

## Appendix 4D

### Omni Bridgeway Limited ("OBL" or "the Company")

ABN 45 067 298 088

Half-Year ended 31 December 2021

#### Results for announcement to the market

Current reporting period: Half-year ended 31 December 2021

Previous reporting period: Half-year ended 31 December 2020

	Up/Down	Percentage Change	\$'000s
Revenue from ordinary activities	Up	110%	11,251
Loss from ordinary activities after tax attributable to members	Down	(60%)	(27,738)
Net loss for the period attributable to members	Down	(60%)	(27,738)
Other comprehensive income after tax for the period	Up	124%	10,139
Total comprehensive income after tax for the period	Up	101%	1,409

#### Dividends

The Directors have determined not to pay a dividend for the period ended 31 December 2021 to equity holders of the parent company.

The Directors did not pay a final dividend for the financial year ended 30 June 2021.

The Directors have determined they will consider, and where appropriate, implement, a regular semi-annual dividend which reflects the cash position and performance of the Company at the time of the dividend and the likely demand for cash over the ensuing 12 month period. The Company has put in place a dividend reinvestment plan and, on appropriate occasions, will arrange underwriting to reduce the impact a particular dividend might otherwise have on cash.

#### Net tangible assets per ordinary share

	31-Dec-21 \$	30-Jun-21 \$
Basic net tangible assets per ordinary share <sup>1</sup>	0.47	0.66
Basic net assets per ordinary share	2.58	2.91
Book value of investments per ordinary share	1.87	2.00

<sup>1</sup> Net tangible assets excludes intangible assets - litigation contracts in progress, goodwill, claims portfolio and contract assets.

### Entities over which control was gained or lost during the period

The Company did not gain or lose control over any existing entities during the period.

The Company has established the following entities during the period:

	<b>Percentage Owned At 31-Dec-21</b>
Omni Bridgeway (NZ) Limited	100%
Crestwood I LLC	100%

### Joint ventures and associates

The Company has the following joint ventures and associates during the period:

	<b>Percentage Owned At 31-Dec-21</b>
OB Capital Cooperatief UA	5%

### Foreign operations

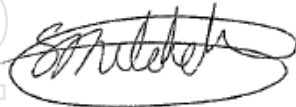
In compiling this report International Financial Reporting Standards have been used as the basis of preparation for all foreign operations.

### Explanation of results

The attached Financial Report for the half-year ended 31 December 2021 forms part of this document. This interim financial report is to be read in conjunction with the most recent annual financial report. A copy of the 2021 annual financial report and other documents are available on the website at [www.omnibridgeway.com](http://www.omnibridgeway.com) or on the ASX website at [www.asx.com.au](http://www.asx.com.au).

### Review opinion

The review opinion of the Company's auditors, BDO, is attached to the financial statements.



Stuart Mitchell  
Group Chief Financial Officer

Date: 17 February 2022

# Half-Year Report 2021

Half-Year ended 31 December 2021



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# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half-year ended 31 December 2021

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# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half-year ended 31 December 2021

### Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity" or "the Group") consisting of Omni Bridgeway Limited (referred to hereafter as "OBL", "the Company" or "the Parent") and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

### Directors

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Unless stated otherwise, the Directors were in office for this entire period.

Michael Kay	Non-Executive Chairman
Andrew Saker	Managing Director & CEO and Chief Strategy Officer - US
Hugh McLernon (retired 30 November 2021)	Executive Director
Raymond van Hulst	Executive Director, Managing Director EMEA
Michael Bowen	Non-Executive Director
Karen Phin	Non-Executive Director
Christine Feldmanis	Non-Executive Director

### Review and results of operations

Our shareholders will be aware that the two key drivers of our business are completions and new commitments. Our diversification strategy has sought to grow these drivers with the goal of achieving a more stable income stream compared to what was achievable under the balance-sheet investing model. In this half we have continued to see growth in our key drivers which continues to translate into more stable income.

For the third consecutive year it appears that our total consolidated income will exceed \$250.0 million. This financial year, our income is underpinned by the completions we have achieved in the first half, and those where we have strong indications of completion in the near term. Income recognised for the half was \$115.5 million from diversified sources, both geographically and our capital structures. In addition, there have been a number of successful judgments and agreed settlements that we expect will generate an additional \$161.9 million in income in subsequent periods.

\$ million	Balance sheet	Funds						Total
		1	2&3	4	5	6	7	
<b>Investment income</b>								
Investments completed in 1H22	8.0	26.5	4.2	36.8	-	9.5	-	85.0
Investments completed in prior periods	1.7	0.1	-	-	(0.6)	0.9	-	2.1
Ongoing investments	-	8.8	6.7	3.3	-	9.6	-	28.4
<b>Total income recognised in 1H22</b>	<b>9.7</b>	<b>35.4</b>	<b>10.9</b>	<b>40.1</b>	<b>(0.6)</b>	<b>20.0</b>	<b>-</b>	<b>115.5</b>
Binding conditional settlements	18.0 <sup>1</sup>	-	2.8	2.1	-	-	-	22.9
Successful judgments	-	18.6	9.8	-	2.5	-	-	30.9
Executed settlements	-	-	-	-	-	-	-	-
Agreed in principle settlements	-	9.0	-	-	-	-	-	9.0
<b>Total income yet to be recognised<sup>2</sup> at 31-Dec-21</b>	<b>18.0</b>	<b>27.6</b>	<b>12.6</b>	<b>2.1</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>62.8</b>
<b>Total income<sup>3</sup> (recognised and yet to be recognised) in 1H22</b>	<b>27.7</b>	<b>63.0</b>	<b>23.5</b>	<b>42.2</b>	<b>1.9</b>	<b>20.0</b>	<b>-</b>	<b>178.3</b>
- provisionally attributable to OBL shareholders	27.7	-	-	10.8	0.7	12.9	-	52.1
- provisionally attributable to NCI	-	63.0	23.5	31.4	1.2	7.1	-	126.2
<b>Further income yet to be recognised (arising post 31-Dec-21)</b>	<b>-</b>	<b>-</b>	<b>30.0</b>	<b>11.7</b>	<b>54.5</b>	<b>2.9</b>	<b>-</b>	<b>99.1</b>
<b>EPV conversion in 1H22</b>								
EPV of investments completed	58.0	225.0	40.9	514.7	60.1	32.9	-	931.5
Income conversion rate <sup>3</sup>	14%	14%	10%	7%	-	38%	n/a	10%

<sup>1</sup> \$18m is the estimated future income that may flow from the existing settlement for Wivenhoe but that has not currently met IFRS income recognition criteria. It is currently anticipated to be recognised in FY22 or FY23 subject to the achievement of certain milestones in the settlement distribution process which are outside of our control. Collection of the existing receivable and this additional amount is anticipated to occur over the next 12 months with final payment anticipated in late 2022 or early 2023. Wivenhoe's EPV of \$253m, with anticipated completion in FY23, is included in the group's total EPV assumptions on 31 December 2021.

<sup>2</sup> Subject to change and may be recognised in FY22 or later.

<sup>3</sup> Includes investments that fully completed in the period and the total income recognised over the investments' life and excludes partial completions in the period.

\* Note that this table represents non-IFRS information. Refer to Glossary of Terms.

# Omni Bridgeway Limited

ABN 45 067 298 088

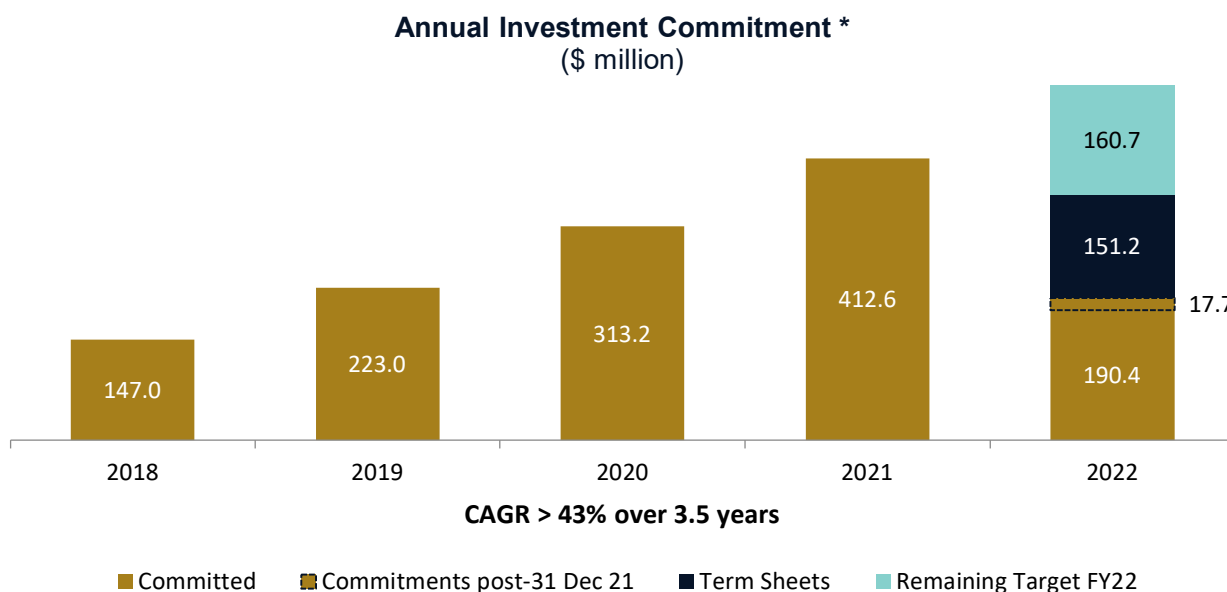
## Interim Financial Report for the half-year ended 31 December 2021

### Directors' Report (continued)

#### Review and results of operations (continued)

In relation to new commitments, we continue to set ourselves ambitious targets for growth. New commitments are the investment into future income streams and facilitate the growth of our funds under management to achieve economies of scale that are necessary to diversify risk in this asset class.

As we previously advised, our global target for this financial year is \$520 million in new commitments, an increase of 26% over last year's record commitment level. To the end of this half we have committed, conditionally and unconditionally, \$190 million to new and existing investments. In addition, we have 29 exclusive terms sheets for an additional \$151 million in new investment opportunities, which if converted, will represent 69% of our target.



Note that this chart represents non-IFRS information. Refer to Glossary of Terms.

We set ourselves several goals for this financial year, including the refinancing of our debt and the establishment of a new fund to replace the filled Fund 6.

We are pleased to report that the debt refinancing remains on track to occur in 2022 with key commercial terms finalised with a proposed lender subject to completing final legal due diligence, documentation and syndication. The facility we are seeking is \$250 million, to be used for refinancing our bonds and notes, and to have \$100 million available for working capital purposes, to pay our fund commitments or for possible acquisition finance. As a consequence of the bonds being due before the end of the calendar year, we have moved this liability of \$76 million from non-current to current. Once the refinancing closes, the new debt will be reclassified to non-current, which we expect will be before the end of the financial year. This facility will provide us with additional covenant flexibility to allow us to operate our business as a fund manager, whilst providing us with additional debt capacity to finance our ongoing operational and corporate needs. Whether this capacity is ever called upon will depend on whether we exceed our growth targets and need additional capital to finance that growth, or if we identify opportunities for acquisition. In any event, this should lay to rest any discussion over whether we need to raise additional equity capital in the foreseeable future.

We finalised our arrangements with our investor in Fund 6 so that all investments identified prior to 31 December 2021 will be funded by Fund 6, providing a run-off through to 30 June 2022. We are continuing our marketing for Fund 8, which we anticipate will be launched prior to 30 June 2022. We have engaged placement agents to assist with the process, given the fee structure we are proposing. New enforcement investments identified after 1 January 2022 and funded prior to the launch of Fund 8 will be warehoused on our balance sheet and then vended into the new fund.

We have also continued to execute on our US growth strategy, with the recent launch of our antitrust team, the establishment of a Washington DC presence and the launch of our US enforcement team with the secondment of a senior resource from our EMEA team into New York. Whilst we have had to revert to a work-from-home approach during the peak of the Omicron surge, we have now returned to the office and continue to operate uninterrupted. The US Court system was not adversely affected by this most recent surge with both completions of investments and generation of new opportunities were largely unaffected.

# Omni Bridgeway Limited

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## Interim Financial Report for the half-year ended 31 December 2021

### Directors' Report (continued)

#### Review and results of operations (continued)

At 31 December 2021, there were 297 investments in the Group's funded portfolio (30 June 2021: 298) and there were 25 additional conditionally funded investments. The Estimated Portfolio Value (EPV) was \$20.5 billion (30 June 2021: \$18.6 billion). The EPV of all investments, including 25 conditionally funded and IC approved investments increased by 15.3% to \$23.2 billion from 30 June 2021. We have continued to provide our views on the Long-Term Conversion Rate (which is calculated after losses) of EPV into income, which remains at 15% notwithstanding the dip this half. If you consider it realistic that the Group's future performance will be consistent with its historical performance in terms of conversion from EPV, then the Implied Embedded Value (IEV) of our portfolio is \$3.1 billion.

In response to requests from shareholders for greater clarity on our earnings capacity, and our commitment to do so at our recent AGM, set out below is our view on how IEV would be allocated between the Group and external investors in our funds:

At 31-Dec-2021 \$ million	6 mths to 30-Jun-22	FY23	FY24	FY25+	TOTAL	IEV SENSITIVITIES			
						Conversion rate		Excluding impaired assets	12 month delay of completion dates
Implied embedded value (IEV)		15% conversion rate				10%	20%		
Balance sheet	-	95.4	-	22.6	118.0	78.7	157.4	42.6	118.0
Fund 1	24.6	166.6	38.6	43.4	273.2	182.2	364.2	273.2	273.2
Funds 2&3	42.0	377.9	95.4	112.9	628.2	418.9	837.7	522.9	628.2
Fund 4	5.5	62.6	424.7	299.6	792.4	528.3	1,056.6	572.6	792.4
Fund 5	50.8	199.3	300.3	204.6	755.0	503.4	1,006.6	755.0	755.0
Fund 6	21.5	125.5	104.3	254.3	505.6	337.1	674.0	505.5	505.5
<b>Total IEV</b>	<b>144.4</b>	<b>1,027.3</b>	<b>963.3</b>	<b>937.4</b>	<b>3,072.4</b>	<b>2,048.6</b>	<b>4,096.5</b>	<b>2,671.8</b>	<b>3,072.3</b>
IEV attributable to NCI	127.8	497.6	678.3	617.5	1,921.2	1,339.3	2,502.9	1,729.5	1,945.7
IEV attributable to OBL	16.6	529.7	285.0	319.9	1,151.2	708.9	1,593.6	942.3	1,126.6
Management fees to OBL	2.3	7.4	14.1	34.5	58.3				
<b>Total to OBL</b>	<b>18.9</b>	<b>537.1</b>	<b>299.1</b>	<b>354.4</b>	<b>1,209.5</b>				

Note that this table represents non-IFRS information. Refer to Glossary of Terms.

The assumptions made in the preparation of the above attribution of IEV are detailed at the end of the Directors' Report and should be read in conjunction with the above table.

You will note that, subject to the assumptions referenced above regarding IEV attribution, we expect to receive, over the applicable periods, around \$1.2 billion after management fees but before performance fees. We cannot estimate performance fees for our funds at this stage but expect to be able to do so as the funds mature, and performance crystallizes the outcome from the waterfall. This value relates to our current book and committed funds. There remains significant value in the performance associated with the current portfolio and future book, for which there is capacity within our existing funds, and beyond.

You will also note that we anticipate value from Fund 1 to commence flowing to the Group after the NCI is extinguished. At 31 December 2021, there was \$36.8 million outstanding to the investor in priority returns in Fund 1, with \$27.6 million in identified completions and \$9.1 million cash at bank. As such, we anticipate that the time at which the Group will start receiving returns from Fund 1 is rapidly approaching.

The COVID-19 pandemic has interrupted dispute resolution systems to different degrees in jurisdictions where the Group has investments. Whilst this has so far led to some delays in completions, or the expected completion date, this has not led to significant impairments. In assessing the carrying value and associated impairment of investments, the most up to date estimates of success and timing have been used. This has not led to significant impairments. Additionally, the Group has specifically considered the impact of COVID-19 in assessing the impairment indicators of its other assets (including goodwill, receivables/loans, other financial assets and deferred tax assets) and liabilities. No significant adjustments have been required. There remains uncertainty on what the future impact of COVID may be; this is particularly so in regard to timing of completion and collections.

Whilst our broad business model and geographic diversification provided some resilience to the impact of COVID-19, the biggest disruption was to our US business due to the closing of the US courts. This extended the duration of our US investments, most notably in Fund 1, as well as impacted to some extent our ability to write new business in the region. The average completion of historical investments increased to 2.9 years.

The Group does not consider that the pandemic has had a negative impact on its solvency or going concern. Possibly, there may be delays in case completions or cash collection, or less investment opportunities but equally COVID-19 related causes of action or insolvency related actions may result in more investment opportunities to become available for consideration by the Group.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half-year ended 31 December 2021

### Directors' Report (continued)

#### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

#### Dividends

The Directors have determined not to pay a dividend for the period ended 31 December 2021 to equity holders of the parent company. The Directors did not pay a final dividend for the financial year ended 30 June 2021.

#### Rounding

The amounts contained within this report have been rounded to the nearest \$1,000 or \$100,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Signed in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Michael Kay  
Non-Executive Chairman

Date: 17 February 2022



# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half-year ended 31 December 2021

### Notes to the Directors' Report

#### IEV attribution assumptions

The IEV attribution table on page 7 of this Directors' Report has been prepared based upon the following underlying assumptions:

1. All unconditionally funded investments in the Group's investment portfolio at 31 December 2021 (Portfolio Investments) complete in the selected Possible Completion Period (PCP).
2. All Portfolio Investments are completed for the full estimated portfolio value (EPV).
3. The income received by the Omni Bridgeway funding entity upon the completion of a Portfolio Investment reflects the LTCR (which includes losses) and hence equals the full IEV of an investment.
4. The residual capital to be deployed in Funds 2 & 3 is deployed in equal portions during the remainder of FY22 and FY23.
5. Performance fees in Funds 4,5 and 6 have been excluded from the attribution and hence any performance fees earned will see an IEV attribution shift from NCI to OBL equity.
6. For Funds 4 and 5 the attribution is split solely in proportion to capital invested.
7. For Fund 6 the attribution to OBL equity reflects the historic blended average proportion of proceeds received by OBL equity (excluding performance fees).
8. FX rates are assumed to remain constant across the periods.

The sensitivity analysis provided uses the following assumptions:

1. IEV is adjusted to reflect variations in the conversion rate of EPV to income from the LTCR of 15%. The selected sensitivity rates are 10% and 20%.
2. EPV of impaired assets excluded from EPV with commensurate flow-on to IEV and attribution.
3. PCP on all Portfolio Investments is delayed by 12 months.

Management fee assumptions:

The estimated management fees are based upon aggregated anticipated budgeted Investment deployment for Funds 4,5 and 6.

Notes:

Possible completion period (PCP):

- PCP is a dynamic concept and is subject to regular review and updating to take account of the circumstances of the underlying investment
- It is to be expected that the PCP for some investments within the portfolio will be adjusted at each reporting date
- PCP is not necessarily the same as anticipated IFRS income recognition period governing income recognition rules

Estimated portfolio value (EPV) assumptions:

- EPV includes all Portfolio Investments, which includes, irrespective of impairment, investments which have had a negative award or judgment but nonetheless the Group believes have positive prospects of success on appeal
- At 31 December such investments included Wivenhoe (\$253m in FY23), Westgem (\$250m in FY23), and a Fund 4 investment in FY24
- Also included at 31 December was Novo Nordisk (\$702m in FY23) which subsequently settled and was impaired to reflect no recovery of the deployed capital
- Conditionally funded and IC approved investments are not included in the EPV

## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF OMNI BRIDGEWAY LIMITED

As lead auditor for the review of Omni Bridgeway Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Omni Bridgeway Limited and the entities it controlled during the period.



**Glyn O'Brien**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth, 17 February 2022

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# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2021

	Notes	Consolidated	
		Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>Continuing operations</b>			
Revenue from contracts with customers	4	6,550	1,404
Interest revenue	5	4,701	3,948
Net gain on derecognition of litigation investments - intangible assets	6	41,389	9,689
Net gain on disposal of litigation investments - purchased claims	13	137	39
Other income	7	3,707	1,038
<b>Total income</b>		<b>56,484</b>	<b>16,118</b>
Finance costs	8(a)	599	249
Amortisation of litigation investments - claims portfolio	8(b)	2,367	598
Depreciation expense	8(c)	1,564	1,698
Employee benefits expense	8(d)	30,273	28,499
Corporate and office expense	8(e)	7,896	8,063
Other expenses	8(f)	4,696	24,160
Impairment expense	8(g)	29,749	107,048
Share of loss in associates and joint ventures		104	182
<b>Loss before tax and fair value adjustments</b>		<b>(20,764)</b>	<b>(154,379)</b>
Fair value adjustments on financial liabilities		2,404	10,043
<b>Loss before tax</b>		<b>(18,360)</b>	<b>(144,336)</b>
Income tax expense/(benefit)	9	(9,630)	(33,548)
<b>Loss for the period</b>		<b>(8,730)</b>	<b>(110,788)</b>
<b>Attributable to:</b>			
Equity holders of the parent	10	(27,738)	(69,893)
Non-controlling interests		19,008	(40,895)
		<b>(8,730)</b>	<b>(110,788)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be subsequently reclassified to profit and loss:			
Movement in foreign currency translation reserve		5,193	(15,818)
Items that will not be subsequently reclassified to profit and loss:			
Movement in foreign currency translation reserve attributed to non-controlling interests		4,946	(26,666)
Other comprehensive income/(loss) for the period, net of tax		10,139	(42,484)
<b>Total comprehensive income/(loss) for the period</b>		<b>1,409</b>	<b>(153,272)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(22,545)	(85,711)
Non-controlling interests		23,954	(67,561)
<b>Loss per share attributed to the ordinary equity holders of the Company (cents per share)</b>			
Basic loss per share (cents per share)	10	(10.50)	(27.53)
Diluted loss per share (cents per share)	10	(10.50)	(27.53)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Consolidated Statement of Financial Position as of 31 December 2021

	Notes	Consolidated	
		At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	165,655	142,648
Receivables from litigation contracts and other	19	128,064	209,389
Contract costs		939	939
Other assets	20	16,885	5,009
<b>Total Current Assets</b>		<b>311,543</b>	<b>357,985</b>
<b>Non-Current Assets</b>			
Receivables from litigation contracts and other	19	19,957	21,916
Property, plant and equipment		14,990	5,905
Litigation investments - claims portfolio	12	100,481	95,059
Litigation investments - purchased claims	13	37,080	38,754
Litigation investments - intangible assets - litigation contracts in progress	14	357,318	391,034
Goodwill		98,157	99,645
Investment in associates and Joint Ventures		4,288	4,453
Contract costs		3,052	3,522
Other assets	20	10,555	17,769
Deferred tax assets	9	36,447	30,490
<b>Total Non-Current Assets</b>		<b>682,325</b>	<b>708,547</b>
<b>TOTAL ASSETS</b>		<b>993,868</b>	<b>1,066,532</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		32,673	21,009
Income tax payable		78	6,083
Provisions	22	24,215	24,414
Lease liabilities		2,148	2,449
Debt securities	17	75,970	-
Other financial liabilities	21	49,493	19,717
<b>Total Current Liabilities</b>		<b>184,577</b>	<b>73,672</b>
<b>Non-Current Liabilities</b>			
Provisions	22	1,046	855
Lease liabilities		11,552	3,394
Debt securities	17	70,428	145,522
Deferred income tax liabilities		15,572	19,620
Other financial liabilities	21	27,160	60,975
Other liabilities		153	147
<b>Total Non-Current Liabilities</b>		<b>125,911</b>	<b>230,513</b>
<b>TOTAL LIABILITIES</b>		<b>310,488</b>	<b>304,185</b>
<b>NET ASSETS</b>		<b>683,380</b>	<b>762,347</b>
<b>EQUITY</b>			
Contributed equity	18	396,046	389,501
Reserves		(8,928)	(15,441)
Retained earnings/(accumulated losses)		(69,925)	(42,187)
<b>Equity attributable to equity holders of the parent</b>		<b>317,193</b>	<b>331,873</b>
Non-controlling interests		366,187	430,474
<b>TOTAL EQUITY</b>		<b>683,380</b>	<b>762,347</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Omni Bridgeway Limited

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## Interim Consolidated Statement of Cash Flows for the half-year ended 31 December 2021

	Notes	Consolidated	
		Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from litigation investments - claims portfolio		7,427	8,158
Payments for litigation investments - claims portfolio		(3,891)	(10,677)
Proceeds from deferred recognition of performance fees		2,344	374
Proceeds from management fees <sup>1</sup>	4	3,184	1,385
Payments to suppliers and employees		(39,338)	(33,161)
Interest income		169	447
Interest paid		(3,646)	(4,254)
Income tax paid		(1,304)	(7,488)
<b>Net cash flows from operating activities</b>		<b>(35,055)</b>	<b>(45,216)</b>
<b>Cash flows from investing activities</b>			
Proceeds from litigation investments - purchased claims	13	3,539	-
Proceeds from litigation investments - intangible assets <sup>1</sup>		185,048	95,894
Payments for litigation investments - intangible assets		(39,964)	(67,007)
Payments for litigation investments - capitalised overhead and employee costs		(3,019)	(3,906)
Payments for plant and equipment		(1,473)	(416)
Loans to related parties		(1,349)	(1,877)
<b>Net cash flows from investing activities</b>		<b>142,782</b>	<b>22,688</b>
<b>Cash flows from financing activities</b>			
Dividends paid	11	-	(7,872)
Payments of lease liabilities		(1,180)	(1,306)
Contributions from non-controlling interests	26	22,390	46,357
Distributions to non-controlling interests	26	(106,554)	(36,583)
<b>Net cash flows from financing activities</b>		<b>(85,344)</b>	<b>596</b>
Net increase/(decrease) in cash and cash equivalents held		22,383	(21,932)
Net foreign exchange difference		624	(4,522)
Cash and cash equivalents at beginning of period		142,648	194,384
<b>Cash and cash equivalents at end of period</b>	16	<b>165,655</b>	<b>167,930</b>

<sup>1</sup> Proceeds from management fees have been reclassified for the half year ended 31 December 2020 to better reflect the nature of the income.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Consolidated Statement of Changes in Equity for the half-year ended 31 December 2021

Consolidated	Issued capital \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Option premium reserve \$'000	Convertible note reserve \$'000	Fund equity reserve \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>As at 1 July 2021</b>	<b>389,501</b>	<b>28,327</b>	<b>(28,405)</b>	<b>3,404</b>	<b>3,832</b>	<b>(22,599)</b>	<b>(42,187)</b>	<b>331,873</b>	<b>430,474</b>	<b>762,347</b>
Profit/(loss) for the period	-	-	-	-	-	-	(27,738)	(27,738)	19,008	(8,730)
Other comprehensive income	-	-	5,193	-	-	-	-	5,193	4,946	10,139
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>5,193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,738)</b>	<b>(22,545)</b>	<b>23,954</b>	<b>1,409</b>
<b>Equity transactions:</b>										
Shares issued	6,545	(1,810)	-	-	-	-	-	4,735	-	4,735
Share based payments, net of tax	-	(894)	-	-	-	-	-	(894)	-	(894)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	22,390	22,390
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	(106,554)	(106,554)
Changes in the proportion of equity held by non-controlling interests	-	-	-	-	-	4,024	-	4,024	(4,077)	(53)
<b>As at 31 December 2021</b>	<b>396,046</b>	<b>25,623</b>	<b>(23,212)</b>	<b>3,404</b>	<b>3,832</b>	<b>(18,575)</b>	<b>(69,925)</b>	<b>317,193</b>	<b>366,187</b>	<b>683,380</b>

Consolidated	Issued capital \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Option premium reserve \$'000	Convertible note reserve \$'000	Fund equity reserve \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>As at 1 July 2020</b>	<b>347,630</b>	<b>23,918</b>	<b>(11,408)</b>	<b>3,404</b>	<b>3,832</b>	<b>(24,778)</b>	<b>(6,597)</b>	<b>336,001</b>	<b>431,200</b>	<b>767,201</b>
Loss for the period	-	-	-	-	-	-	(69,893)	(69,893)	(40,895)	(110,788)
Other comprehensive loss	-	-	(15,818)	-	-	-	-	(15,818)	(26,666)	(42,484)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>(15,818)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,893)</b>	<b>(85,711)</b>	<b>(67,561)</b>	<b>(153,272)</b>
<b>Equity transactions:</b>										
Dividend paid / declared	-	-	-	-	-	-	(10,139)	(10,139)	-	(10,139)
Shares issued	6,067	(5,956)	-	-	-	-	-	111	-	111
Share based payments, net of tax	-	4,687	-	-	-	-	-	4,687	-	4,687
Shares issued to settle deferred and variable deferred consideration	33,537	-	-	-	-	-	-	33,537	-	33,537
Shares issued under the dividend reinvestment plan	2,267	-	-	-	-	-	-	2,267	-	2,267
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	46,357	46,357
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	(39,515)	(39,515)
Changes in the proportion of equity held by non-controlling interests	-	-	-	-	-	(38,461)	-	(38,461)	38,425	(36)
<b>As at 31 December 2020</b>	<b>389,501</b>	<b>22,649</b>	<b>(27,226)</b>	<b>3,404</b>	<b>3,832</b>	<b>(63,239)</b>	<b>(86,629)</b>	<b>242,292</b>	<b>408,906</b>	<b>651,198</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021

### Note 1: Corporate Information

The interim consolidated financial statements of Omni Bridgeway Limited (“OBL”, “the Company” or “the Parent”) and its subsidiaries (“the Group” or “consolidated entity”) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 17 February 2022. The principal activities of the entities within the consolidated group are:

- (i) the investment into and management of Funds (or Fund-like structures) that are focused on investing into litigation and dispute resolution matters globally; and
- (ii) the continued holding of direct investments into similar litigation and dispute resolution matters.

Omni Bridgeway Limited (ABN 45 067 298 088) is a for profit company incorporated and domiciled in Australia and limited by shares that are publicly traded on the Australian Securities Exchange (ASX code: OBL).

### Note 2: Summary of Significant Accounting Policies

#### a. Basis of preparation

This interim consolidated financial report for the half-year ended 31 December 2021 is a condensed general purpose financial report prepared in accordance with AASB 134 and IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The amounts contained within this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and the Corporations Act 2001, as appropriate for for-profit oriented entities.

This interim consolidated financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

It is recommended that the interim consolidated financial report for the half year be read in conjunction with the annual report for the year ended 30 June 2021 and considered together with any public announcements made by the Company during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the Corporations Act 2001 and the ASX Listing Rules.

#### b. Basis of consolidation

The interim consolidated financial statements comprise the financial statements of Omni Bridgeway Limited and its subsidiaries, as listed in Note 26, at 31 December 2021.

#### c. Presentation currency

For the purpose of the interim consolidated financial statements, the results and the financial position of each entity are expressed in Australian dollars, which is the functional and presentation currency for the Company.

#### d. Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021. All new and amended accounting standards and interpretations effective from 1 July 2021 were adopted by the Group with no material impact.

#### e. New or amended Accounting Standards and Interpretations adopted

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the half-year ended 31 December 2021. The Group will assess the impact of these new standards during the reporting period to which they are applicable.

#### f. Significant accounting judgments, estimates and assumptions

The significant accounting judgments, estimates and assumptions that have been applied in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### A. RESULTS FOR THE HALF-YEAR

#### Note 3: Segment Information

The Group only operates in one industry, being funding and provision of services in relation to dispute resolution. For management purposes, the Group is organised into operating segments comprising the OBL Group's corporate operations and the Group's fund structures.

The OBL Group's wholly owned subsidiaries own historical litigation in progress investments and provide investment management advisory and administration services to the Group's fund structures in the following locations:

- Australia
- United States
- Canada
- Asia
- EMEA

The Group's Fund structures include:

- Fund 1 – This comprises Omni Bridgeway (Fund 1) LLC, Security Finance (Fund 1) LLC and HC 1 LLC. The Fund invests in litigation investments in the United States. Fund 1 is consolidated into the Group.
- Funds 2 & 3 – This comprises Omni Bridgeway (Fund 2) Pty Ltd and Omni Bridgeway (Fund 3) Pty Ltd and IMF Bentham ROW SPV 1 Limited and IMF Bentham ROW SPV 2 Limited. These entities jointly invest in litigation investments outside the United States. Funds 2&3 are consolidated into the Group.
- Fund 4 – This Fund invests in litigation investments in the United States. It consists of a series of parallel investing entities comprising Omni Bridgeway (Fund 4) Invt 1 LP; Omni Bridgeway (Fund 4) Invt 2 LP; Omni Bridgeway (Fund 4) Invt 3 LP; Omni Bridgeway (Fund 4) Invt 4 LP; Omni Bridgeway (Fund 4) Invt 5 LP; Omni Bridgeway (Fund 4) Invt 6 LP; Omni Bridgeway (Fund 4) Invt 7 LP; Omni Bridgeway (Fund 4) Invt 8 LP; Omni Bridgeway (Fund 4) Invt 9 LP; Security Finance (Fund 4) LLC; JPV I LP and Bentham HPCR LP. Fund 4 entities except for Bentham HPCR LP are consolidated into the Group.
- Fund 5 – Consists of a collective investment group comprising Omni Bridgeway (Fund 5) LP, Omni Bridgeway (Fund 5) Cayman Invt. Limited, Omni Bridgeway (Fund 5) Australian Invt Pty Ltd, Omni Bridgeway (Fund 5) Canada Investments Ltd, 2238319 Alberta Ltd, Omni Bridgeway (Fund 5) NZ Invt Limited, Omni Bridgeway (Fund 5) Cayman DDI Limited, Gold Road Limited, Oak Henge Limited, as well as parallel joint investor, Omni Bridgeway (Fund 5) GPA Pty Ltd. This Fund invests in litigation investments outside the United States. Only the parallel joint investor is consolidated within the Group. The segment note includes the parallel joint investor as well as Omni Bridgeway (Cayman) Limited which is the investment advisor to Fund 5.
- Fund 6 – This is an EMEA focused investment structure that was acquired in a business combination on 8 November 2019 and includes the entity responsible for providing the management of Fund 7. Fund 7 itself is not consolidated into Fund 6. It was established to invest in litigation, arbitration and enforcement proceedings, and for the work-out and monetisation of claims. Revenue is derived from enforcement and recovery services and other income is derived from litigation contracts in progress investments and purchased claims. OBL retains control and ownership of Fund 6 via its equity interests. Legal ownership of the investments are spread across the entire OBE Group. Fund 6 is consolidated into the Group.



# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021

### Note 3: Segment Information (continued)

For Fund 1 and Funds 2 & 3, the non-controlling interest is comprised of an equity interest which carries an entitlement to receive a capped priority return on drawn capital and a further preferred return on committed but undrawn capital. OBL retains control and ownership of the Funds via its equity interests. Upon satisfaction of the non-controlling interests' priority returns, OBL is entitled to a manager return. After satisfaction of the priority return and the manager returns, the residual net cash flows are to be distributed (i) for Fund 1: 85% to OBL and 15% to the non-controlling interests; (ii) for Funds 2 & 3, 80% to OBL and 20% to non-controlling interests. The Funds have an infinite life and all distributions are discretionary.

For Fund 4 the non-controlling interest is comprised of an equity interest which, together with OBL's interest, carries an entitlement to receive return of capital plus a hurdle return on invested capital; and a pro-rata share of any residual after OBL's periodic management fee and transactional based performance fee. OBL retains control and ownership of the Funds via its equity interest. The Fund has an infinite life and all distributions are discretionary.

For Fund 5, there is no non-controlling interest as only OBL's 100% owned parallel joint investor vehicle is consolidated. OBL is entitled to periodic management fees and transactional based performance fees.

For Fund 6, the non-controlling interest is comprised of an equity interest which, together with OBL's interest, carries a case by case entitlement to receive return of capital plus a return on invested capital after OBL's transactional based performance fee. OBL retains control and ownership of the Funds via its equity interest. The Fund has an infinite life and all distributions are discretionary during the investment period.

Inter-segment revenue comprises interest revenue on intercompany loans and management fees.

Intercompany interest revenue is recognised using the effective interest method.

The intercompany management fee revenue earned during the year was derived from management and advisory agreements between the group entities. The consideration received is determined by reference to costs plus a percentage mark-up. The revenue is recognised over the period in which costs are incurred as it is deemed that the Group transfers control of the management services over this period and, therefore, satisfies its performance obligations and recognises revenue over time.

Adjustments and eliminations relate to certain finance and overheads costs that are not allocated to individual segments as the underlying expenses are incurred within wholly owned operations. These costs are capitalised into litigation funding contracts on consolidation of the Group. The associated tax effect accounting for these items are also managed on a Group basis and not allocated to the individual segments.

Inter-segment revenues and expenses are eliminated on consolidation and reflected in the "adjustments and eliminations" column.

Adjustments made in the balance sheet include adjustments to non-current assets to eliminate intercompany loans and investments in subsidiaries on consolidation.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 3: Segment Information (continued)

	Group (excl Funds)		Funds				Consolidation	
	Corporate \$'000	1 \$'000	2&3 \$'000	4 \$'000	5 \$'000	6 \$'000	Adjustments and eliminations \$'000	Consolidated \$'000
<b>Segment result for half-year ended 31 December 2021</b>								
Interest revenue on cash and deposits	161	8	1	-	-	-	-	170
Interest revenue on receivables from litigation contracts	-	-	710	-	-	184	-	894
Interest revenue on litigation investments - purchased claims	-	-	727	211	-	2,699	-	3,637
Inter-segment	8,688	-	-	-	-	(343)	(8,345)	-
Revenue from contracts with customers	1,566	-	-	-	995	3,989	-	6,550
<b>Segment revenue</b>	<b>10,415</b>	<b>8</b>	<b>1,438</b>	<b>211</b>	<b>995</b>	<b>6,529</b>	<b>(8,345)</b>	<b>11,251</b>
Net gain/(loss) on derecognition of litigation investments - intangible assets	681	26,413	888	11,956	(570)	6,217	(4,196)	41,389
Net gain on disposal of litigation investments - purchased claims	-	-	-	-	-	137	-	137
Other income	2,366	-	255	-	734	710	(358)	3,707
<b>Total Income</b>	<b>13,462</b>	<b>26,421</b>	<b>2,581</b>	<b>12,167</b>	<b>1,159</b>	<b>13,593</b>	<b>(12,899)</b>	<b>56,484</b>
Impairment expenses	17,169	8,342	2,860	551	-	101	726	29,749
Amortisation of litigation investments - claims portfolio	-	-	-	-	-	2,367	-	2,367
Expenses	53,832	35	280	1,032	287	8,096	(18,534)	45,028
Share of loss in associates	104	-	-	-	-	-	-	104
<b>(Loss)/profit before tax and fair value adjustments</b>	<b>(57,643)</b>	<b>18,044</b>	<b>(559)</b>	<b>10,584</b>	<b>872</b>	<b>3,029</b>	<b>4,909</b>	<b>(20,764)</b>
Fair value adjustments on financial liabilities	2,404	-	-	-	-	-	-	2,404
<b>(Loss)/profit before tax</b>	<b>(55,239)</b>	<b>18,044</b>	<b>(559)</b>	<b>10,584</b>	<b>872</b>	<b>3,029</b>	<b>4,909</b>	<b>(18,360)</b>
Income tax expense/(benefit)	(10,878)	-	24	-	180	907	137	(9,630)
<b>Segment result</b>	<b>(44,361)</b>	<b>18,044</b>	<b>(583)</b>	<b>10,584</b>	<b>692</b>	<b>2,122</b>	<b>4,772</b>	<b>(8,730)</b>
<b>Attributable to:</b>								
Equity holders of the parent	(44,361)	8,626	(583)	2,111	692	1,005	4,772	(27,738)
Non-controlling interests	-	9,418	-	8,473	-	1,117	-	19,008

	Group (excl Funds)		Funds				Consolidation	
	Corporate \$'000	1 \$'000	2&3 \$'000	4 \$'000	5 \$'000	6 \$'000	Adjustments and eliminations \$'000	Consolidated \$'000
<b>Segment assets and liabilities at 31 December 2021</b>								
Cash and cash equivalents <sup>1</sup>	126,795	9,062	12,694	14,078	-	3,026	-	165,655
Current receivables from litigation contracts	72,820	-	7,678	5,174	-	17,657	-	103,329
Other current assets	27,843	-	18,923	932	3,814	20,705	(29,658)	42,559
Litigation investments - claims portfolio	-	-	-	-	-	98,777	1,704	100,481
Litigation investments - purchased claims	-	-	7,369	8,517	-	21,140	54	37,080
Litigation investments - intangible assets - litigation contracts in progress	103,118	149,005	60,507	114,740	14,523	54,204	32,993	529,090
Litigation investments - intangible assets impairments	(83,135)	(18,236)	(6,972)	(56,667)	-	(1,154)	(5,608)	(171,772)
Goodwill	98,157	-	-	-	-	-	-	98,157
Investments in funds	274,938	-	-	-	-	28	(270,678)	4,288
Other non-current assets	343,081	-	25,135	-	4,913	2,422	(290,550)	85,001
<b>Total segment assets</b>	<b>963,617</b>	<b>139,831</b>	<b>125,334</b>	<b>86,774</b>	<b>23,250</b>	<b>216,805</b>	<b>(561,743)</b>	<b>993,868</b>
Current liabilities	169,577	540	7,720	2,740	23,551	21,239	(40,790)	184,577
Non-current liabilities	115,938	-	-	-	-	9,973	-	125,911
<b>Total segment liabilities</b>	<b>285,515</b>	<b>540</b>	<b>7,720</b>	<b>2,740</b>	<b>23,551</b>	<b>31,212</b>	<b>(40,790)</b>	<b>310,488</b>
<b>Net assets</b>	<b>678,102</b>	<b>139,291</b>	<b>117,614</b>	<b>84,034</b>	<b>(301)</b>	<b>185,593</b>	<b>(520,953)</b>	<b>683,380</b>
<b>Equity attributable to:</b>								
Equity holders of the parent	678,102	67,672	15,255	16,807	(301)	67,030	(527,372)	317,193
Contributed equity - NCI	-	33,426 <sup>2</sup>	89,438	119,862	-	110,413	-	353,139
Earnings - NCI	-	38,193	12,921	(52,635)	-	8,150	6,419	13,048
<b>Total equity</b>	<b>678,102</b>	<b>139,291</b>	<b>117,614</b>	<b>84,034</b>	<b>(301)</b>	<b>185,593</b>	<b>(520,953)</b>	<b>683,380</b>

<sup>1</sup> Cash in Funds can only be used for litigation matters and expenses in the Funds.

<sup>2</sup> At 31 December 2021, the equity attributable to NCI for Fund 1 includes US\$26.656 million payable to NCI investors in Fund 1 and US\$34.887 million of additional NCI by way of external Fund co-investment equity in HC 1 LLC, an SPV funded 25% by Fund 1 and 75% by Fund co-investor.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 3: Segment Information (continued)

	Group (excl Funds)		Funds				Consolidation	
	Corporate \$'000	1 \$'000	2&3 \$'000	4 \$'000	5 \$'000	6 \$'000	Adjustments and eliminations \$'000	Consolidated \$'000
<b>Segment result for half-year ended 31 December 2020</b>								
Interest revenue on cash and deposits	343	39	5	-	-	563	(138)	812
Interest revenue on litigation investments - purchased claims	-	-	881	2,255	-	-	-	3,136
Inter-segment	8,617	-	-	-	-	-	(8,617)	-
Revenue from contracts with customers	1,145	-	-	-	216	43	-	1,404
<b>Segment revenue</b>	<b>10,105</b>	<b>39</b>	<b>886</b>	<b>2,255</b>	<b>216</b>	<b>606</b>	<b>(8,755)</b>	<b>5,352</b>
Net gain/(loss) on derecognition of litigation investments - intangible assets	7,619	(3,511)	4,957	1,262	-	1,083	(1,721)	9,689
Net gain/(loss) on disposal of litigation investments - purchased claims	-	-	-	-	-	73	(34)	39
Other income	187	-	-	-	-	851	-	1,038
<b>Total Income</b>	<b>17,911</b>	<b>(3,472)</b>	<b>5,843</b>	<b>3,517</b>	<b>216</b>	<b>2,613</b>	<b>(10,510)</b>	<b>16,118</b>
Impairment expenses	57,295	(4,053)	(204)	52,540	-	1,136	334	107,048
Amortisation of litigation investments - claims portfolio	-	-	-	-	-	598	-	598
Expenses	62,753	(59)	7,341	181	1,731	8,599	(17,877)	62,669
Share of loss in associates	-	-	-	-	-	182	-	182
<b>(Loss)/profit before tax and fair value adjustments</b>	<b>(102,137)</b>	<b>640</b>	<b>(1,294)</b>	<b>(49,204)</b>	<b>(1,515)</b>	<b>(7,902)</b>	<b>7,033</b>	<b>(154,379)</b>
Fair value adjustments on financial liabilities	10,043	-	-	-	-	-	-	10,043
<b>(Loss)/profit before tax</b>	<b>(92,094)</b>	<b>640</b>	<b>(1,294)</b>	<b>(49,204)</b>	<b>(1,515)</b>	<b>(7,902)</b>	<b>7,033</b>	<b>(144,336)</b>
Income tax	(32,131)	44	(856)	-	(505)	(868)	768	(33,548)
<b>Segment result</b>	<b>(59,963)</b>	<b>596</b>	<b>(438)</b>	<b>(49,204)</b>	<b>(1,010)</b>	<b>(7,034)</b>	<b>6,265</b>	<b>(110,788)</b>
<b>Attributable to:</b>								
Equity holders of the parent	(59,963)	-	(438)	(9,823)	(1,010)	(4,924)	6,265	(69,893)
Non-controlling interests	-	596	-	(39,381)	-	(2,110)	-	(40,895)

	Group (excl Funds)		Funds				Consolidation	
	Corporate \$'000	1 \$'000	2&3 \$'000	4 \$'000	5 \$'000	6 \$'000	Adjustments and eliminations \$'000	Consolidated \$'000
<b>Segment assets and liabilities at 30 June 2021</b>								
Cash and cash equivalents <sup>1</sup>	99,960	10,836	3,018	19,056	300	9,478	-	142,648
Current receivables from litigation contracts	109,790	43,936	7,819	-	-	14,110	-	175,655
Other current assets	31,430	-	15,397	549	-	6,416	(14,110)	39,682
Litigation investments - claims portfolio	-	-	-	-	-	93,784	1,275	95,059
Litigation investments - purchased claims	-	-	7,414	8,214	-	23,126	-	38,754
Litigation investments - intangible assets - litigation contracts in progress	108,327	150,283	59,022	121,389	8,021	54,867	30,424	532,333
Litigation investments - intangible assets impairments	(65,860)	(9,671)	(5,031)	(54,346)	-	(1,548)	(4,843)	(141,299)
Goodwill	99,645	-	-	-	-	-	-	99,645
Investments in funds	267,870	-	-	-	-	4,453	(267,870)	4,453
Other non-current assets	157,797	-	32,633	-	4,360	11,267	(126,455)	79,602
<b>Total segment assets</b>	<b>808,959</b>	<b>195,384</b>	<b>120,272</b>	<b>94,862</b>	<b>12,681</b>	<b>215,953</b>	<b>(381,579)</b>	<b>1,066,532</b>
Current liabilities	44,095	433	22,106	599	12,522	27,317	(33,400)	73,672
Non-current liabilities	140,526	-	-	-	-	81,589	8,398	230,513
<b>Total segment liabilities</b>	<b>184,621</b>	<b>433</b>	<b>22,106</b>	<b>599</b>	<b>12,522</b>	<b>108,906</b>	<b>(25,002)</b>	<b>304,185</b>
<b>Net assets</b>	<b>624,338</b>	<b>194,951</b>	<b>98,166</b>	<b>94,263</b>	<b>159</b>	<b>107,047</b>	<b>(356,577)</b>	<b>762,347</b>
<b>Equity attributable to:</b>								
Equity holders of the parent	624,338	47,481	17,767	9,143	159	(10,438)	(356,577)	331,873
Contributed equity - NCI	-	91,339 <sup>2</sup>	73,439	132,427	-	110,412	-	407,617
Earnings - NCI	-	56,131	6,960	(47,307)	-	7,073	-	22,857
<b>Total equity</b>	<b>624,338</b>	<b>194,951</b>	<b>98,166</b>	<b>94,263</b>	<b>159</b>	<b>107,047</b>	<b>(356,577)</b>	<b>762,347</b>

<sup>1</sup> Cash in Funds can only be used for litigation matters and expenses in the Funds.

<sup>2</sup> At 30 June 2021, the equity attributable to NCI for Fund 1 includes US\$39.633 million payable to NCI investors in Fund 1 and US\$34.887 million of additional NCI by way of external Fund co-investment equity in HC 1 LLC, an SPV funded 25% by Fund 1 and 75% by Fund co-investor.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 4: Revenue from contracts with customers

	Corporate \$'000	Fund 5 \$'000	Fund 6 \$'000	Total \$'000
<b>Half-year ended 31 December 2021</b>				
<b>Type of service</b>				
Litigation investments - claims portfolio proceeds	-	-	3,366	<b>3,366</b>
Management fees	1,566	995	623	<b>3,184</b>
	<b>1,566</b>	<b>995</b>	<b>3,989</b>	<b>6,550</b>
<b>Half-year ended 31 December 2020</b>				
<b>Type of service</b>				
Litigation investments - claims portfolio proceeds	-	-	19	19
Management fees	1,145	216	24	1,385
	<b>1,145</b>	<b>216</b>	<b>43</b>	<b>1,404</b>
<b>Half-year ended 31 December 2021</b>				
<b>Geographical markets</b>				
Europe	-	-	3,989	<b>3,989</b>
Australia	464	-	-	<b>464</b>
United States	1,102	-	-	<b>1,102</b>
Cayman Islands	-	995	-	<b>995</b>
	<b>1,566</b>	<b>995</b>	<b>3,989</b>	<b>6,550</b>
<b>Half-year ended 31 December 2020</b>				
<b>Geographical markets</b>				
Europe	-	-	43	43
Australia	186	-	-	186
United States	959	-	-	959
Cayman Islands	-	216	-	216
	<b>1,145</b>	<b>216</b>	<b>43</b>	<b>1,404</b>
<b>Half-year ended 31 December 2021</b>				
<b>Timing of revenue recognition</b>				
Services transferred at a point in time	-	-	3,366	<b>3,366</b>
Services transferred over time	1,566	995	623	<b>3,184</b>
	<b>1,566</b>	<b>995</b>	<b>3,989</b>	<b>6,550</b>
<b>Half-year ended 31 December 2020</b>				
<b>Timing of revenue recognition</b>				
Services transferred at a point in time	-	-	19	19
Services transferred over time	1,145	216	24	1,385
	<b>1,145</b>	<b>216</b>	<b>43</b>	<b>1,404</b>

Not included in revenue is \$3.873 million (31 December 2020: \$1.120 million) of performance fees in the second-generation funds that have not yet satisfied the income recognition requirements. This is disclosed in trade and other payables on the balance sheet.

### Note 5: Interest revenue

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>Interest revenue</b>		
Interest revenue on cash and deposits	170	266
Interest revenue on receivables from litigation contracts	894	546
Interest revenue on litigation investments - purchased claims	3,637	3,136
	<b>4,701</b>	<b>3,948</b>

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 6: Net gain on derecognition of litigation investments - intangible assets

Net gain on derecognition of litigation investments - intangibles assets is derived from the disposal of the Group's Litigation Contracts in Progress.

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>Net gain on derecognition of litigation investments - intangible assets</b>		
Litigation funding contracts - proceeds	108,572	43,869
Litigation funding contracts - derecognition of litigation investments - intangible assets	(67,183)	(34,180)
	<b>41,389</b>	<b>9,689</b>

Net gain on derecognition of litigation investments - intangible assets can be represented geographically as follows:

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
Australia	3,314	636
United States	39,390	(3,043)
Canada	(5,694)	11,023
EMEA	6,211	1,071
Asia	(1,832)	2
<b>Total net gain on derecognition of litigation investments - intangible assets</b>	<b>41,389</b>	<b>9,689</b>

### Note 7: Other income

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>Other income</b>		
Net foreign exchange gain	2,597	-
Other income	1,110	1,038
	<b>3,707</b>	<b>1,038</b>

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 8: Expenses

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>(a) Finance costs</b>		
Interest on lease liabilities	41	43
Other finance charges	558	206
	<b>599</b>	<b>249</b>
<b>(b) Amortisation of litigation investments - claims portfolio</b>		
Amortisation of litigation investments - claims portfolio	2,367	598
<b>(c) Depreciation expense</b>		
Depreciation	1,564	1,698
<b>(d) Employee benefits expense</b>		
Wages and salaries	22,131	18,683
Superannuation expense	939	859
Directors' fees	278	253
Payroll tax	936	1,045
Share based payments	6,393	7,514
Long service leave	(404)	145
	<b>30,273</b>	<b>28,499</b>
<b>(e) Corporate and office expense</b>		
Insurance expense	1,644	1,659
Network expense	831	660
Marketing expense	625	637
Occupancy expense	488	360
Professional fee expense	3,688	4,502
Recruitment expense	378	165
Travel expense	242	80
	<b>7,896</b>	<b>8,063</b>
<b>(f) Other expenses</b>		
ASX listing fees	93	146
General expenses	1,908	758
Amortisation of contract costs	470	470
Postage, printing and stationary	690	583
Repairs and maintenance	9	5
Share registry costs	30	-
Staff training, development and conferences	220	(3)
Adverse costs	1,276	13,898
Net foreign exchange loss	-	8,242
Loss on disposal of fixed assets	-	61
	<b>4,696</b>	<b>24,160</b>
<b>(g) Impairment expense</b>		
Impairment	29,749	107,048

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 9: Income tax

A reconciliation between tax expense and the product of accounting profit before income multiplied by the Group's applicable income tax rate is as follows:

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
Accounting profit/(loss) before income tax	(18,360)	(144,336)
At the Group's statutory income tax rate of 30% (2020: 30%)	(5,508)	(43,301)
Foreign tax rate adjustments	(396)	45
Adjustment in respect of income and deferred tax of previous years	5,363	(250)
Non-assessable income	(10,037)	(3,087)
Non-deductible expenditures	1,308	12,406
Write off of non-recoverable Deferred Tax Assets	63	641
Other	(423)	(2)
<b>Income tax expense/(benefit) reported in the Statement of Comprehensive Income</b>	<b>(9,630)</b>	<b>(33,548)</b>

### Unrecognised temporary differences and tax losses

At 31 December 2021, the Group had \$3.017 million (30 June 2021: \$2.604 million) of unrecognised deferred tax assets relating to temporary differences and tax losses in its Canadian subsidiaries.

### Deferred tax assets relating to Australian operations

The deferred tax assets balance includes \$12.108 million (30 June 2021: \$0.323 million) of assets relating to carried forward tax losses of Omni Bridgeway Limited (OBL) tax consolidated group as at 31 December 2021. It is probable that the OBL tax group will earn sufficient taxable income to utilise the losses as the Australian business has significant investments on balance sheet and through Fund 5 participation, which have a combined EPV of \$1.290 billion. In addition, OBL is expected in turn to receive intra group income from the wider group.

### Deferred tax assets relating to USA operations

The deferred tax assets balance includes \$19.619 million (30 June 2021: \$23.298 million) of assets relating to carried forward tax losses of Omni Bridgeway Holdings (USA) Inc. Under existing tax regulations, the losses incurred prior to financial year ended 30 June 2019 can be carried forward for 20 years and losses incurred thereafter can be carried forward indefinitely.

The US business has a recent history of incurring tax losses. The losses have arisen primarily from the implementation of the expansion of the administrative base in the United States to support strategic growth initiatives that are, according to plan, yet to realise their full value. Fund 1's NCI waterfall, by design, prioritises the NCI investor's return initially and then swings to favour the Group. OBL has considered the utilisation of these tax losses within the expanded US business and has determined that, based on approved budgets and existing case matters, it is probable that the US tax group will earn sufficient taxable income to utilise the losses. Further, in assessing the utilisation of the tax losses, OBL considers there to be convincing other evidence to support the recoverability of these tax losses including:

- (i) The US business has been in an expansion and infrastructure growth phase. Additional costs have been incurred by the business related to the expansion of activity and changes in operations to a Fund management structure. Investments in people, systems and infrastructure have been made ahead of the expected investment activity of the Funds. Fund 1 commenced in 2017 and Fund 4 in 2019. Whilst Fund 1 is fully invested; Fund 4 (with an approved portfolio size of US\$500 million of which the US business has a 20% interest) is commencing its investment commitment activity. With an average investment life of circa 5.1 years, a significant portion of the expected income is in the future. This income generation will be by way of both investment returns and fee revenues.
- (ii) The US business has raised substantial external capital over the past three years via its Fund structures. Fund 1 raised US\$171.7 million (75% external commitments) and Fund 4 raised US\$500 million (80% external commitments). The external capital raised is the foundation of the investing activity that enables the US business to grow and generate returns to realise future taxable income. The Group has access to more investment capital than at any time in its history.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 9: Income tax (continued)

- (iii) There are 41 US investments. The carrying value of intangibles assets (investments) was \$217.705 million at 31 December 2021. The US business historically has an 81% success rate, based on number of investments. The US business has historically had a return on invested capital ("ROIC") of 0.65x, including losses and excluding overheads. The growth in the Group's investments together with the Group's historical performance provides an indication of growth in future taxable income.
- (iv) The coronavirus pandemic and other political events in the US have temporarily delayed US investment completions, as the court process has been significantly disrupted since FY2021. Once the normalcy in the US court system resumes, completion rates are expected to return to normal.

### Deferred tax assets relating to ROW funds

Omni Bridgeway (Fund 2) Pty Limited and Omni Bridgeway (Fund 3) Pty Limited carried combined total deferred tax assets balances of \$1.923 million as at 31 December 2021 (30 June 2021: \$5.892 million), the deferred tax assets balances were predominantly related to the loss of Asian and EMEA investments during this reporting period. The Funds are 100% committed with litigation investment that are expected to generate significant taxable income in their respective tax jurisdictions in the future.

### Note 10: Loss per share

#### (a) Loss used in calculating loss per share

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>For basic and diluted loss per share</b>		
Total net loss attributable to ordinary equity holders of the Parent	(27,738)	(69,893)

#### (b) Weighted average number of shares

	Consolidated	
	Half-year ended 31-Dec-21 Number	Half-year ended 31-Dec-20 Number
Weighted average number of ordinary shares outstanding	264,158,997	253,875,500
Effect of dilution:		
Performance rights	-	-
Variable Deferred Consideration Shares	-	-
Weighted average number of ordinary shares	264,158,997	253,875,500

Variable Deferred Consideration and Deferred Consideration are payable by the issue of fully paid ordinary shares in OBL. Please refer to Note 15 and Note 21 for details.

These shares have not been included for tranches of Variable Deferred Consideration where the performance milestones have not been met. Deferred Consideration shares have not been included as shareholder approval will be required for tranche 2. In addition to this, the inclusion of any of these shares would be considered anti-dilutive.

During the period to 31 December 2021, the performance milestones for Tranche 2 of the Variable Deferred Consideration have been met. The shares relating to this are only included in dilutive loss per ordinary share where the performance milestones have been met and they do not have an anti-dilutive effect. As at 31 December 2021, there were 3,658,827 Variable Deferred Consideration shares calculated as meeting the performance criteria for inclusion in diluted loss per share, however these were not included due to their anti-dilutive effect.

The weighted average number of ordinary shares outstanding includes performance rights granted under the Long Term Incentive Plan are only included in dilutive loss per ordinary share where the performance hurdles are met as at period end and they do not have an anti-dilutive effect. As at 31 December 2021, there were no performance rights calculated as meeting the performance criteria for inclusion in diluted loss per share.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares outstanding between the reporting date and the date of completion of these financial statements.



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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 11: Dividends paid and proposed by Omni Bridgeway (the parent entity)

#### Cash dividends on ordinary shares declared and paid

The Directors have determined not to pay a dividend for the period ended 31 December 2021 to equity holders of the parent company.

The Directors did not pay a final dividend for the financial year ended 30 June 2021.

The Directors have determined they will consider, and where appropriate, implement, a regular semi-annual dividend which reflects the cash position of the Company at the time of the dividend and the likely demand for cash over the ensuing 12 month period. The Company has put in place a dividend reinvestment plan and, on appropriate occasions, will arrange underwriting to reduce the impact a particular dividend might otherwise have on cash.

### B. INVESTMENTS AND INTANGIBLE ASSETS

#### Note 12: Litigation investments - claims portfolio

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
Balance at 1 July	95,059	93,680
Additions - external funding deployment (new investments)	5,317	2,696
Additions - external funding deployment (existing investments)	4,404	6,922
Amortisation of litigation investments - claims portfolio <sup>1</sup>	(2,367)	(1,559)
Litigation investments - claims portfolio impairment	(520)	(3,565)
Foreign currency adjustment	(1,412)	(3,115)
	<b>100,481</b>	<b>95,059</b>

<sup>1</sup> Includes \$1.916 million (30 June 2021: \$nil) of fair value adjustments, the aggregate amortisation of fair value adjustments from business combination since the purchase in October 2019 is \$10.162 million (30 June 2021: \$8.540 million).

Included in the closing balance is \$61.685 million (30 June 2021: \$74.180 million) of fair value adjustments that originally arose from business combination.

#### Note 13: Litigation investments - purchased claims

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
Balance at 1 July	38,754	17,019
Interest revenue	3,637	8,137
Additions - external funding deployment	-	20,518
Litigation investments - purchased claims expense	(3,402)	(2,721)
Litigation investments - purchased claims impairment	(1,073)	(3,797)
Foreign currency adjustment	(836)	(402)
	<b>37,080</b>	<b>38,754</b>

At 31 December 2021, the fair value of the litigation investments - purchased claims amounted to \$37.080 million (30 June 2021: \$38.754 million) and the gross contractual amount of \$185.150 million (30 June 2021: \$181.900 million). Included in the closing balance is \$0.809 million (30 June 2021: \$nil) of fair value adjustments that originally arose from business combination.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 13: Litigation investments - purchased claims (continued)

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
<b>Net gain on disposal of litigation investments - purchased claims</b>		
Proceeds from litigation investments - purchased claims disposed	3,539	16
Carrying value of litigation investments - purchased claims disposed <sup>1</sup>	(3,402)	23
	<b>137</b>	<b>39</b>

<sup>1</sup> Includes \$0.809 million (31 December 2020: \$nil) of fair value adjustments, the aggregate amortisation of fair value adjustments from business combination since the purchase in October 2019 is \$6.404 million (31 December 2020: \$5.595 million).

### Note 14: Litigation investments - intangible assets - litigation contracts in progress

#### (a) Reconciliation of carrying amounts

The carrying value of Litigation Contracts In Progress can be summarised as follows:

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
External costs	450,968	459,371
Capitalised internal costs	41,422	38,262
Capitalised borrowing costs	36,700	34,700
Gross carrying amount	<b>529,090</b>	<b>532,333</b>
Accumulated impairment	(171,772)	(141,299)
<b>Net carrying amount</b>	<b>357,318</b>	<b>391,034</b>

Included in the closing balance is \$17.875 million (30 June 2021: \$21.527 million) of fair value adjustments that originally arose from business combination.

#### (b) Impairment testing of litigation investments - intangible assets

Except for specific Litigation Contracts in Progress subject to an unfavourable judgment, the recoverable amount of each of the Litigation Contracts in Progress is determined based on a value in use calculation using cash flow projections based on financial budgets approved by management for the expected length of each investment. Litigation Contracts in Progress that are subject to an unfavourable judgment are impaired down to their recoverable amount based on the net recoverable amount expected to be received from the investments.

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of Litigation Contracts in Progress:

- The estimated cost to complete a Litigation Contract in Progress is budgeted based on estimates provided by the external legal advisors handling the litigation.
- The value to the Group of the Litigation Contracts in Progress, once completed, is estimated based on the successful conclusion and the resulting expected settlement or judgment amount of the litigation and the fees due to the Group under the litigation funding contract.
- The discount rate applied to the cash flow projections is based on the Group's weighted average cost of capital and other factors relevant to the particular Litigation Contracts in Progress including country risk. The discount rate applied ranged between 11% and 14% for this reporting period (30 June 2021: between 11% and 15%).

At 31 December 2021, the balance of provisions for impairment was \$171.772 million (30 June 2021: \$141.299 million). The \$30.473 million net movement in the period reflects (i) \$34.975 million of new impairments in relation to 34 investments; (ii) the net impact of investment completions and the asset derecognised; and (iii) foreign exchange variance.

For new or increased impairments, during the impairment review, management have determined that either a successful outcome for the investment was no longer likely to occur or that the likely outcome would not recover the current carrying value of the investment. The discount rate used in the impairment indicator assessment of these assets was 14%. After taking into account the impairment indicators, at 31 December 2021, the thirty-four investments have a combined carrying value of \$11.040 million. This amount reflects the net recoverable amount expected to be received from the investments.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### C. CAPITAL STRUCTURE

#### Note 15: Financial assets and liabilities

The value of the Group's financial assets and liabilities will be impacted by changes in interest rates and foreign exchange rates. The carrying amount of the financial assets and liabilities of the Group approximate their fair values, except for the Bonds and Notes.

#### Fair Values

The carrying amounts of financial assets and liabilities of the Group carried at amortised cost approximate their fair values, except for the Omni Bridgeway Bonds and Fixed Rate Notes. The Omni Bridgeway Bonds fair value has been determined using the quoted market price at 31 December 2021, as quoted on the Australian Securities Exchange, and the Fixed Rate Notes fair value has been determined using the price from FIIG, an external, privately-owned corporate bonds and government bonds specialist.

For the purposes of disclosure, the fair value measurements used for the Bonds are level 1 on the fair value hierarchy and the Notes level 3. Level 3 inputs were used for all other assets and liabilities below to determine fair value.

	Carrying Amount		Fair Value	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>Financial assets</b>				
Receivables from litigation contracts and other	148,021	231,305	148,021	231,305
Litigation investments - purchased claims	37,080	38,754	37,080	38,754
Financial investments	1,721	389	1,721	389
Other assets/security deposits	25,719	21,859	25,719	21,859
	<b>212,541</b>	<b>292,307</b>	<b>212,541</b>	<b>292,307</b>
<b>Financial liabilities</b>				
Trade and other payables	32,673	21,009	32,673	21,009
Omni Bridgeway bonds	75,970	75,290	76,570	76,760
Fixed rate notes	70,428	70,232	72,667	73,690
Deferred consideration – business combination	16,845	17,783	16,845	17,783
Variable deferred consideration – business combination	46,046	48,533	46,046	48,533
Variable consideration – litigation investments - purchased claim	13,762	14,376	13,762	14,376
	<b>255,724</b>	<b>247,223</b>	<b>258,563</b>	<b>252,151</b>

Notes to the Interim Consolidated Financial Statements  
for the half-year ended 31 December 2021 (continued)

Note 15: Financial assets and liabilities (continued)

Deferred and variable deferred consideration – business combination

The significant inputs used in the fair value measurements of deferred and variable deferred consideration – business combination, categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2021 are shown below:

Item	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Variable deferred consideration	Black Scholes Option Pricing Model	Exercise price	Theoretical exercise price based on the floor price of \$3.407	
		Volatility	40% at 31 December 2021 and 40% at 30 June 2021	At 31 December 2021: An absolute 5% increase in the volatility would result in a \$630,000 increase in the value of the liability. An absolute 5% decrease in the volatility would result in a \$638,000 decrease in the value of the liability.  At 30 June 2021: An absolute 5% increase in the volatility would result in a \$879,000 increase in the value of the liability. An absolute 5% decrease in the volatility would result in a \$885,000 decrease in the value of the liability.
		Underlying share price	\$3.68 at 31 December 2021 and \$3.75 at 30 June 2021	At 31 December 2021: A relative 5% increase in the share price would result in a \$915,000 increase in the value of the liability. A relative 5% decrease in the share price would result in a \$861,000 decrease in the value of the liability.  At 30 June 2021: A relative 5% increase in the share price would result in a \$1,462,000 increase in the value of the liability. A relative 5% decrease in the share price would result in a \$1,359,000 decrease in the value of the liability.
Dividend yield		At 31 December 2021: 2% for 8-Nov-22 payment; 2% for 8-Nov-23 payment; 2% for 8-Nov-24 payment  At 30 June 2021: 0% for 8-Nov-21 payment; 2% for 8-Nov-22 payment; 2% for 8-Nov-23 payment; 2% for 8-Nov-24 payment	At 31 December 2021: An absolute 1% increase in dividend yield would result in a \$279,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would result in a \$297,000 increase in the value of the liability.  At 30 June 2021: An absolute 1% increase in dividend yield would result in a \$312,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would result in a \$332,000 increase in the value of the liability.	

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 15: Financial assets and liabilities (continued)

Item	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Variable deferred consideration (continued)	Black Scholes Option Pricing Model (continued)	Risk free rate	At 31 December 2021: 0.22% for 8-Nov-22 payment; 0.56% for 8-Nov-23 payment; 0.90% for 8-Nov-24 payment	
			At 30 June 2021: 0.01% for 8-Nov-21 payment; 0.02% for 8-Nov-22 payment; 0.09% for 8-Nov-23 payment; 0.34% for 8-Nov-24 payment	
FX forward rate (AUD/EUR)			At 31 December 2021: 8-Nov-22: 1.57 8-Nov-23: 1.61 8-Nov-24: 1.64	At 31 December 2021: A relative 5% increase in the forward exchange rates would result in a \$1,606,000 increase the value of the liability. A relative 5% decrease in the forward exchange rate would result in a \$1,606,000 decrease in the value of the liability.
			At 30 June 2021: 8-Nov-21: 1.58 8-Nov-22: 1.59 8-Nov-23: 1.60 8-Nov-24: 1.63	At 30 June 2021: A relative 5% increase in the forward exchange rates would result in a \$2,403,000 increase the value of the liability. A relative 5% decrease in the forward exchange rate would result in a \$2,403,000 decrease in the value of the liability.
Deferred consideration	Black Scholes Option Pricing Model	Exercise price	Theoretical exercise price based on the floor price of \$3.407	
		Volatility	40% at 31 December 2021 and 40% at 30 June 2021	At 31 December 2021: An absolute 5% increase in the volatility would result in a \$263,000 increase in the value of the liability. An absolute 5% decrease in the volatility would result in a \$263,000 decrease in the value of the liability.  At 30 June 2021: An absolute 5% increase in the volatility would result in a \$334,000 increase in the value of the liability. An absolute 5% decrease in the volatility would result in a \$334,000 decrease in the value of the liability.

Notes to the Interim Consolidated Financial Statements  
for the half-year ended 31 December 2021 (continued)

Note 15: Financial assets and liabilities (continued)

Item	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Deferred consideration (continued)	Black Scholes Option Pricing Model (continued)	Underlying share price	\$3.68 at 31 December 2021 and \$3.75 at 30 June 2021	At 31 December 2021: An absolute 5% increase in the share price would result in a \$501,000 increase in the value of the liability. An absolute 5% decrease in the share price would result in a \$464,000 decrease in the value of the liability.
			At 30 June 2021: An absolute 5% increase in the share price would result in a \$525,000 increase in the value of the liability. An absolute 5% decrease in the share price would result in a \$491,000 decrease in the value of the liability.	
Dividend yield			2% at 31 December 2021 and 2% at 30 June 2021	At 31 December 2021: An absolute 1% increase in dividend yield would result in a \$79,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would result in a \$84,000 increase in the value of the liability.
				At 30 June 2021: An absolute 1% increase in dividend yield would result in a \$312,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would result in a \$332,000 increase in the value of the liability.
Risk free rate			0.22% at 31 December 2021 and 0.02% at 30 June 2021	
FX forward rate (AUD/EUR)			At 31 December 2021: 8-Nov-22: 1.57	At 31 December 2021: A relative 5% increase in the forward exchange rates would result in a \$842,000 increase the value of the liability. A relative 5% decrease in the forward exchange rate would result in a \$842,000 decrease in the value of the liability.
			At 30 June 2021: 8-Nov-21: 1.58 8-Nov-22: 1.59	At 30 June 2021: A relative 5% increase in the forward exchange rates would result in a \$889,000 increase the value of the liability. A relative 5% decrease in the forward exchange rate would result in a \$889,000 decrease in the value of the liability.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 16: Cash and cash equivalents

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
Cash at bank	96,009	88,107
Short-term deposits	69,646	54,541
	<b>165,655</b>	<b>142,648</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value. Of the cash at bank, \$1,098,000 (30 June 2021: \$1,313,000) is restricted as it is held within Stichting vehicles on behalf of customers. The Stichting vehicles were founded as separate, independent foundations to ensure the cash flows related to the claims were secured.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group. As at 31 December 2021, all short-term deposits maturity dates are less than 90 days from inception and earn interest at the respective short-term deposit rates.

#### Bank Guarantees

Bank guarantees have been issued by the Group's bankers as security for leases over premises, banking facilities and as security for adverse costs orders for investments funded under litigation contracts. As at 31 December 2021, guarantees of \$2,187,000 were outstanding (30 June 2021: \$1,163,000). The Group has a total guarantee facility limit of \$2,448,000 (30 June 2021: \$1,432,000) that is secured by an offset arrangement with deposits of \$2,448,000 (30 June 2021: \$1,632,000).

### Note 17: Debt securities

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>Current</b>		
Omni Bridgeway Bonds	75,970	-
	<b>75,970</b>	<b>-</b>
<b>Non-Current</b>		
Omni Bridgeway Bonds	-	75,290
Fixed Rate Notes	70,428	70,232
	<b>70,428</b>	<b>145,522</b>

In relation to the debt securities held by the Group, there were no breaches in covenants. The following ratios are applicable to the Group for the half year:

	Consolidated	
	At 31-Dec-21	At 30-Jun-21
Gearing ratio <sup>1</sup>	45%	40%
Working capital ratio <sup>2</sup>	1.69	4.86
Interest cover ratio <sup>3</sup>	N/A	N/A

<sup>1</sup> The gearing ratio is calculated as total liabilities over total equity in accordance with CO 14/1276. It is categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, issued in December 2011.

<sup>2</sup> The working capital ratio is calculated as current assets over current liabilities in accordance with CO 14/1276. It is categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, issued in December 2011.

<sup>3</sup> The interest cover ratio is calculated as EBITDA over net interest expense in accordance with CO 14/1276. It is not applicable as interest is capitalised on qualifying assets.

In accordance with clause 5.9(a)(ii) of the OTC Note terms and in accordance with clause 4.5(a)(ii) of Schedule 2 of the OBL Bond Trust Deed, OBL confirms that at all times during the previous six months no wholly owned subsidiary held cash on its balance sheet in an amount which at any time exceeds the subsidiary cash limit at that time for a period of more than 30 consecutive calendar days, unless the relevant wholly owned subsidiary has provided an unconditional guarantee of all amounts owing on the bonds then outstanding in favour of the Trustee.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 18: Contributed equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<i>Contributed equity</i>		
Issued and fully paid ordinary shares	396,046	389,501

#### (a) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Consolidated			
	Period ended 31-Dec-21		Year ended 30-Jun-21	
	Number '000	\$'000	Number '000	\$'000
<b>Movement in ordinary shares</b>				
Balance at 1 July	262,180	389,501	249,865	347,630
Shares issued during the year (Deferred and Variable Deferred Consideration)	-	-	8,120	33,537
Shares issued upon exercise of performance rights	2,800	6,545	3,604	6,064
Shares issued under the Dividend Reinvestment Plan	-	-	591	2,270
Balance at period end	264,980	396,046	262,180	389,501

#### (b) Performance Rights

At 31 December 2021, there were 12,005,313 unissued ordinary shares in respect of outstanding share performance rights (30 June 2021: 18,528,532).

#### (c) Variable Deferred Consideration Shares

At 31 December 2021, there were 9,208,422 Variable Deferred Consideration Shares remaining to be issued (30 June 2021: 9,208,422).



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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### D. WORKING CAPITAL, OTHER ASSETS AND OTHER LIABILITIES

#### Note 19: Receivables from litigation contracts and other

Collectability of receivables from litigation contracts is assessed on recognition of the receivable and reviewed on an ongoing basis and at each reporting period. The Group recognises an allowance for expected credit losses (ECLs) for all receivables based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For investments that involve an award or judgment there may be a risk of collectability. The Group recognises this as part of its usual investment process and whilst obtaining the award or judgment is considered delivery of a performance obligation entitling the group to a contractual return, the Group only recognises an amount reflecting the discounted expected receipts rather than the contractual entitlement at that time.

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>Current</b>		
Receivables from litigation contracts <sup>1</sup>	103,329	175,655
Other receivables <sup>1 2</sup>	24,735	33,734
	<b>128,064</b>	<b>209,389</b>
<b>Non-Current</b>		
Receivables from litigation contracts <sup>3</sup>	19,957	21,916
	<b>19,957</b>	<b>21,916</b>

<sup>1</sup> The gross value of current receivables before ECLs or any constrained income at 31 December 2021 is \$141.964 million (30 June 2021: \$221.332 million).

<sup>2</sup> Other receivables comprise interest receivable upon the maturity of the Group's short-term deposits (between 30 and 90 days), receivables from co-funders of litigation contracts in progress, short term loans and deposits receivable.

<sup>3</sup> The gross value of non-current receivables before ECLs or any constrained income at 31 December 2021 is \$33.300 million (30 June 2021: \$26.080 million).

#### Fair value and credit risk

Due to the nature of these receivables, the carrying value of the current and non-current receivables approximates fair value. The maximum exposure to credit risk is the carrying value of receivables. It is not the Group's policy to transfer (on-sell) receivables.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 20: Other assets

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>Current</b>		
Prepayments	4,350	2,216
Deposits	12,535	2,793
	<b>16,885</b>	<b>5,009</b>
<b>Non-Current</b>		
Prepayments	7,563	8,735
Deposits	-	7,445
Litigation investments - financial investments	1,721	389
Other	1,271	1,200
	<b>10,555</b>	<b>17,769</b>

#### **Litigation investments - financial investments**

Litigation investments - financial investments represent the Group's investments made into Managed Investment Schemes ("MIS") relating to Australian Class Action Lawsuits. The Group participates in these investments via its' 20% participation in Fund 5 investments.

As at 31 December 2021 there were 9 (30 June 2021: 6) separate investments into MISs.

### Note 21: Other financial liabilities

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>Current</b>		
Deferred consideration – business combination	16,845	-
Variable deferred consideration – business combination	28,328	14,647
Variable consideration – litigation investments - purchased claims	4,320	5,070
	<b>49,493</b>	<b>19,717</b>
<b>Non-Current</b>		
Deferred consideration – business combination	-	17,783
Variable deferred consideration – business combination	17,718	33,886
Variable consideration – litigation investments - purchased claims	9,442	9,306
	<b>27,160</b>	<b>60,975</b>

#### **Deferred and variable deferred consideration**

Deferred and variable deferred consideration – business combination relates to the acquisition of OBE Group. The determination of the fair value is designated as level 3 in the fair value hierarchy.

#### **Variable consideration – litigation investments - purchased claims**

The determination of the fair value is designated as level 3 in the fair value hierarchy.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 21: Other financial liabilities (continued)

The following table reconciles the movements in recurring fair value measurements categorised within level 3 of the fair value hierarchy:

	Deferred consideration – business combination \$'000	Variable deferred consideration – business combination \$'000	Total \$'000
<b>Current</b>			
At 1 July 2021	-	14,647	14,647
Fair value remeasurement recognised through profit and loss	(680)	(1,576)	(2,256)
Reclassification from Non-Current	17,517	15,458	32,975
Effect of movement in foreign currency	8	(201)	(193)
At 31 December 2021	<b>16,845</b>	<b>28,328</b>	<b>45,173</b>
<b>Non-Current</b>			
At 1 July 2021	17,783	33,886	51,669
Fair value remeasurement recognised through profit and loss	-	(206)	(206)
Reclassification to Current	(17,517)	(15,458)	(32,975)
Effect of movement in foreign currency	(266)	(504)	(770)
At 31 December 2021	<b>-</b>	<b>17,718</b>	<b>17,718</b>
	Deferred consideration – business combination \$'000	Variable deferred consideration – business combination \$'000	Total \$'000
<b>Current</b>			
At 1 July 2020	20,681	17,655	38,336
Fair value remeasurement recognised through profit and loss	(2,793)	(3,403)	(6,196)
Issue of shares to satisfy the liability	(17,808)	(15,729)	(33,537)
Reclassification from Non-Current	-	16,194	16,194
Effect of movement in foreign currency	(80)	(70)	(150)
At 30 June 2021	<b>-</b>	<b>14,647</b>	<b>14,647</b>
<b>Non-Current</b>			
At 1 July 2020	22,105	58,375	80,480
Fair value remeasurement recognised through profit and loss	(3,628)	(6,465)	(10,093)
Reclassification to Current	-	(16,194)	(16,194)
Effect of movement in foreign currency	(694)	(1,830)	(2,524)
At 30 June 2021	<b>17,783</b>	<b>33,886</b>	<b>51,669</b>

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 22: Provisions

	Consolidated	
	At 31-Dec-21 \$'000	At 30-Jun-21 \$'000
<b>Current</b>		
Annual leave and vested long service leave	3,767	4,637
Adverse costs	19,543	19,100
Bonus	805	677
Make good provision	100	-
	<b>24,215</b>	<b>24,414</b>
<b>Non-Current</b>		
Premises lease make good	469	278
Long service leave	577	577
	<b>1,046</b>	<b>855</b>

#### *Annual leave and vested long service leave*

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period.

#### *Bonus*

The bonus provision relates to amounts accrued based on management's estimate to be paid to employees (including STIP).

### Note 23: Commitments and contingencies

In certain jurisdictions litigation funding agreements contain an undertaking from the Group to the client that the Group will pay adverse costs awarded to the successful party in respect of costs incurred during the period of funding, should the client's litigation be unsuccessful. It is not possible to predict in which cases such an award might be made.

In addition, the Group has insurance arrangements which, in some circumstances, will lessen the impact of such awards. The entire Funds 2 and 3 portfolio has an after the event ("ATE") insurance policy that will respond to claims for adverse costs in aggregate in excess of \$7.500 million up to the policy indemnity limit. The entire Fund 5 portfolio has an after the event ("ATE") insurance policy that will respond to claims for adverse costs in aggregate in excess of USD20 million up to the policy indemnity limit. Based on past experience, an award of adverse costs to a defendant will approximate 40% to 80% (depending on jurisdiction) of the amount paid by the plaintiff to pursue the litigation (although in some cases there may be more than one defendant).

Accordingly, an estimate of the total potential adverse costs exposure of the Group which has accumulated from time to time may be made by assuming all cases are lost, that adverse costs equal 40% to 80% of the amount spent by the plaintiff and that there is only one defendant per case.

At 31 December 2021, the total amount spent on currently funded investments by the Group where undertakings to pay adverse costs have been provided was \$130.465 million (30 June 2021: \$107.476 million). The potential adverse costs orders using the above methodology would amount to \$59.300 million (30 June 2021: \$45.315 million). Subject to impairment considerations, the Group does not currently expect that any of the investments will be unsuccessful. The Group maintains a large cash holding in the event that one or more investments are unsuccessful and an adverse costs order is made which is not covered by its insurance arrangements.

Further to the contingent comment above, in respect to a number of investments where the Group has a potential exposure to adverse cost exposure OBL has provided a security deed poll. The group has invested \$63.746 million to these investments collectively. Where the investment is within a Fund OBL is indemnified by the respective Fund.

A portion of the consideration relating to the acquisition of OBE Group is contingent upon the OBE Group meeting performance targets.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### E. THE GROUP, MANAGEMENT AND RELATED PARTIES

#### Note 24: Share-based payments

##### Long Term Incentive Plan (LTIP)

Under the LTIP, awards are made to executives and other senior personnel who have an impact on the Group's performance. LTIP awards are delivered in the form of performance rights over shares which vest after a period of three years subject to meeting performance measures. 80% of the LTIP is based on relative TSR and 20% CAGR of Funds Deployed as the performance measures.

For the portion of the LTIP subject to the relative TSR performance measure, the fair value of share performance rights granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and condition upon which the share performance rights were granted. For the portion of the LTIP based on the achievement of CAGR of Funds Deployed, both the Binomial and Black Scholes models are used.

On 4 February 2022, 4,977,784 share performance rights were issued. Specific assessment for performance rights issued is below:

Grant Date	1 July 2021	30 November 2021
Share price at grant date	\$3.590	\$3.250
Expected Volatility (%)	40%	40%
Dividend yield (%)	2%	2%
Risk-free rate (%)	0.27%	0.75%
Performance period	3 years ending 30 June 2024	3 years ending 30 June 2024
Models used	Monte Carlo & Black Scholes	Monte Carlo & Black Scholes
Tranche 1 - relative TSR (value per right)	\$1.790	\$1.410
Tranche 2 - CAGR (value per right)	\$3.420	\$3.090

#### Note 25: Related party disclosures

##### Transactions with director related entities

The following table provides the total amount of transactions that were entered into with related parties for the relevant periods.

	Consolidated	
	Half-year ended 31-Dec-21 \$'000	Half-year ended 31-Dec-20 \$'000
Transactions with DLA Piper <sup>1</sup>	N/A	294
Transactions with Thomson Geer <sup>1</sup>	15	-
	<b>15</b>	<b>294</b>

<sup>1</sup> During the period, the Group obtained legal advice from a legal firm associated with Michael Bowen, Thomson Geer Lawyers of \$15,000. The legal advice was obtained at arm's length. The Group engages a number of different law firms for its external legal advice and the relationship with Thomson Geer is not exclusive. Michael Bowen does not participate in any board decisions to appoint external counsel when Thomson Geer is being considered for engagement. Mr Bowen was not an associate of DLA Piper during the half year to 31 December 2021 but was an associate during the half-year to 31 December 2020.

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021 (continued)

### Note 26: Composition of the Group

The Group's subsidiaries can be summarised as follows:

Name	Country of Incorporation	Percentage Owned	
		At 31-Dec-21 %	At 30-Jun-21 %
<b>Fund 1</b>			
Omni Bridgeway (Fund 1) LLC	USA	100	50
HC 1 LLC	USA	25	12
Security Finance (Fund 1) LLC	USA	100	50
<b>Funds 2 &amp; 3</b>			
Omni Bridgeway (Fund 2) Pty Ltd	Australia	23	24
Omni Bridgeway (Fund 3) Pty Ltd	Australia	23	24
IMF Bentham ROW SPV 1 Limited	United Kingdom	23	24
IMF Bentham ROW SPV 2 Limited	Australia	23	24
<b>Fund 4</b>			
Omni Bridgeway (Fund 4) Invt 1 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 2 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 3 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 4 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 5 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 6 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 7 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 8 LP	USA	20	20
Omni Bridgeway (Fund 4) Invt 9 LP	USA	20	20
JPV I LP	USA	20	20
Security Finance (Fund 4) LLC	USA	20	20
<b>Fund 5</b>			
Omni Bridgeway (Fund 5) GPA Pty Ltd	Australia	100	100
<b>Fund 6</b>			
Omni Bridgeway BV	Netherlands	81	81
Omni Bridgeway LegalTech BV	Netherlands	41	41
Omni Bridgeway Emerging Markets BV	Netherlands	81	81
Omni Bridgeway Collective Redress BV	Netherlands	81	81
Omni Bridgeway Asia Pte Ltd	Singapore	81	81
Omni Bridgeway Holding (Switzerland) SA	Switzerland	81	81
Omni Bridgeway SA	Switzerland	81	81
Omni Bridgeway GmbH (formerly Omni Bridgeway AG)	Germany	81	81
Minories Capital Ltd <sup>1</sup>	Guernsey	81	81
Omni Bridgeway Finance BV	Netherlands	81	81
Stichting Client Accounts Omni Bridgeway <sup>2</sup>	Netherlands	N/A	N/A
Stichting Cartel Compensation <sup>2</sup>	Netherlands	N/A	N/A
Stichting Trucks Cartel Compensation <sup>2</sup>	Netherlands	N/A	N/A
<b>Fund 7</b>			
Omni Bridgeway Advisory Ltd	United Arab Emirates	65	65

<sup>1</sup> liquidated and deregistered on 4 January 2022.

<sup>2</sup> The Stichting vehicles were founded as separate, independent foundations to ensure the cash flows related to the claims were secured.

# Omni Bridgeway Limited

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## Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2021

### Note 26: Composition of the Group (continued)

Name	Country of Incorporation	Percentage Owned	
		At 31-Dec-21 %	At 30-Jun-21 %
<b>Group Subsidiaries</b>			
Omni Bridgeway Holdings (Fund 1) LLC	USA	100	100
Omni Bridgeway Capital GP (Fund 4) LLC	USA	100	100
Omni Bridgeway (USA) LLC	USA	100	100
Omni Bridgeway Management (USA) LLC	USA	100	100
Omni Bridgeway Holdings (USA) Inc	USA	100	100
Security Finance LLC	USA	100	100
Omni Bridgeway Capital (Canada) Limited	Canada	100	100
Lien Finance Canada Limited	Canada	100	100
Omni Bridgeway (Singapore) Pte Limited	Singapore	100	100
Omni Bridgeway (UK) Limited	United Kingdom	100	100
Omni Bridgeway (Cayman) Limited	Cayman Islands	100	100
Omni Bridgeway (Storm) Holdings Pty Ltd	Australia	100	100
Omni Bridgeway (Storm) Holdings BV	Netherlands	100	100
Omni Bridgeway Investment Management Ltd	Australia	100	100
Omni Bridgeway Holding BV	Netherlands	100	100
Omni Bridgeway Investment BV <sup>3</sup>	Netherlands	100	100
Omni Bridgeway (NZ) Limited <sup>4</sup>	New Zealand	100	N/A
Crestwood I LLC <sup>5</sup>	USA	100	N/A

<sup>3</sup> This holding represents 100% of type A shares and voting rights. Type B shares, with no voting rights, represent 90% of share capital and receive 10% of yearly profits. Type A shares receive the remaining yearly profits.

<sup>4</sup> The entity was incorporated 27 July 2021.

<sup>5</sup> The entity was incorporated 9 September 2021.

For all subsidiaries where there is less than 51% ownership interest, the Group has power to direct the relevant activities of the investee under contractual arrangements and exposure to variable returns the Group is considered to be acting as principal and thus has control.

Movements in NCIs of material partly owned subsidiaries during the period were as follows:

	Fund 1 \$'000	Funds 2&3 \$'000	Fund 4 \$'000	Fund 6 \$'000	Total \$'000
At 1 July 2021	147,470	80,399	85,120	117,485	430,474
Contributions	-	16,000	6,390	-	22,390
Distributions	(74,270)	(5,958)	(26,326)	-	(106,554)
Change in share of net assets attributable to NCI	(12,694)	11,895	(3,291)	13	(4,077)
Profit/(loss)	9,418	-	8,473	1,117	19,008
Other comprehensive income/(loss)	1,695	23	3,280	(52)	4,946
At 31 December 2021	71,619	102,359	73,646	118,563	366,187
At 1 July 2020	168,157	68,350	94,053	100,640	431,200
Contributions	43	30,080	38,614	11,803	80,540
Distributions	(36,213)	(27,036)	(2,250)	-	(65,499)
Change in share of net assets attributable to NCI	73,630	9,005	(81,840)	(2,965)	(2,170)
Profit/(loss)	(47,599)	-	45,805	8,814	7,020
Other comprehensive income/(loss)	(10,548)	-	(9,262)	(807)	(20,617)
At 30 June 2021	147,470	80,399	85,120	117,485	430,474

### Note 27: Events after the reporting date

Apart from that disclosed in this report, no other circumstances have arisen since 31 December 2021 that have significantly affected, or may significantly affect the consolidated entities' operations, the results of those operations, or the consolidated entities state of affairs in the future financial periods.

# Omni Bridgeway Limited

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## Directors' Declaration

I state that, in the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001, on behalf of the directors.



**Michael Kay**  
**Non-Executive Chairman**

**17 February 2022**



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Omni Bridgeway Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Omni Bridgeway Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**



**Glyn O'Brien**

**Director**

Perth, 17 February 2022

# Omni Bridgeway Limited

ABN 45 067 298 088

## Corporate Information

This half-year report covers Omni Bridgeway Limited and its subsidiaries. The Group's functional and presentation currency is AUD (\$).

### Directors

Michael Kay	Non-Executive Chairman
Andrew Saker	Managing Director & CEO and Chief Strategy Officer - US
Hugh McLernon (retired 30 November 2021)	Executive Director
Raymond van Hulst	Executive Director, Managing Director EMEA
Michael Bowen	Non-Executive Director
Karen Phin	Non-Executive Director
Christine Feldmanis	Non-Executive Director

### Company Secretary

Jeremy Sambrook

### Registered office and principle place of business in Australia

Level 7, 35 Clarence Street  
Sydney NSW 2000  
Phone: +61 2 8223 3567  
Fax: +61 2 8223 3555

### Solicitors

#### DLA PIPER

Level 9, 480 Queen Street  
Brisbane City QLD 4000

#### THOMSON GEER

Level 27, Exchange Tower  
2 The Esplanade  
Perth 6000

### Share Registry

#### COMPUTERSHARE

Level 11, 172 St Georges Terrace  
Perth WA 6000

### Auditors

#### BDO AUDIT (WA) PTY LTD

Level 9  
Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

### Bankers

#### NATIONAL AUSTRALIA BANK LIMITED

2 Carrington Street  
Sydney NSW 2000

### Internet Address

[www.omnibridgeway.com](http://www.omnibridgeway.com)

The Company is listed on the Australian Securities Exchange with Sydney, Australia as its home exchange. Its ASX code is "OBL" and its shares were trading as at the date of this report.

### US ownership restriction

The ordinary shares of Omni Bridgeway are subject to ownership restrictions applying to residents of the United States. For further information, see the Investor section of our website or [omnibridgeway.com/investors/us-ownership-restriction](http://omnibridgeway.com/investors/us-ownership-restriction).

## Glossary of Terms

<b>AASB</b>	Australian Accounting Standards Board
<b>CAGR</b>	Compound Annual Growth Rate
<b>EMEA</b>	Europe, Middle East and Africa
<b>EPS</b>	Earnings Per Share
<b>Estimated Portfolio Value (EPV)</b>	<p>EPV for an investment where the funding entity earns:</p> <ol style="list-style-type: none"> <li>a percentage of the resolution proceeds as a funding commission, is OBL's current estimate of the claim'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 OBL if the investment is successful;</li> <li>a funding commission calculated as a multiple of capital invested shall be calculated by taking OBL's estimate of the potential income return from the investment and grossing this up to an EPV using OBL's Long-Term Conversion Rate; and</li> <li>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.</li> </ol> <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.</p> <p>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.</p> <p>The portfolio's value is the aggregation of individual investments' EPVs as determined above.</p>
<b>Implied Embedded Value (IEV)</b>	<p>IEV is the product of multiplying the EPV by the LTCR.</p> <p>The LTCR is used for all IEV calculations notwithstanding that an EPV conversion rate of a particular fund may vary, sometimes materially from the LTCR. The smaller data set of a fund level EPV conversion rate makes that measure inherently more volatile than the global LTCR.</p> <p>It is important to note that IEV is not a forecast or estimate of future income by Omni Bridgeway itself as this does not account for the structure and return arrangements of Omni Bridgeway for each fund.</p> <p>IEV is instead a statement of the amount of income which would be generated if each investment in the portfolio were to complete for an amount equal to the LTCR of the present EPV. Future performance, including the actual conversion rate realised, may exceed, or fall below historic performance of the LTCR.</p>
<b>IFRS</b>	International Financial Reporting Standards
<b>Long Term Conversion Rate (LTCR)</b>	Whilst noting that past performance is not necessarily an indication of future performance, past performance indicates that the group's litigation funding investments (excluding OBE Group investments) have generated average gross income of approximately 15% of the EPV of an investment at the time of completion.
<b>LTIP</b>	Long Term Incentive Plan
<b>NCI</b>	Non-Controlling Interest
<b>OBE</b>	Omni Bridgeway Holding B.V. (ie 'Omni Bridgeway Europe')
<b>OBE Group</b>	OBE Group included Omni Bridgeway Holding B.V., Omni Bridgeway AG (formerly ROLAND ProzessFinanz), and a joint venture with IFC (part of the World Bank Group)
<b>OBL</b>	Omni Bridgeway Limited, also referred to in this Report as "Omni Bridgeway", "the Company" or "the Parent"
<b>STIP</b>	Short Term Incentive Plan
<b>TSR</b>	Total Shareholder Return

Non-IFRS financial information included in this Report has been prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing Non-IFRS financial information, issued December 2011. This information has not been audited or reviewed.

### Disclaimer

None of the content in the Omni Bridgeway Limited ("OBL") Interim Financial Report is an offer to sell, or a solicitation of an offer to buy, any securities of OBL or any other company affiliated with OBL. In addition, nothing herein should be construed as an offer to buy or sell, nor a solicitation of an offer to buy or sell, any security or other financial instrument, or to invest assets in any account managed or advised by OBL or its affiliates. This Interim Financial Report is for the use of OBL's public shareholders and is not an offering of any OBL private fund.