive Bowman**  
Global Chief Investment  
Officer  
Sydney

Clive Bowman joined the Group in 2001 and is well-known and highly respected in the legal and legal finance community. He has overseen the Group's Australian and Asian teams' investment portfolio and has been global head of the IC for many years.

2  
Years

+17  
Years



**Mark Wells**  
Global Portfolio Manager  
London

Mark Wells joined the Group in 2022 and brings extensive experience in valuing contingent assets from a trading and investment perspective having spent nearly two decades in derivatives trading and having co-founded Calunius Capital – a UK based legal finance investor.

+2  
Years

+2  
Years



**Guillaume Leger**  
Global Chief Financial Officer  
New York

Guillaume Leger joined the Group in 2022. He has over 25 years' commercial experience in Australia, Asia Pacific and the Americas in the financial services sector. Most recently he was Corporate Controller of Circle K and previously the CFO at Citi Hong Kong.

+7  
Years

+7  
Years



**Jeremy Sambrook**  
Global General Counsel  
& Company Secretary  
Perth

Jeremy Sambrook joined the Company in 2016. He is an experienced corporate lawyer having practiced in the United Kingdom, Hong Kong and the Channel Islands in both top quality law firms and as Corporate Counsel and partner at one of the largest European hedge fund managers.

+10  
Years

+10  
Years



**Hannah van Roessel**  
Managing Director EMEA  
Amsterdam

Hannah van Roessel joined the Group in 2013. She has worked across both EMEA and the US, including launching the Group's US judgement enforcement business in 2022. Previously, she practiced at leading law firms NautaDutilh and Loyens & Loeff.

+8  
Years

+8  
Years



**Matthew Harrison**  
Managing Director US  
San Francisco

Matthew Harrison joined the Group in 2015 and heads the San Francisco office. Prior to joining OBL, Matt spent 15 years as a litigation associate and partner at Latham & Watkins, representing clients in securities and M&A litigation matters, as well as complex commercial cases.

+7  
Years

+7  
Years



**Tom Glasgow**  
Managing Director APAC  
Singapore

Tom Glasgow joined the Group in 2017. He is one of Asia's leading legal finance professionals, helping pave the way for the industry in the region by establishing the Group's Asian operations in Singapore.

Years at OBL

Legal finance industry experience

# Senior management overview (cont'd)

Omni Bridgeway has an experienced senior management team with an established track record of success and effective risk management.

Highly credentialed executive management, with decades of legal finance experience

+5  
Years

+5  
Years



## Paul Rand

Managing Director Canada  
Toronto

Paul Rand joined the Group in 2018. He is a highly experienced commercial lawyer and litigator with deep expertise in capital markets and a focus on developing capital and risk management solutions for clients. Before joining, Paul practiced at Blake, Cassels & Graydon LLP, and Norton Rose Fulbright LLP.

+22  
Years

+22  
Years



## Jurriaan Braat

Portfolio Manager Global  
Judgement Enforcement  
Geneva

Jurriaan Braat joined the Group in 2002. Jurriaan is responsible for the Omni Bridgeway legal enforcement team and portfolio, bringing 22 years of experience in assessing and coordinating litigation and enforcement proceedings. Before joining, Jurriaan practiced law with DLA Piper.

+8  
Years

+8  
Years



## Kristen Smith

Portfolio Manager Australia  
Melbourne

Kristen Smith joined the Group in 2015. Kristen is responsible for overseeing the Australian funded investments portfolio and matters under due diligence, and works on the development and execution of business strategy in the region. Prior to joining Omni Bridgeway Kristen practiced at Slater and Gordon Lawyers.

+7  
Years

+7  
Years



## Maarten van Luyn

Portfolio Manager  
Group Claims EMEA  
Amsterdam

Maarten van Luyn is responsible for the EMEA group claims activities and portfolio, after having been a member of the IC for many years. Prior to Omni Bridgeway he has been GC with Aegon, a leading life insurance and asset management firm, and a partner at Baker & McKenzie and BarentsKrans.

+4  
Years

+8  
Years



## Ruth Stackpool-Moore

Portfolio Manager  
International Arbitration  
Singapore

Ruth Stackpool-Moore joined the Group in 2019 and brings over 18 years' experience in international dispute resolution to management of the group's international arbitration portfolio. Prior to joining, Ruth practiced at a number of leading international firms and founded the Asian operations for a UK-based litigation funder.

+5  
Years

+5  
Years



## Sarah Tsou

Portfolio Manager,  
Global Intellectual Property  
New York

Sarah Tsou joined the Group in 2019. Sarah is the head of Omni Bridgeway's award-winning IP business, overseeing its IP portfolio and global team of dedicated IP professionals. Prior to joining, Sarah was a partner in the IP litigation group at Kirkland & Ellis, where she practiced for over 12 years.

1  
Year

+9  
Years



## Gian Kull

Portfolio Manager UK  
London

Gian Kull joined the Group in 2023. He was previously Chief Investment Officer of Litigation Funder Augusta, based in London. Prior to that Gian held a number of roles across legal finance, private equity and special situations advisory.

● Years at OBL

● Legal finance industry experience

# Footnotes

1. Relates to all funds and assets under management, whether in investment, or harvest mode.
2. Reflects completions in Funds 1 to 5 and OBL balance sheet since inception, excluding partial secondary market sales, including partial completions. Reflects Fund 6 completions since OBE acquisition in 2019, including investments acquired and funded subsequently. Fund 1 includes metrics up to 31 May 2023, the date of its deconsolidation.
3. Excludes partial completions on pending investments and allocates deployments and partial completions on completed investments, to the year of final completion.
4. For sources, refer to page 117 of the 2023 Annual Report.
5. Figures are approximate and may be rounded. All data at 30 June 2023.
6. Annual MOIC calculated as the sum of total income divided by sum of total deployment for the completions during a given year.
7. Bain Global Private Equity Report 2021.
8. Annual MOIC calculated as calendar year end MSCI World Index / five-year prior calendar year end MSCI World Index (i.e. assumes a five-year holding period).
9. Average duration of completed matters.
10. Includes appeal, commercial and corporate funding.
11. Includes unconditionally funded investments only and excludes Fund 1 residual fair value.
12. Loss rates exclude investments in Fund 6, cross collateralised and matters with a final judgment or partial income greater than costs.
13. Certain investors may benefit from a "True Up" whereby shortfall on returns on the transaction fees may be recouped against OBL performance fee and profit return on co-invest.
14. Weighted by deployment.
15. Data excludes deployments on cases that are completed other than determination of adverse costs.
16. Including Fund 8 insurance reimbursement, forex, variable deferred consideration and tax in 1H24.

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A number of terms used in this presentation including, but not limited to: investment income, MOIC, EPV, fair value, operational cash expenditure, success rate on dollar weighted average, IRR and actual and budgeted commitments are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, issued in December 2011. This information has not been audited or reviewed by BDO unless expressly stated.

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All figures are in Australian Dollars (AUD, A\$) unless otherwise stated.

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For further information, see the Investors section of our website or <https://omnibrigeway.com/investors/us-ownership-restriction>

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Financial information at 31 December 2023 unless otherwise stated.

This presentation is authorised for release to the market by the Board.

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