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OMNI BRIDGEWAY

Citi's 12th Annual Australia & New Zealand Investment Conference

October 2020

Bentham, Bentham IMF, ROLAND ProzessFinanz have all now adopted the unified global name Omni Bridgeway.



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A number of terms used in this presentation including: ROIC, EPV, net cash generation, operational cash expenditure, success rate on dollar weighted average, IRR and actual 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 EY unless expressly stated. For further commentary and analysis refer to Omni Bridgeway's 2020 annual report.

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Global Industry momentum

Regulatory liberalization – increasing effective addressable market



US Assets under management

> US\$9.5 billion (US alone)¹

Increased industry uptake

"77% of insolvency practitioners and financial institutions now consider third party finance a valuable solution after learning how it works"¹

"87% say Litigation finance enables better access to justice"²

"The rise of Third party funding is nothing short of revolutionary"³

"Nearly 100% (99.36%) of respondents with first hand experience with litigation finance agreed that they would use litigation finance again"⁴

"Nine out of ten (93.0%) finance professionals expect their companies to use legal finance in the next two years"⁵

¹ | Simmons & Simmons webinar Sept 2020 | ² | Bloomberg Law's Litigation Finance 2020 Survey | ³ | Law.com | ⁴ | Lake Whillans & Above the Law | ⁵ | Burford Managing Legal Risk Report 2019

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Worldwide team and capabilities



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18 Offices	10 Countries	~160 Specialists	25+ Languages	1029 Total investments ^{2, 3}	725 Completed investments ^{2, 3}	304 Active investments ³	A\$2.2b Funds under management
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¹ Data at 30 June 2020. ² Success rate by number of completed investments. ³ Investment information covers legacy IMF Bentham and ROLAND ProzessFinanz since 2001 and legacy Omni Bridgeway since 1995. ³ Portfolio investments counted as single investments.

From case conception to post-judgment enforcement and recovery

Vision

To be recognised as the global leader in financing and managing legal risk

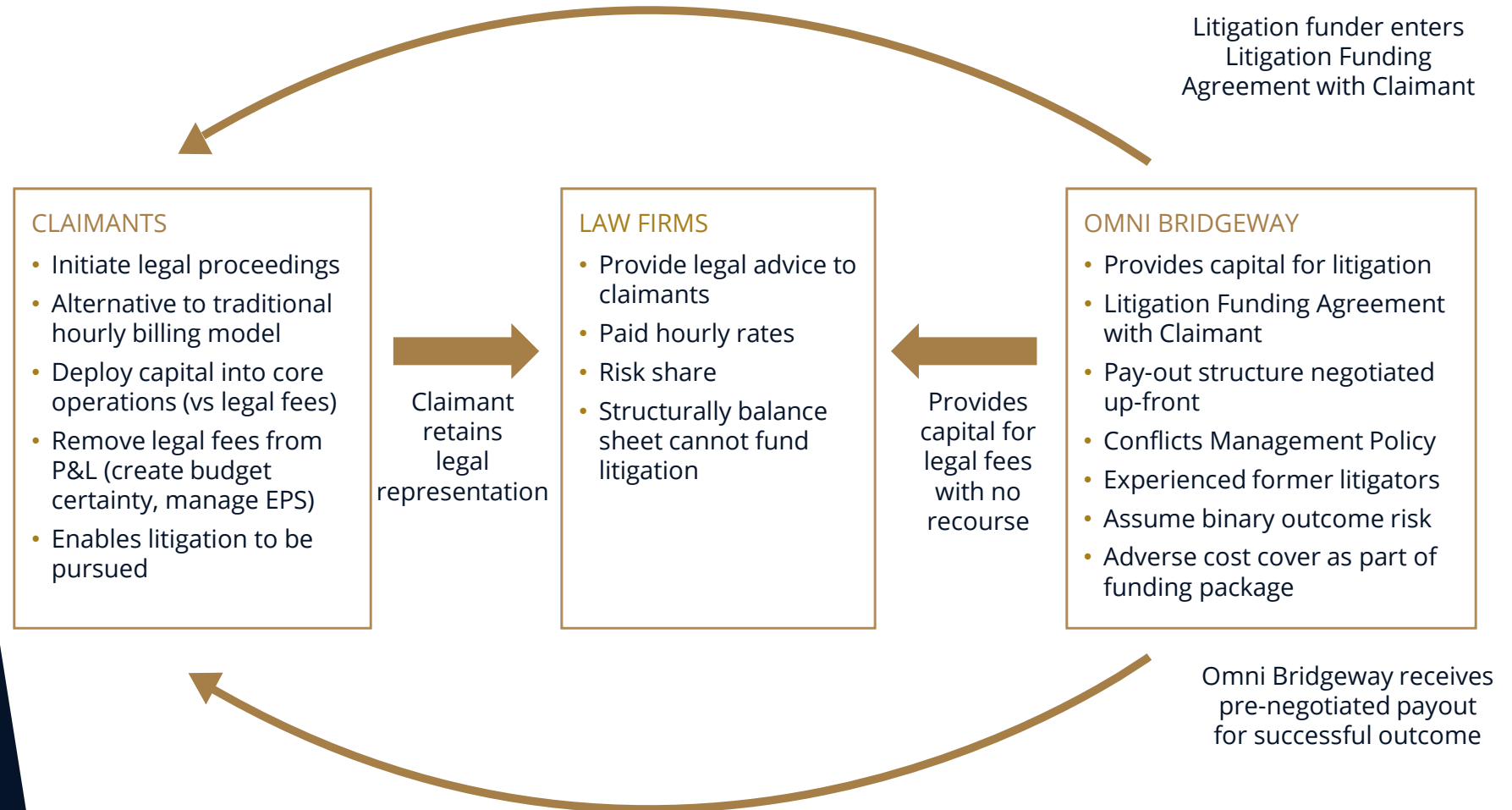
Providing human and financial capital for legal risks along the litigation spectrum including:

- Pre-judgment merits based disputes including litigation and arbitration
- Post-judgment enforcement of awards or judgments
- Active investment strategies for monetisation of claims, judgments, awards and appeals

Dispute resolution finance model

What is litigation funding?

- Specialty finance – growing rapidly as corporates and their advisers embrace benefits
- Non-recourse capital for commercial and class action claims
- Capital pays legal expenses incurred in litigation
- Binary outcome: Omni Bridgeway receives share of economic recovery should case be successful; nothing if unsuccessful
- Omni Bridgeway does not provide legal advice
- Omni Bridgeway offers adverse cost cover in funding package



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Merits litigation funding

1. Outline of Claim

Confidentiality agreement, Claim outlined by client or their legal representative

4. Case Progresses

Generally case length 1-5 years. Omni also provides strategic management services. Omni monitors case progress and project budget. Omni receives periodic updates from lawyers. In certain jurisdictions (such as Australia) Omni will also provide strategic advice concerning the litigation.

2. Application Review

Omni assesses:

- Type and strength of case
- Potential damages or settlement prospects
- Legal fee arrangement
- Likely duration
- Amount of capital required
- Defendant's ability to satisfy a judgment

5. Settlement or Trial

Majority of cases settle before trial, often at mediation, at which mediator assists parties to reach settlement. Omni involved in mediation with mutual interest in seeing clients maximise the value of their claims.

We welcome an early dialogue with defendants and their insurers, to explore possible resolution before significant legal costs are incurred.

3. Offer of Funding

Omni Investment Committee evaluates due diligence report by an Omni Investment Manager. If investment approved, Litigation Funding Agreement executed by parties.

The claimant's lawyers are subject to an agreed costs budget and risk share which are controlled by Omni.

6. Distribution of Proceeds

If claim successful, defendant pays agreed sum of money into the plaintiff lawyer's trust account. Lawyer deducts fees owing to Omni pursuant to the Litigation Funding Agreement, and pays balance of funds to client. If claim fails, Omni pays Defendant's costs on the terms of the Funding Agreement.

Average case duration 2.7 years

Enforcement Funding - Investment procedures

Pre-investment due diligence

The investment and engagement committee monitors the progress of prospective cases:

Team allocation

Preliminary recoverability

Preliminary merits

Transaction structuring

Budgeting process

Client reporting

Workout and legal strategy

Counterparty analysis
Guarantors
Collateral
Financials / solvency
Other disputes
International activities
Compliance issues

Asset and collateral tracing and recoverability
Cross-border cash flows
Foreign assets
Third party obligations

Legal merits analysis
Pending proceedings
Applicable law
Jurisdiction
Statute of limitations
Additional fact finding

Pre-investment due diligence, workout strategy

Asset Recovery – Investment procedures

Distressed assets workout

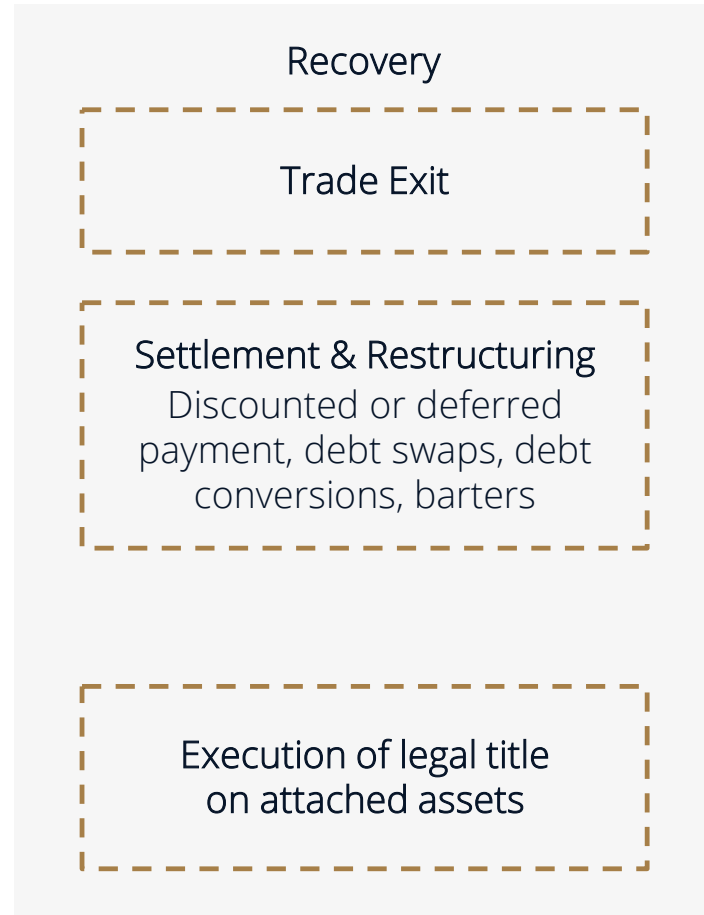
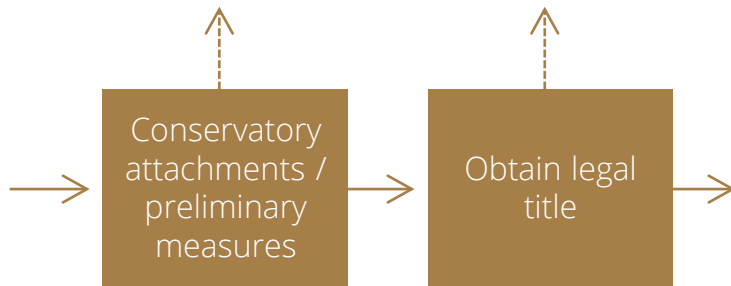
Sale
Assessment of secondary market

Workout
Amicable settlement

Collection by legal means,
collateral assessment,
asset trace, legal constraints



Initial legal proceedings often lead to cooperative workout negotiations with the debtor



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Highlights for FY20

FINANCIALS:

- Material number of conditional and unconditional completions generating \$314m of revenue and income
- \$98m of NCI extinguished
- \$628m of investments (made largest individual investment)
- \$313m in new commitments on a conditional and unconditional basis
- Fully franked final dividend of 4.0 cents per share, total dividend of 7.0 cents per share for the financial year

MERGER WITH OMNI BRIDGEWAY:

- Completed strategic expansion in Europe
- Successfully raised equity to facilitate the purchase
- Changed name and branding
- Systems and process integration is on track with financial systems integration occurring in May 2020

REFINANCED DEBT:

- Extended maturity profile
- Aligned covenants across debt facilities
- Reduced borrowing rate

SUCCESSFUL WIVENHOE JUDGMENT:

- Significant step towards successful completion

OTHER:

- Inclusion in the S&P / ASX200
- Regulation – AFSL / PJC
- Common Fund Orders
- Contingency Fees

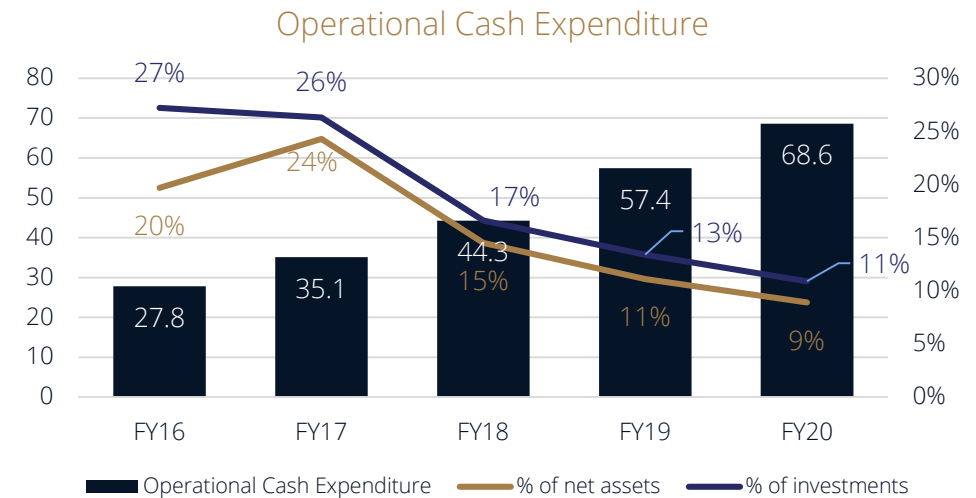
Financial Results Overview

	FY 2020 \$m	FY 2019 \$m	% move from prior year
Litigation contract income	257.5	35.0	▲636%
Revenue from cases	21.7	-	
Purchased claims income	9.7	-	
Management & performance fees	1.4	0.1	
Other income (incl foreign exchange & interest)	24.0	9.9	▲142%
Total revenue and income	314.3	45.0	▲598%
Litigation expenses	(151.0)	(39.2)	▲285%
Expenses on cases	(14.5)	-	
Purchased claims expenses	(5.8)	-	
Net gain	143.0	5.8	▲2,366%
Impairment	(17.2)	(9.6)	▲79%
Other net operating expenses	(78.5)	(43.8)	▲79%
Share of profit and loss from associates	(0.2)	-	
Profit / (loss) before tax and fair value adjustments on financial liabilities	47.1	(47.6)	▲199%
Fair value adjustments on financial liabilities	(13.6)	-	
Profit / (loss) before tax	33.5	(47.6)	▲170%
Income tax benefit / (expense)	(15.9)	11.5	
Profit / (loss) after tax	17.6	(36.1)	▲149%
Attributable to Omni Bridgeway	(11.5)	(36.1)	
Attributable to NCI	29.1	(0.0)	
Cash and net receivables	312.2	217.6	▲44%
Litigation contracts in progress (intangible assets)	517.2	427.0	▲21%
Other litigation investment assets	110.7	-	
Net assets	767.2	515.5	▲49%
Net asset backing (\$ per share)	3.1	2.5	▲22%
Estimated Portfolio Value – Funded (\$b)	13.5	8.0	▲69%
Estimated Portfolio Value – Conditionally Funded & IC Approved (\$b)	2.3	1.5	▲52%
Number of investments	304	83	
Dividend declared	4.0	-	

Operating Expenditure

	FY 2020	FY 2019
	\$m	\$m
As per Profit and Loss Statement		
Finance costs	(1.4)	(0.1)
Depreciation expense	(2.9)	(0.7)
Employee benefits expense	(50.3)	(28.5)
Corporate and office expense	(20.0)	(12.8)
Other expenses	(21.1)	(11.3)
	(95.7)	(53.4)
Include: Capitalised items		
Employee costs	(10.4)	(7.3)
Borrowing costs	(10.4)	(10.1)
Overheads	(0.5)	(1.2)
	(21.3)	(18.6)
Deduct: Non-cash items & one-offs		
STIP	9.1	7.0
STIP – accrued and unpaid	9.6	-
NCI contribution to Fund 6 costs	4.5	-
Transaction costs - purchase of Omni Bridgeway Holding BV Group	4.8	-
Professional advisors	0.3	1.6
Depreciation expense	2.9	0.7
Net foreign exchange (gain) / loss	-	(4.3)
Impairment	17.2	9.6
	48.4	14.6
Operational cash expenditure	(68.6)	(57.4)
% of net assets	8.9%	11.1%
% of investments	10.9%	13.4%
% of EPV	0.4%	0.6%
Headcount	163	101
Number of offices	18	14

- Actual cash costs have increased 20% from the prior year, however they have decreased as a percentage of net assets, investments and EPV, reflecting an improvement in operational efficiency.
- In the current period, there are a number of expenses associated with the Omni Bridgeway merger that will not be repeated in subsequent periods.
- Headcount has increased by 61% in FY20 whilst employee costs (excluding STIP which was not paid in FY19) increased by 43%. Omni Bridgeway's EMEA team joined in November 2019 and as such only represent a part-year expense.
- Impairment charges increased from FY19 by 79% largely represented by two investments in US Fund 1 and one on the balance sheet. During the same period our portfolio of investments (intangibles and other investments) increased by 47%.

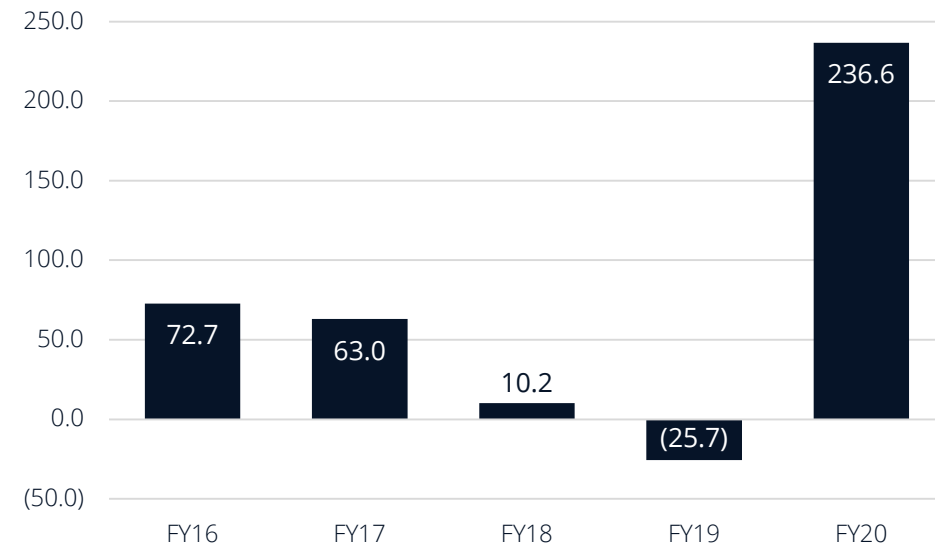


Sources and Applications of Cash

	FY 2020 \$m	FY 2019 \$m
Cash generation		
Proceeds from litigation funding	171.0	43.2
Proceeds from claims portfolio investments	15.0	-
Proceeds from disposal of a financial asset	9.7	-
NCI contribution to Fund 6 costs	4.5	-
Net interest	(4.6)	(4.6)
Other income	0.8	-
Movement in receivables	117.8	(8.8)
	<u>314.2</u>	<u>29.8</u>
Cash burn		
Operational cash expenditure	(68.6)	(57.4)
Transaction costs - purchase of Omni Bridgeway Holding BV group (one-off)	(4.8)	-
Professional advisors (one-off)	(0.3)	(1.6)
Income tax received / (paid)	(3.9)	3.5
	<u>(77.6)</u>	<u>(55.5)</u>
Net cash generation	236.6	(25.7)
Cash and net receivables		
Balance Sheet	133.2	132.8
Funds	61.2	93.6
Movement in receivables	117.8	(8.8)
	<u>312.2</u>	<u>217.6</u>

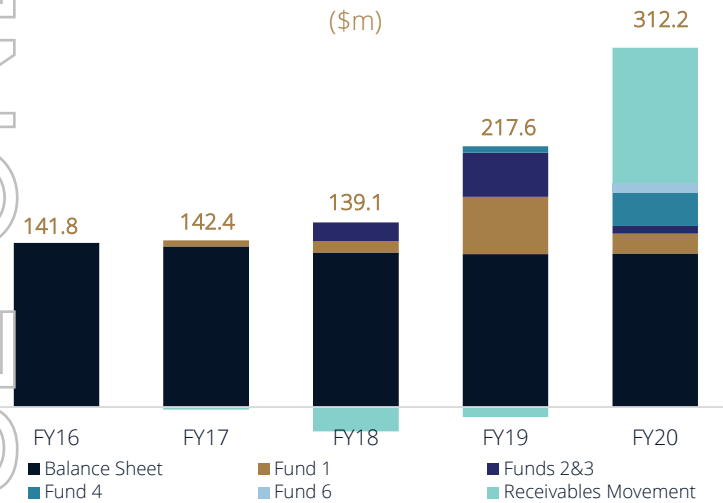
- IFRS reporting does not necessarily represent the cash generating capacity of the business given revenue recognition principles and capitalisation of certain expenses into intangibles.
- Net cash generation identifies cash inflows from completions and deducts cash expenses during the period.
- FY20 produced a record amount of cash for the group on a consolidated basis, which flowed into cash on the balance sheet and in the funds.

Net Cash Generation

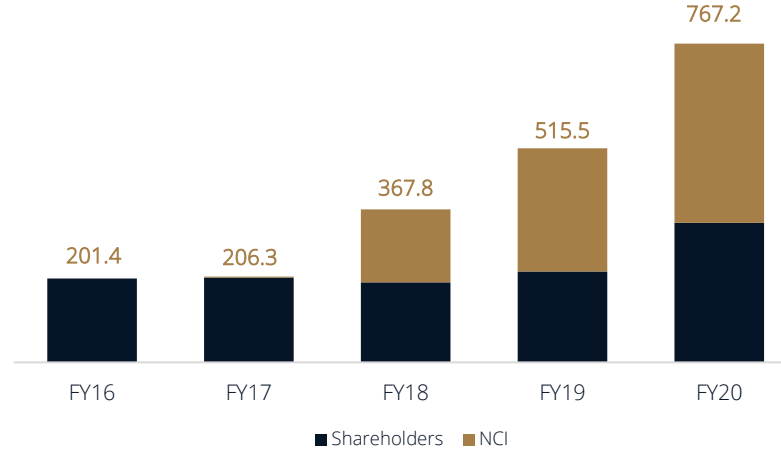


Balance Sheet Strength and Investment Portfolio

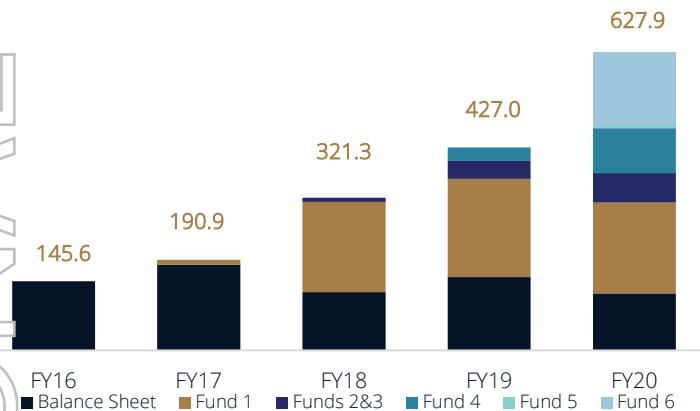
Cash & Net Receivables (\$m)



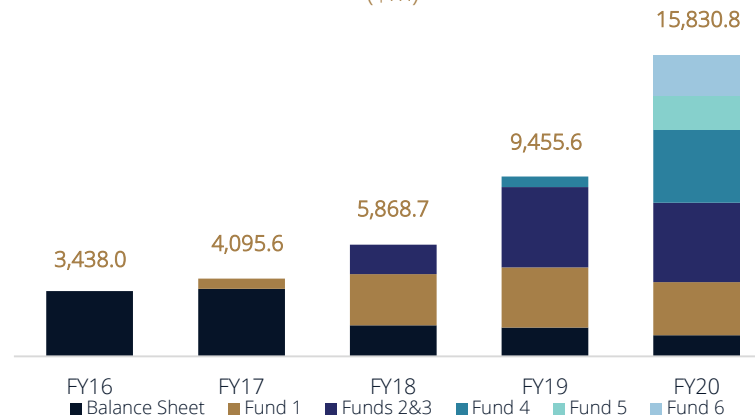
Net Assets (\$m)



Investments (\$m)



Portfolio (EPV) (\$m)



- Material growth in all key metrics including income, liquid assets, net assets, investments and portfolio.
- 47% increase in investments and 69% increase in EPV (excluding conditional investments) reflecting an increase in average investment size, improving operational efficacy.
- 44% CAGR in investments and 46% CAGR in EPV from FY16, providing platform for future income generation.

Returns from investments housed in Funds follow each respective Fund's waterfall of distributions, including allocation of profits to the Omni Bridgeway Group once capital and priority returns are paid.
 1. Investments in Fund 6 (OB) includes \$99.6m of fair value adjustments on acquisition.

EPV Portfolio

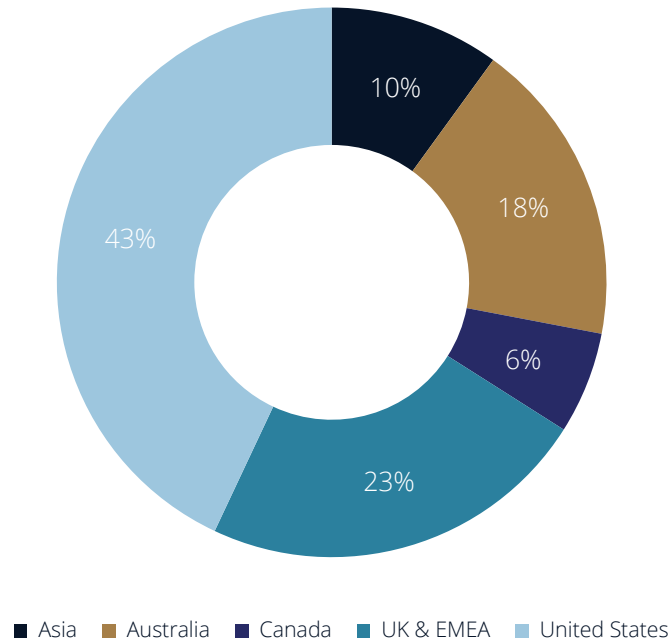
Quarterly portfolio update 30 June 2020

Movement for quarter	Balance Sheet #	Funds						Total #	EPV AUD billion
		1 #	2&3 #	4 #	5 #	6 #	7 #		
Funded investments (opening)	13	31	32	5	6	-	-	87	10.5
Inclusion of OBE Group	5	-	-	-	-	180	-	185	
New investments	-	-	2	4	5	-	-	11	
Completed investments	(2)	(1)	(3)	-	-	-	-	(6)	
Withdrawn / Terminated	-	-	-	-	-	-	-	-	
Funded investments (closing)	16	30	31	9	11	180	-	277	13.5
Conditionally funded investments	-	-	5	-	-	-	-	5	
IC approved investments	-	-	-	-	11	9	2	22	
Total including all investments	16	30	36	9	22	189	2	304	15.8

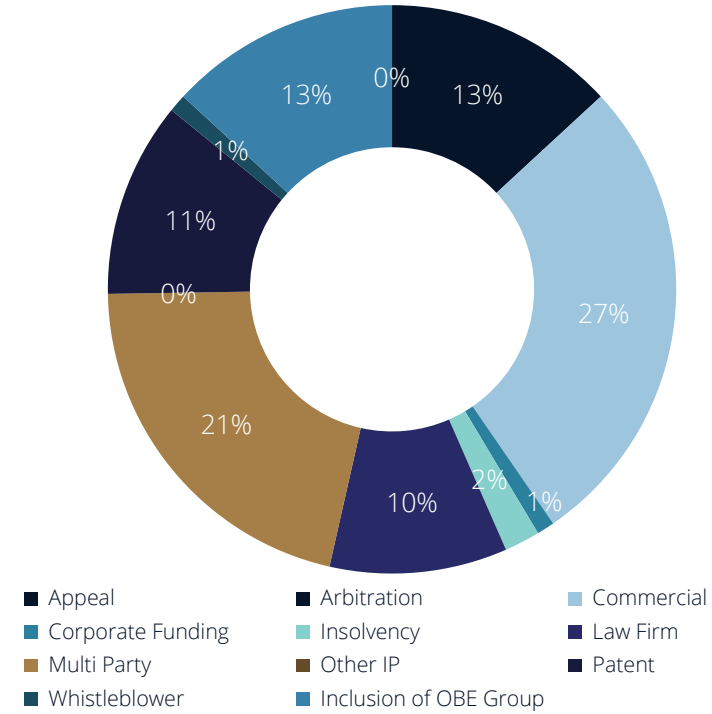
Possible Completion EPV AUD million	FY2021	FY2022	FY2023	FY2024 +	Total
Balance Sheet	869.8	234.2	5.7	1.0	1,110.7
Fund 1	1,441.3	798.6	258.3	300.6	2,798.8
Funds 2 & 3	935.3	1,180.0	791.1	33.5	2,939.9
Fund 4	101.2	1,549.5	1,336.0	861.2	3,847.9
Fund 5	290.1	110.9	288.7	16.6	706.3
Fund 6	264.7	537.5	537.2	772.8	2,112.2
Fund 7	-	-	-	-	-
Total EPV Funded investments	3,902.4	4,410.7	3,217.0	1,985.7	13,515.8

EPV Diversity

EPV by Geography



EPV by Investment Type



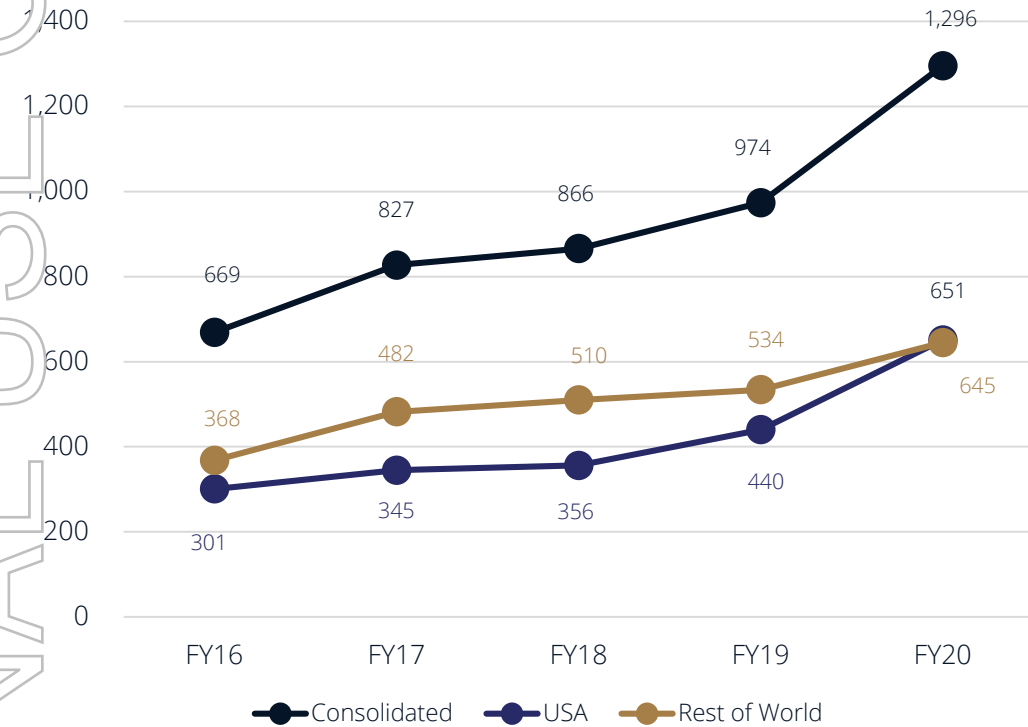
- Diversification of investments by type and geography was a key objective of our initial business plan.
- In FY15 we had a high concentration in Australian class action investments and by FY20 we have a balanced portfolio of investments by geography and type.
- Diversification provides mitigation to risk of competition and regulatory intervention.

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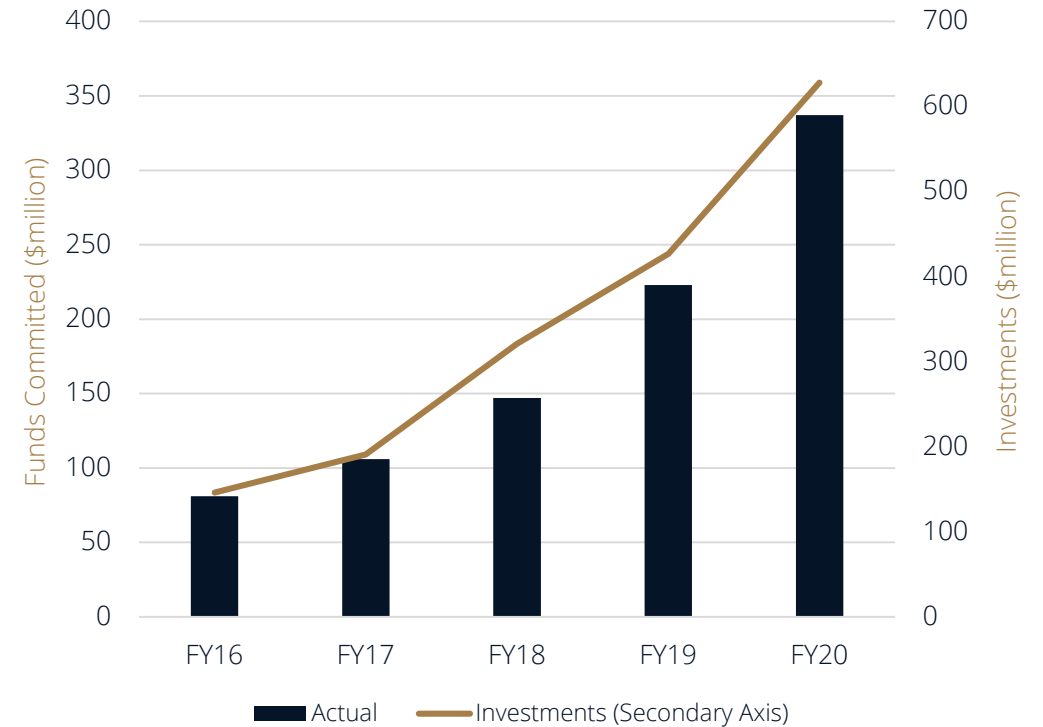
Funding Funnel

Funding applications continue to grow year on year as our geographic expansion takes hold. Investments from year-to-year largely track funding commitments.

Funding Applications



Funding Commitments



1. Committed funding amounts from FY17 include conditionally funded investments and investments approved for funding by the Investment Committee but not yet funded. From FY18, upward budget revisions have been included.

Fund Structures

Description	Fund 1	Funds 2 & 3	Fund 4	Fund 5	Funds 6 and 7 (incl DARP JV)
Fund size	US\$167M	A\$180M	US\$500M	US\$500M	€195M
IMF / Omni contribution	25%	20%	20%	20%	5%
Market	USA	ROW	USA	ROW	EMEA
Type	European whole of fund	European whole of fund	American deal by deal	American deal by deal	Hybrid whole of fund
Waterfall	<ol style="list-style-type: none"> Investor capital Investor preferred return Investor undrawn fee IMF management fee IMF capital Profit distribution (IMF 85%, Investor 15%) 	<ol style="list-style-type: none"> Investor capital Investor preferred return Investor undrawn fee IMF management fee IMF capital Profit distribution (IMF 80%, Investor 20%) 	<ol style="list-style-type: none"> Investor capital (including IMF) Hurdle 8% Catch-up To 20% IRR – 80% to investors (inc IMF), 20% performance fee Profit distribution (IMF 30% performance fee, Investors (inc IMF) 70%) 	<ol style="list-style-type: none"> Investor capital (including IMF) Hurdle 8% Catch-up To 20% IRR – 80% to investors (inc IMF), 20% performance fee Profit distribution (IMF 30% performance fee, Investors (inc IMF) 70%) 	Merit Investments <ol style="list-style-type: none"> Capital Hurdle 10% Performance fee – IRR <20%, 20%; IRR >20%, 30% Balance to investors (inc OB) pro rata Enforcement Investments <ol style="list-style-type: none"> Investor capital Hurdle IRR 20% Profit distribution (OB 100%) Other historic investments <ol style="list-style-type: none"> Deal specific ad hoc returns
Management fee	Part of waterfall return	Part of waterfall return	Paid quarterly	Paid quarterly	As called
Investment period	3 years (closed)	3 years	4 years	4 years	5 years
Commencement Date	February 2017	October 2017	December 2018	June 2019	2016
Status	Deployment / Harvest	Investment / Deployment / Harvest	Investment / Deployment	Investment / Deployment	Investment / Deployment
Other		<ul style="list-style-type: none"> ATE policy to respond to claims for adverse costs 	<ul style="list-style-type: none"> Optional second series Capital recycling permitted during investment period 	<ul style="list-style-type: none"> Optional second series Capital recycling during investment period ATE policy to respond to claims for adverse costs 	<ul style="list-style-type: none"> DARP refers to USD 100m JV with IFC / World Bank

Fund Summary

	Commence date	Fund size	Committed	Investors		Omni Bridgeway		EPV A\$m
				Capital A\$m	Returns ¹ A\$m	Capital A\$m	Fees A\$m	
Fund 1	10 Feb 2017	USD 167m	100%	127.9	40.9	60.8	6.3	2,798.8
Funds 2 & 3	3 Oct 2017	AUD 180m	99%	50.1	20.0	16.2	1.4	2,939.9
Fund 4	1 Apr 2019	USD 500m	22%	103.2	24.2	25.8	-	3,847.9
Fund 5	27 Sep 2019	USD 500m	20%	45.7	-	11.4	-	706.3
Fund 6	13 Jun 2016	EUR 150m	42%	98.9	48.0	4.9	-	2,112.2
Fund 7	28 Sep 2018	USD 100m	4%	1.5	-	2.6	-	N/A
Total				427.3	133.1	122.7	7.7	12,405.1

- Funds 1, 2 and 3 are now fully committed and in harvest mode. Given the fund structure, the investors have priority entitlement to distribution of capital and preferred returns, recourse only to the investments within the respective funds. There are a substantial number of investments and associated EPV within each of those funds from which those priority entitlements can be met.
- Funds 4 and 5 are partially committed, and have the option to recycle capital from completed investments. The investment periods complete four years from commencement, with a run-off harvest period that follows.
- Funds 6 and 7 are similar to Funds 4 and 5, and structured on an American waterfall basis except that with respect to Fund 7, funds are first allocated towards the IFC debt before allocations are made via the waterfall. Fund 6 is near full commitment once the provision of US\$50m for Fund 7 is provided for.

1. Returns for Funds 1 – 3 include accumulated preferred returns and special distributions. For Funds 4 – 7, these include recycled proceeds.

First Generation Funds

We have been asked how we analyse the ability of the first generation funds to return value to OBL shareholders based on their current portfolios and returns to date. *Whilst Omni Bridgeway does not provide earnings guidance or forecasts and notes that past performance is not necessarily an indicator of future performance* we explain how we analyse these funds.

Omni Bridgeway assessment process:

- Preferred capital and returns (non-recourse)
- Fund ROIC and deployed capital
- Fund portfolio EPV and the Long Term Conversion Rate (LTCR)
- Possible completion periods

Preferred Capital and Returns

Fund 1

	Total \$m	Accumulated \$m
as at 30 June 2020		
Preferred Capital	80.8	80.8
Accumulated Preferred Return	38.3	119.1
Accumulated Special Distribution	2.6	121.7
Receivables from litigation contracts yet to be distributed		(5.9)
Net		115.8

Funds 2&3

	Total \$m	Accumulated \$m
as at 30 June 2020		
Preferred Capital	50.1	50.1
Accumulated Preferred Return	16.4	66.5
Accumulated Special Distribution	3.6	70.1
Receivables from litigation contracts yet to be distributed		(33.9)
Net		36.2

First Generation Fund EPV and LTCR

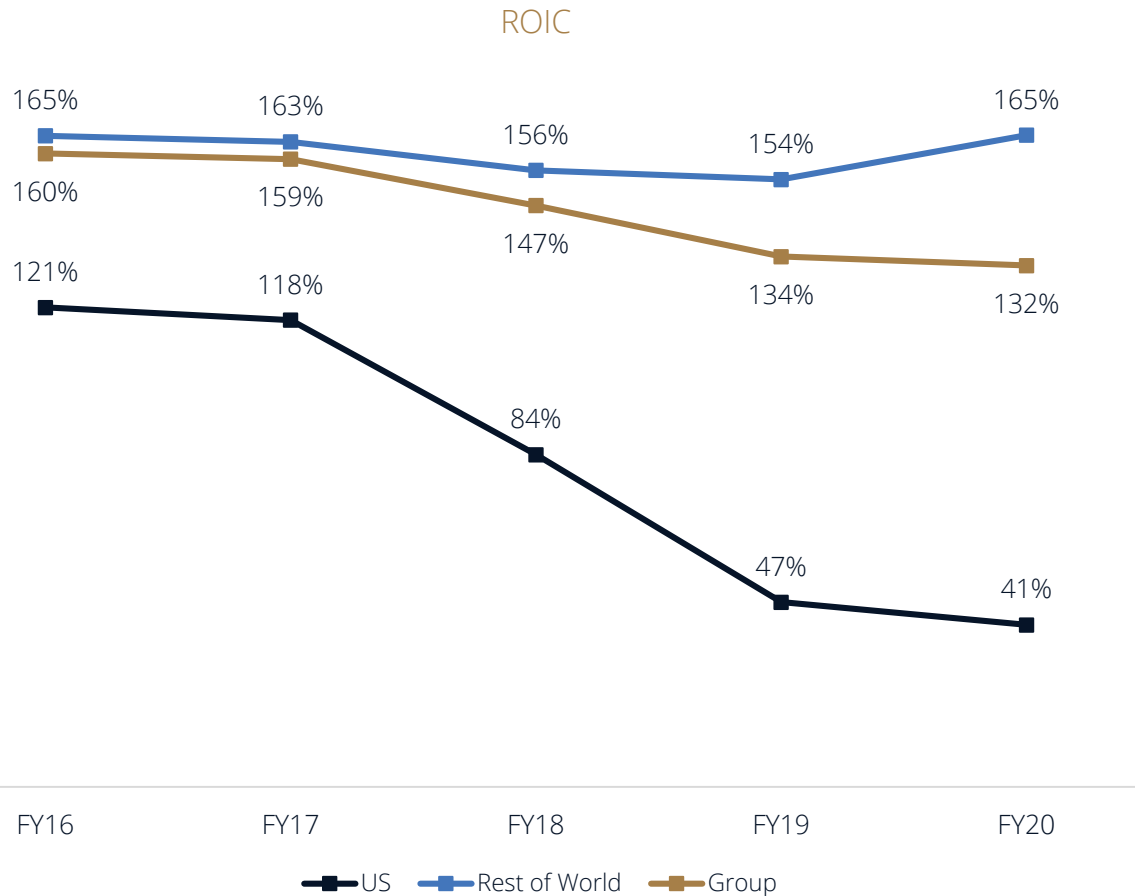
	# investments	EPV \$m	Possible Completion EPV			
			FY2021 \$m	FY2022 \$m	FY2023 \$m	FY2024+ \$m
Fund 1	30	2,798.8	1,441.3	798.6	258.3	300.6
Funds 2 & 3	31	2,939.9	935.3	1,180.0	791.1	33.5
Total	61	5,738.7	2,376.6	1,978.6	1,049.4	334.1

Global LTCR at 30 June 2020 was 15% of EPV.

- Fund 1 EPV (\$2.8b @ 30 June 2020) and OBL's LTCR (which includes losses) (15% of EPV @ 30 June 2020)
- Funds 2&3 EPV (\$2.9b @ 30 June 2020) and OBL's LTCR (which includes losses) (15% of EPV @ 30 June 2020)
- Fund 1's average ROIC to date (20% @ 30 June 2020) and the capital deployed to outstanding Fund 1 investments (\$191.4m @ 30 June 2020)
- Funds 2&3's average ROIC to date (314% @ 30 June 2020) and the capital deployed to outstanding Funds 2&3 investments (\$57.6m @ 30 June 2020)

Looking at the possible completion dates across the portfolios, by way of example, if the Fund 1 investments with Possible Completion in FY21 were to complete in that period at the LTCR the senior capital and preferred return would be comfortably returned.

ROIC Track Record



- ROIC as a measure for our investments is becoming less relevant given our transition to funds management.
- ROIC in the US has declined over the last financial year as a consequence of investments that completed in a short duration, which produced high IRRs.
- ROIC in non-US investments increased as a consequence of recent completions in Australia and Canada.
- Average duration for completed matters is 2.7 years on a global basis, 1.9 years for US investments and 2.8 years for non-US investments.

The data contained in the Funding Track Record has been reviewed by Ernst & Young to 31 December 2019 and has been updated to 30 June 2020 by management.

Wivenhoe and Westgem

- The decision was handed down in November 2019 in favour of our funded clients, and which found the defendants Seqwater, Sunwater and the State of Queensland (State) liable in negligence to group members. Subsequently the State has advised that it will not appeal the decision, whereas the other defendants have now filed a notice of intention to appeal.
- Allocation of proportions of liability between the defendants has been determined Seqwater 50%, Sunwater 30% and the State of Queensland (State) 20%. Sunwater and the State have decided not to appeal the apportionment of liability, whereas Seqwater has appealed the allocation.
- Mediation set for September 2020, failing which a hearing is scheduled for October 2020, to resolve various issues including the methodology for determining quantum of liability. The various appeals have been scheduled for May 2021 if mediation does not result in a settlement.
- Issues to resolve include:
 - determination of quantum of damages suffered by group members;
 - appeals (assuming they proceed); and
 - the costs orders that should follow from the decision handed down in November 2019.

We continue to estimate that Omni Bridgeway's income may range between \$120m and \$150m, based on a conservative view of a range of possible resolution outcomes. There is the potential for total damages to significantly exceed that conservative range and that would increase Omni Bridgeway's return.

- We are not proposing to revise Omni Bridgeway's income estimate at this stage.

- The Supreme Court of Western Australia has delivered judgment in the Westgem litigation in favour of the defendant and has dismissed the claims of Omni Bridgeway's funded clients.
- The Westgem investment has a carrying value of \$55m and was commenced in 2011. This represents 8.7% of Omni Bridgeway's consolidated litigation investment assets of \$628m at 30 June 2020 and 7.2% of Omni Bridgeway's consolidated net assets of \$767m.
- The carrying value is broken down as follows:

External Costs	Capitalised Internal Costs	Capitalised Borrowing Costs	Total Carrying Value
\$34m	\$9m	\$12m	\$55m

- Following a detailed review of the judgment and assessment of appeal prospects a decision will be taken with regard to what level of impairment may be necessary, if any, against this carrying value. Any impairment will be a non-cash item. As part of this assessment, Omni Bridgeway will also determine what level of provision for adverse costs may be necessary. Current estimate of cash impact from adverse costs is between \$7.5m and \$10m.
- The estimated portfolio value (EPV) of the Westgem investment is \$250m, out of a total EPV of balance sheet investments at 30 June 2020 of \$1.11b and a consolidated EPV of all funded investments of \$13.5b. As part of the judgment review and consideration of the prospects for appeal, Omni Bridgeway will reassess the EPV of the Westgem investment.

Regulation / Common Fund Orders / Contingency Fees

- The High Court’s decision on Common Fund Orders (CFOs) in December 2019 caused some consternation amongst industry participants but has not resulted in a wholesale change in the funding of class actions. The implications are yet to be felt on competitors attitudes to class actions under these new rules.
- Since the decision by the High Court, the Victorian Government has passed legislation that will in effect allow contingency fees for lawyers in class actions. Omni Bridgeway has considered its various options, which include:
 - Funding law firms on a portfolio basis, as it does in the US;
 - Continuing to fund class actions as a funder for a group of clients; and
 - Establishing its own law firm, and seeking contingency fee returns.
- The Federal Government has referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC) terms of reference to inquire into litigation funding and class actions. The PJC is expected to hand down its findings in December 2020 and report on various issues including the regulation of litigation funders, a possible change to the continuous disclosure regime and the remuneration of litigation funders in class actions.
- Subsequent to the referral to the PJC, the Treasurer announced that from 22 August 2020 litigation funders offering funding in class actions will be required to hold an Australian Financial Services License (AFSL) and that the exemption from the application of the Managed Investment Scheme (MIS) that applied to funders of class actions would be revoked.
- Omni Bridgeway has advocated for regulation of the litigation funding industry and welcomed the government’s initiatives, qualified only that the MIS regime needed to be “fit for purpose”, to ensure that the class action process and clients’ access to justice was not impeded. Omni Bridgeway has applied for an AFSL and has submitted its views to ASIC regarding the modifications required to make the MIS regime fit for purpose to regulate class actions.

Culmination of Initial Five Year Plan

	1 July 2015	30 June 2020
Increased jurisdictional coverage	Australia, USA, UK	Australia, USA, Canada, Asia, UK, EMEA
Increased investments	41	304*
Increased EPV	\$2.0 billion	\$15.8 billion
Increased team	35	~160
Funds management	-	7 Funds (~\$2.2 billion)

*Includes Investment Committee Approved and Conditionally Funded investments

- This financial year has been the strongest in our company's history, with record income of \$314.3m and net profit before tax and fair value adjustments of \$47.1m.
- Significant number of 30 partial and complete resolutions around the world.
- A record number of 1,296 applications.
- We committed more funds to investments in FY20 than any prior year, in total \$313.2m in conditional and unconditional commitments.
- We have achieved all of our goals from our initial business plan from FY15.

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Next Five Year Plan

- The previous business plan was focussed on diversification. The current business plan is focussed on differentiation. Omni Bridgeway now finds itself as the largest litigation funder in the world and our vision is to be recognised as the global leader in managing and financing legal risks.
- Over the period of the next business plan from FY21 to FY25 to achieve this vision, we have planned for:
 - Growth in FUM.
 - Expansion of geographic footprint and headcount within our current areas of operation and into new areas of operation, including exploring opportunities in South America, Africa and Asia.
 - Expansion of our product offerings to include:
 - Acquisition of claims, judgments or awards;
 - Law firm funding for receivables;
 - Downside risk management and defence funding.
 - In response to the contingency fee environment in Australia, potentially acquiring or developing organically a law firm for class actions.
- To support business plan goals we intend to recruit or have now recruited specialists for enforcement in US, asset tracing in Asia and a global distressed debt resource.

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Risk Mitigation

Risk	Potential impact	Strategic response
PORTFOLIO CONCENTRATION	Potential for a funded case to be lost = Omni Bridgeway investment lost and exposure to adverse costs Two material investment risks on balance sheet: Wivenhoe Dam & Westgem	<ul style="list-style-type: none"> • Deliberate transition from idiosyncratic risk to systemic risk of a portfolio • Portfolio represents increased number of investments, broader range of case types, sizes and jurisdictions • Co-funding and ACO insurance cover in place
COMPETITION	Price compression Loss of market share Talent loss	<ul style="list-style-type: none"> • Market differentiation (track record, capital adequacy, ACO cover, security for costs, transparency through public listing, reputation for integrity and fairness, strategic insights & project management on cases) • Innovation - products & services • Know-how - business processes • Talent retention strategies • Taking steps to reduce cost and increase availability of capital
REGULATORY CHANGE	Need to adjust business model New reporting /licensing regime New market entrants	<ul style="list-style-type: none"> • Awareness, involvement and industry leadership
KEY-PERSON DEPENDENCY	Loss of know-how	<ul style="list-style-type: none"> • Legal avenues: non-compete, confidentiality and IP protection agreements • Talent retention & knowledge transfer strategies: coaching, mentoring, professional development to build, transfer and safe-guard corporate knowledge • Incentive plans which reward loyalty and engagement • Purchase agreement structured to retain key executives
IT & DATA SECURITY	Loss of data due to software or hardware failure Theft or corruption of data or trade secrets due to social engineering or external penetration ('hacking')	<ul style="list-style-type: none"> • Continuous adaptation to be nimble • Audits by external security and IT providers • Staff education • Constant vigilance
BRAND REPUTATION	If reputation is sullied, stakeholder trust and loyalty is eroded and brand equity and financial value can be compromised	<ul style="list-style-type: none"> • Conscious culture of risk management • Numerous policies and practices to safe-guard reputation including escalation procedures throughout our organisation and regular and clear communication with all stakeholders
POOR INVESTMENT DECISIONS	Financial impact of loss of investment, and in relevant jurisdiction adverse cost exposure, with flow on reputation risk	<ul style="list-style-type: none"> • Investment in experienced investment managers with litigation experience • Enhanced Investment Committee process with introduction of external resources from the judiciary and legal profession

The above is not intended to be an exhaustive list of all the risks faced by the business.

Glossary of Terms and Notes

ESTIMATED PORTFOLIO VALUE (EPV)	<p>EPV for an investment where the funding entity earns:</p> <ul style="list-style-type: none"> (i) a percentage of the resolution proceeds as a funding commission, is the current estimate of the investment's recoverable amount after considering the perceived capacity of the defendant to meet the claim and any other pertinent factors. Such amount is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to the group if the investment is successful, (ii) a funding commission calculated as a multiple of capital invested, is arrived at by taking the estimated potential income return from the investment and grossing this up to an EPV using the Long-Term Conversion Rate, and (iii) a funding commission calculated on a combination of the above bases or on an alternative basis, may utilise one of the above methodologies, or a hybrid construct, or an alternative methodology depending upon the components of the funding commission. <p>OBE Group's EPV has been estimated on a conceptually consistent basis; enforcement case investments may have a multi-layered approach from a timing and value perspective. Where OBE Group have not yet been able to ascertain an EPV consistent with the disclosed methodology an EPV of zero has been used. However calculated, an EPV is an estimate and is subject to change over time for a number of reasons, including, but not limited to, changes in circumstances and knowledge relating to an investment or the defendant(s) perceived capacity to meet the claim, partial recovery and, where applicable, fluctuations in exchange rates between the applicable local currency and the Australian dollar. Possible EPV's are reviewed and updated where necessary. The portfolio's value is the aggregation of individual investments' EPVs as determined above.</p>
IFRS	International Financial Reporting Standards
IRR	Internal Rate of Return
LTIP	Long Term Incentive Program
NCI	Non-Controlling Interest
OBE GROUP	Omni Bridgeway Holding B.V. (ie 'Omni Bridgeway Europe'), Omni Bridgeway AG (formerly ROLAND ProzessFinanz), and a joint venture with IFC (part of the World Bank Group).
PAST PERFORMANCE	Past performance is <u>not necessarily an indication</u> of future performance. Past performance indicates that Omni Bridgeway's litigation funding investments (excluding Omni Bridgeway Europe's investments) have generated average gross income of approximately 15% of the EPV of an investment at the time it is completed (Long-Term Conversion Rate). The Long-Term Conversion Rate, ROIC and IRR from completed investments may vary materially over time. By providing this information, Omni Bridgeway has not been and is not now, in any way, providing earnings guidance for future periods.
POSSIBLE COMPLETION PERIODS	The possible completion period is Omni Bridgeway's current estimate of the period in which an investment may be finalised. It is <u>not</u> a projection or forecast. An investment may finalise earlier or later than the identified period for various reasons. Completion for these purposes means finalisation of the litigation by either settlement, judgement or arbitrator determination, for or against the funded claimant, notwithstanding that such finalisation may be conditional upon certain matters such as court approval in the context of a class action. It may not follow that the financial result will be accounted for in the year of finalisation. Possible completion period estimates are reviewed and updated where necessary.
PPA	Purchase Price Allocation
ROIC	Return on Invested Capital - gain or loss on derecognition of investments (including or excluding overheads) divided by the total spent on investments (including or excluding overheads)
STIP	Short Term Incentive Program

ASIA

Hong Kong
+852 3978 2629
Level 27
World Wide House
19 Des Voeux Road Central
Central, Hong Kong

Singapore
+65 313 2647
Level 13-03
6 Battery Road
Singapore 049909

AUSTRALIA

Adelaide
+61 8 8122 1010
50 Gilbert Street
Adelaide SA 5000

Brisbane
+61 7 3108 1311
Level 18
175 Eagle Street
Brisbane QLD 4000

Melbourne
+61 3 9913 3301
Level 3
Bourke Place
600 Bourke Street
Melbourne VIC 3000

Perth
+61 8 9225 2300
Level 6
37 St Georges Terrace
Perth WA 6000

Sydney
+61 2 8223 3567
Level 18
68 Pitt Street
Sydney NSW 2000

CANADA

Montreal
+1 514 257 6971
60 rue St-Jacques
Bureau 401
Montréal QC H2Y 1L5

Toronto
+1 416 583 5720
250 The Esplanade
Suite 127
Toronto ON M5A 1J2

EUROPE, MIDDLE EAST & AFRICA

Amsterdam
+31 70 338 4343
Schiphol Boulevard 121
1118 BG Schiphol
Amsterdam
The Netherlands

Geneva
+41 22 818 6300
Rue de la Rôtisserie 4
1204 Geneva
Switzerland

London
+44 203 968 6061
81 Chancery Lane
London WC2A 1DD
United Kingdom

Cologne
+49 221 801155-0
Gereonstr. 43-65
50670 Cologne
Germany

Dubai
+971 4 514 4608
Unit 1905, Level 19
Index Tower
Dubai International
Financial Centre
507152 Dubai
United Arab Emirates

UNITED STATES OF AMERICA

Houston
+1 713 965 7919
LyondellBasell Tower
1221 McKinney Street
Suite 2860
Houston TX 77010

Los Angeles
+1 213 550 2687
555 W. Fifth Street
Suite 3310
Los Angeles CA 90013

New York
+1 212 488 5331
437 Madison Avenue
19th Floor
New York NY 10022

San Francisco
+1 415 231 0363
50 California Street
Suite 2550
San Francisco CA 94111