



**Appendix 4D**  
**Omni Bridgeway Limited ("OBL" or "the Company")**

ABN 45 067 298 088

Half year ended 31 December 2022

**Results for announcement to the market**

Current reporting period: Half year ended 31 December 2022

Previous reporting period: Half year ended 31 December 2021

	Up/Down	Percentage Change	\$'000
Revenue from ordinary activities	Down	(2)%	11,024
Loss from ordinary activities after tax attributable to members	Up	(54)%	(42,793)
Net loss for the period attributable to members	Up	(54)%	(42,793)
Other comprehensive income after tax for the period	Down	(23)%	7,768
Total comprehensive loss after tax for the period	Up	(1,688)%	(22,368)

**Dividends**

The Directors have determined not to pay a dividend for the period ended 31 December 2022 to equity holders of the parent company.

The Directors did not pay a final dividend for the financial year ended 30 June 2022.

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-22 \$	30-Jun-22 \$
Basic net tangible assets per ordinary share <sup>1</sup>	0.33	0.52
Basic net assets per ordinary share	2.50	2.80
Book value of investments per ordinary share	1.98	2.09

1. 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 has lost control over the following existing entities during the period.

	<b>Percentage Lost</b>
<b>Country of Establishment</b>	<b>At 30-Dec-22</b>
HC 1 LLC	USA 25 %

The Company has established the following entities during the period.

	<b>Percentage Owned</b>
<b>Country of Establishment</b>	<b>At 31-Dec-22</b>
Omni Bridgeway (Fund 8) Guernsey Investments Limited	Guernsey 100 %

### Joint ventures and associates

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

	<b>Percentage Owned</b>
<b>Country of Incorporation</b>	<b>At 31-Dec-22</b>
OB Capital Cooperatief UA	Netherlands 5 %
SG 1 Finance LLC	USA 43.48 %

### 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 Interim Financial Report for the half year ended 31 December 2022 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 2022 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.



Guillaume Leger

Global Chief Financial Officer

Date: 22 February 2023



# Interim Financial Report

Half year ended 31 December 2022

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Contents

Directors' Report	5
Notes to the Directors' Report	11
Auditor's Independence Declaration	12
Interim Consolidated Statement of Comprehensive Income	13
Interim Consolidated Statement of Financial Position	14
Interim Consolidated Statement of Cash Flows	15
Interim Consolidated Statement of Changes in Equity	16
Notes to the Interim Consolidated Financial Statements	17
Directors' Declaration	42
Independent Review Report	43
Corporate Information	45
Glossary	46

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Directors' Report

The Directors present their report (referred to hereafter as the "Interim Financial 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 2022 (referred to hereafter as "Half" or "1H23").

### Directors

The names of the Company's Directors in office during the Half 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
Raymond van Hulst	Executive Director, Managing Director and Chief Investment Officer - EMEA
Michael Bowen	Non-Executive Director (retired 30 November 2022)
Karen Phin	Non-Executive Director
Christine Feldmanis	Non-Executive Director

### Review and results of operations

#### Highlights

During the half year ended 31 December 2022, the Group successfully executed upon its strategic and operational objectives, achieved substantial portfolio growth through commitments to new investments, accelerated future potential returns from the completion of a secondary market sale, and continued to expand its geographic footprint and offering.

During 1H23\*, we:

- Increased potential future income by delivering more than half of our FY23 commitments target of \$550 million.
- Substantially grew commitments by \$304.2 million, adding \$5.1 billion of estimated portfolio value (EPV).
- Increased EPV by 9.6% to \$29.8 billion and grew implied embedded value (IEV) by 5.2% to \$3.8 billion.
- Achieved a CAGR of 38% for commitments and 41% for EPV (four years to 31 December 2022).
- Recognised \$92.3 million litigation proceeds and completed 13 investments.
- Accelerated future potential returns from the completion of a secondary market sale with ~US\$20 million proceeds into Fund 1.
- Maintained strong track record with a high success rate of 76%, a key performance indicator.
- Achieved geographic expansion in the northern hemisphere with offices opened in Miami, Chicago, Paris, Milan maintaining both our competitive advantage and industry leadership.
- Enhanced portfolio diversification through both investment type and area of law.
- Made executive leadership appointments including a new Global Chief Financial Officer and a Co-Chief Investment Officer of EMEA.

#### Financial result

The Group recorded a loss after tax (before non-controlling interests (NCI)) for the Half of \$30.1 million (1H22: \$8.7 million). This is reflective of the variability of returns from investments with binary outcomes and non-linear periods for completions. The loss attributable to the Group's equity holders in 1H23 was \$42.8 million with a profit of \$12.7 million attributable to NCI.

The total gross income and revenue was \$170.2 million (including third party income from sale of investment vehicle) derived from diversified sources comprising litigation completions, a secondary market sale, management fees, and interest revenue. Completions were modest, with a number of protracted settlement mediations, some of which proceeded to trial during the Half.

The value created through scaling our team of legal asset specialists improved operational efficiencies during the Half. On average, the Group has increased its EPV per investment manager ratio by 28% and new investment EPV per investment manager ratio by 43%.

Costs in 1H23 were consistent with growth targets. Employee expenses increased 29% on the prior corresponding period. Almost \$7 million of the change relates to headcount growth to 214 people from 183 at 31 December 2021, which is reflected in the improvement in commitment levels, whilst still achieving significant efficiency gains. Corporate overheads reflect resumed levels of pre-COVID expenditure for certain categories, new operating locations and investment in marketing efforts.

Impairment expenses and adverse costs were down 88% to \$3.7 million due to significantly lower impairments than in 1H22.

\* Note: represents non-IFRS information and Fund 5 values at 100%. Refer to Glossary.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Directors' Report (continued)

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

At 31 December 2022, the carrying value of litigation investments was \$537.0 million (30 June 2022: \$550.9 million) with more than 300 active litigation investments. This reflects the Group's consolidated share of Fund 5 at 20%. At 100%, the value was \$642.9 million (30 June 2022: \$635.1 million). Investments are generally carried at cost and there is a lag between investment commitment and capital deployment.

The Group's (on balance sheet) cash and receivables at 31 December 2022 was \$93.0 million. Additionally, OBL has access to undrawn debt capital of up to \$100 million.

#### Investment income\*

The following information on investment income presents Fund 5 values at 100% and excludes third party income from the sale of an investment vehicle.

In 1H23, total income of \$92.3 million was recognised, comprising \$40.6 million recognised from 13 completed investments (EPV of \$1,023 million), including approximately \$28.0 million income from a disposal in Fund 1, \$47.4 million recognised from partial completions of ongoing investments and \$4.3 million from completions in previous periods.

A further \$37.1 million of income yet to be recognised, with a corresponding EPV of \$121 million, relates to substantially completed investments with conditional settlements or judgments on appeal which may ultimately be recognised in future periods. The defendant's appeal relating to a Fund 1 investment, previously reported as a successful judgment in our 2Q23 Investment Portfolio Report on 30 January 2023 with \$27.2 million income yet to be recognised, has resulted in the summary judgment being vacated and the case remanded back to the first instance court. As such this amount has been removed from the table below, noting however, that the EPV relating to this investment remains in our portfolio assumptions with a possible completion period of FY23.

\$ million	Balance Sheet	Funds						Total
		1	2 & 3	4	5	6	8	
<b>Investment income</b>								
Total income recognised in 1H23	4.1	34.5	4.4	20.3	22.8	6.2	–	92.3
Total income yet to be recognised <sup>1</sup> at 31-Dec-22	14.0	–	–	–	0.6	22.5	–	37.1
<b>Total income recognised in 1H23 and yet to be recognised at 31-Dec-22</b>	<b>18.1</b>	<b>34.5</b>	<b>4.4</b>	<b>20.3</b>	<b>23.4</b>	<b>28.7</b>	<b>–</b>	<b>129.4</b>
<b>Provisional distribution of income recognised and yet to be recognised<sup>2</sup></b>								
Provisional distribution attributable to OBL shareholders	18.1	–	–	4.1	6.9	1.8	–	30.9
Provisional distribution attributable to NCI	–	34.5	4.4	16.2	16.5	26.9	–	98.5
<b>Distribution waterfall of income recognised in 1H23 and yet to be recognised at 31-Dec-22</b>	<b>18.1</b>	<b>34.5</b>	<b>4.4</b>	<b>20.3</b>	<b>23.4</b>	<b>28.7</b>	<b>0.0</b>	<b>129.4</b>
<b>EPV conversion in 1H23</b>								
EPV of investments completed in 1H23 <sup>3</sup>	–	487	–	<1	535	<1	–	1,023
Life to date income of fully completed investments in 1H23	–	31	–	–	10	<1	–	41
Income conversion rate	n/a	6 %	n/a	–	2 %	28 %	n/a	4 %

1. Subject to change and may be recognised in FY23 or later.

2. Represents indicative cashflows anticipated to flow out of the Funds due to the income generation included in the table above. It represents the aggregate estimate of the cash distributed and yet to be distributed under the various distribution waterfalls of the Funds assuming the income is equivalent to gross cash proceeds and disregarding the tax status of the relevant Fund. The Fund's capital status and waterfalls operate on a cash collection and distribution basis and do not align with the accounting treatment. Accordingly, the NCI attribution disclosed in OBL's Consolidated Financial Statements will not necessarily match this.

3. 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: represents non-IFRS information and Fund 5 values at 100%. Refer to Glossary.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Directors' Report (continued)

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

##### Commitments\*

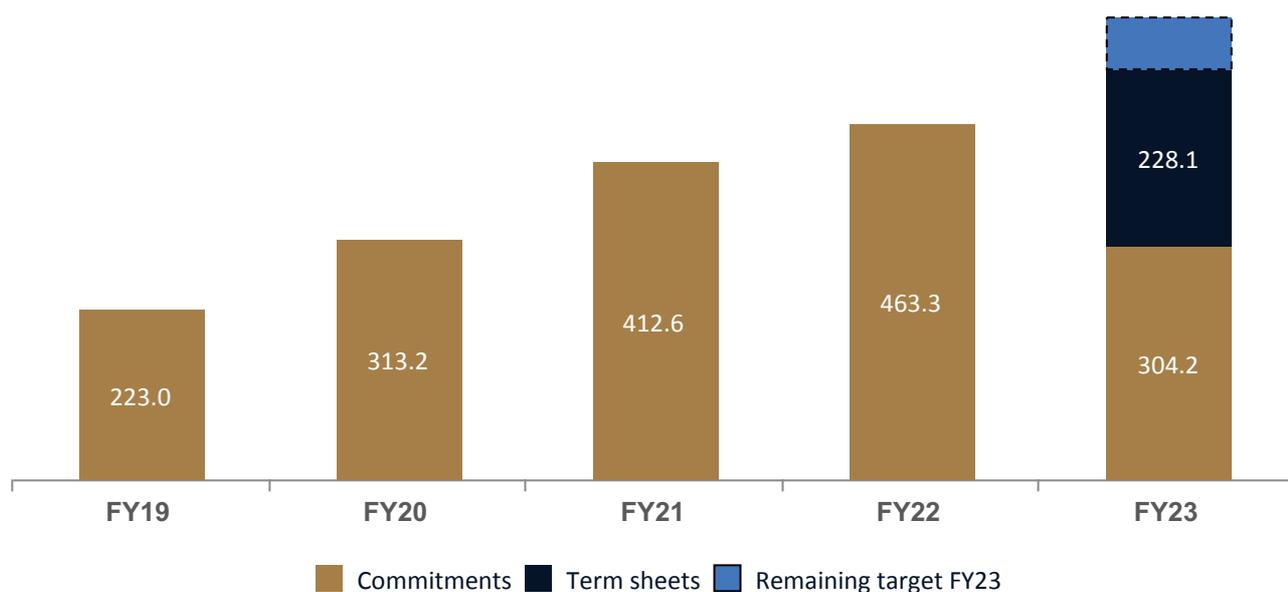
The Group's geographic and asset diversification assists in mitigating the risk of any increased competition or regulatory intervention arising in any one region. New commitments are the investment into future income streams to enable the Group to achieve economies of scale sufficient to diversify risk and provide superior risk adjusted returns in this asset class.

Commitments of \$304.2 million made in the Half represent 55% of our FY23 commitment target and are diverse in both investment type and areas of law. The Group added \$5.1 billion of new EPV, relating to matters that are newly funded, conditionally approved or have had updated budgets.

Portfolio growth was predominately driven by an improvement of 191% on 1H22 commitments made in the US. Both the US and Asia exceeded targets for the period. Further to this, there was an acceleration of activity in 2Q23, as the northern hemisphere returned from summer holidays.

The Group is on track to achieve its FY23 commitments target of \$550 million given the strong activity in 1H23 and a significant pipeline of indicative investment opportunities.

Commitments (\$ million)  
CAGR 38% (4 years to 31-Dec-22)



##### Portfolio overview\*

Heightened activity in the Americas and APAC portfolio during the Half underpinned a 9.6% increase in the EPV of all investments to \$29.8 billion (30 June 2022: \$27.2 billion), and a 5.2% increase in IEV after completions, to \$3.8 billion. At 31 December 2022, there were 315 investments (30 June 2022: 311) in the Group's total portfolio, including 31 conditionally funded and IC approved investments.

The claimant of an impaired Fund 4 investment has filed an appeal petition to the United States Supreme Court. As such, the EPV of this investment with a possible completion period of FY24 remains included in the portfolio assumptions at 31 December 2022.

The request to seek special leave to appeal to the High Court of Australia in respect of the recent judgment of the Supreme Court of Western Australia Court of Appeal relating to the Westgem litigation, an investment in Omni Bridgeway's balance sheet portfolio, is ongoing. The application relates only to the insolvency aspect of the litigation and as such the EPV of this investment has reduced to \$30 million and its possible completion period delayed to FY24.

\* Note: represents non-IFRS information and Fund 5 values at 100%. Refer to Glossary.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Directors' Report (continued)

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

##### Provisional attribution from estimated future completions<sup>1,2,\*</sup>

The Group continues to provide its views on the long term conversion rate (which is calculated after losses) of funded EPV into income, which remains at 15% notwithstanding the decline of the 1H23 income conversion rate to 4%.

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) is \$3.8 billion, which is the product of multiplying the funded EPV of \$25.1 billion (30 June 2022: \$23.9 billion) by the 15% long term conversion rate.

Set out below is the Group's view on how IEV would be allocated between OBL and external fund investors. The Group expects to receive, over the applicable periods, an IEV attribution of around \$1.2 billion from current funded investments and management fees but before performance fees based on the IEV analysis and related assumptions.

There remains significant value in the performance associated with the current portfolio and future book, for which there is capacity within existing funds, and beyond.

At 31-Dec-2022 \$ million	Possible completion period (PCP)					Sensitivity analysis				
	6 mths to 30-Jun-23	FY24	FY25	FY26+	TOTAL	EPV conversion rate to IEV		15% EPV conversion rate		
						10%	20%	Excl. material impaired investments	PCP delay of 12 months	
Total EPV	2,163	8,037	5,838	9,070	25,108	25,108	25,108	23,537	25,108	
	<b>IEV at 15% EPV conversion rate</b>									
Balance sheet	5	16	23	—	44	29	58	39	44	
Fund 1	97	73	21	10	201	134	268	201	201	
Funds 2&3	133	161	78	128	500	334	667	500	500	
Fund 4 <sup>2</sup>	29	468	269	585	1,351	901	1,801	1,120	1,351	
Fund 5 <sup>2</sup>	38	348	379	320	1,085	723	1,447	1,085	1,085	
Fund 6 <sup>3</sup>	21	140	105	317	583	389	778	583	583	
Fund 8	—	1	1	—	2	2	2	2	2	
<b>Total IEV</b>	<b>323</b>	<b>1,207</b>	<b>876</b>	<b>1,360</b>	<b>3,766</b>	<b>2,512</b>	<b>5,021</b>	<b>3,530</b>	<b>3,766</b>	
IEV provisional distribution attributable to OBL	104	406	256	360	1,126	722	1,571	1,071	1,116	
Management fees to OBL <sup>4</sup>	5	10	20	25	60	60	60	60	60	
Performance fees to OBL	Not included in analysis					Not included in analysis				
<b>Total to OBL</b>	<b>109</b>	<b>416</b>	<b>276</b>	<b>385</b>	<b>1,186</b>	<b>782</b>	<b>1,631</b>	<b>1,131</b>	<b>1,176</b>	
IEV provisional distribution attributable to NCI	219	801	620	1,000	2,640	1,790	3,450	2,459	2,650	

1. Further information on terms, including definitions of key concepts, used in the table above is detailed at the end of the Directors' Report and available in our Glossary at <https://omnibridgeway.com/investors/omni-bridgeway-glossary> and Notes at <https://omnibridgeway.com/docs/default-source/investors/general/notes-to-qpr.pdf> and should be read in conjunction with this report.

2. Excluding performance fee entitlement.

3. Utilises NCI's historic share of proceeds, being a blend of A,B, C, investment specific waterfalls.

4. Sensitivity scenarios have not been applied to management fees.

\* Note: represents non-IFRS information and Fund 5 values at 100%. Refer to Glossary.

#### Secondary market

The Group has utilised the emerging secondary market as a risk management strategy to reduce duration and completion risks, while enhancing liquidity and internal rates of return.

In calendar year 2022, three transactions were completed in the secondary market achieving total proceeds of approximately \$60 million, including one transaction which completed in the Half. As such, Fund 1 is transitioning into OBL waterfall returns through the disposal of 100% of one investment for total proceeds of up to US\$20 million. Following this transaction, the balance of preferred return to the external Fund 1 investor is approximately US\$8 million (~\$12 million). Upon payment of this balance, the vast majority of Fund 1's future proceeds will accrue to OBL.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Directors' Report (continued)

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

##### Fund upsizing and new Fund launches

The series one investment period of both Fund 4 and Fund 5 has been extended and we have commenced the series two US\$1 billion upsizing process.

In June 2022, we launched our new Fund 8, focused on investing up to €300 million into global enforcement opportunities. The Group is discussing terms with multiple parties that may invest collectively or individually. Until the Fund is fully established, global enforcement investments that are earmarked for this fund have been warehoused on our balance sheet.

We continue to assess the feasibility of structuring Fund 9 with an emphasis on higher management fees and lower performance fees. We believe we can structure such a fund whereby we can take advantage of an under-served part of the market, without impacting the overall profitability of our activities or increasing our risk appetite. We anticipate to commence marketing of this fund in this financial year.

##### Board and management

On 30 November 2022, non-executive Director Michael Bowen retired having served on the Board since the Company's listing on the ASX in 2001. In line with our objectives of Board renewal and reflecting the ongoing transition of the Company to operating predominantly in the northern hemisphere, we have progressed the search for a non-executive director and anticipate making an appointment in 3Q23.

Guillaume Leger commenced with the Group on 18 August 2022 and was appointed to the role of Global Chief Financial Officer effective from 1 September 2022 and based in New York. Chief Financial Officer Stuart Mitchell left the Group after four years in the role on 31 August 2022.

Hannah van Roessel was appointed Co-Chief Investment Officer for EMEA in January 2023 based in Amsterdam. Ms van Roessel has been with the Group for over nine years.

In February 2023, Tom Glasgow was appointed sole Chief Investment Officer of APAC following the departure of Co-Chief Investment Officer of APAC, Oliver Gayner, after eight years with the Group.

##### Macroeconomic environment

Omni Bridgeway remains uniquely placed to benefit from a variety of economic environments and ongoing global uncertainties as an alternative asset manager and investor in litigation and enforcement assets, offering a model that is typically uncorrelated with economic cycles and macro events.

As the global economy continues to contend with elevated levels of inflation and its associated impact, our pricing model provides a natural hedge against inflation. Importantly, our investment costs are typically passed on to the client who reimburses costs on successful completion of the investment. In instances where our return is structured as a multiple of costs, we receive a multiple of those costs impacted by inflation or, where our return is structured as a percentage of damages, the award takes into account interest that ameliorates the impact of inflation.

Omni Bridgeway is also protected against duration risk as our contracted returns reflect the time value of money with many customer contracts designed to provide increasing multiples of our investment as time passes. This practice also incentivises our clients to enter into timely settlement discussions with defendants, thereby contributing to reduce duration.

Notwithstanding the residual impacts of the COVID-19 pandemic as it relates to completion delays in the US, ongoing geopolitical and economic uncertainties, the Group continues to focus on successfully executing upon its strategic, operational, and financial milestones.

##### A strong platform for growth

Heading into 2H23, in terms of the near-term future cash generation, most of the anticipated income is likely to be generated from completions in first-generation funds as they progress through harvest phase.

Since launching our external fund model in 2017, the business has been able to scale rapidly to successfully execute on its group strategy and transition to an alternative asset manager. The Group will continue to target asset and geographic expansion in the northern hemisphere to pursue opportunities in this region, while reallocating resources to growth markets. Furthermore, it is anticipated that future increases in headcount will now be at more modest levels as the Group continues to optimise its structure and capability and support medium term commitments targets.

The Group remains on track to achieve the FY23 commitments target of \$550 million, given the strong activity in 1H23 and a significant pipeline of indicative investment opportunities. We are committed to achieving our target of delivering \$5 billion in funds under management and annual commitments of \$1 billion by FY25 through the disciplined management and financing of high-quality legal asset investments, the launch of new Funds and the continued focus on creating significant stakeholder value through the achievement of key objectives.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### 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 2022 to equity holders of the parent company. The Directors did not pay a final dividend for the financial year ended 30 June 2022.

#### 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 2022/519.

#### Subsequent events after reporting date

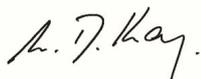
In February 2023, we received a favourable judgment relating to a Fund 4 investment and anticipate recognising income of around US\$6 million in 2H23.

Except as disclosed in this report there have been no other subsequent events after the reporting date.

#### 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: 22 February 2023

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Financial Report for the half year ended 31 December 2022

### Notes to the Directors' Report

#### Further information

Certain terms used throughout the Directors' Report including, but not limited to, total gross income and revenue, investment income, estimated portfolio value (EPV), implied embedded value (IEV), and commitments are presented as non-IFRS information. Further to this, commitments and EPV include conditional and Investment Committee approved investments, whereas IEV excludes them.

Fund 5 is not consolidated within OBL's Consolidated Financial Statements. Throughout the Directors' Report, consistent with all funds, Fund 5 is presented at 100% values, with the outside investor portion shown in non-controlling interests (NCI). Within OBL's Consolidated Financial Statements, Fund 5 is brought in at the Group's attributable share of income, assets, and liabilities with no associated NCI.

Further information on terms, including definitions of key concepts, is available in our Glossary at <https://omnibridgeway.com/investors/omni-bridgeway-glossary> and Notes at <https://omnibridgeway.com/docs/default-source/investors/general/notes-to-qpr.pdf> and should be read in conjunction with this report.

#### Provisional attribution from estimated future completions

**The attribution of implied embedded value (IEV) between OBL equity and non controlling interests (NCI) on page 8 of this Directors' Report has been prepared on the basis of the following underlying assumptions:**

- All unconditionally funded investments in the Group's investment portfolio at the date stated (Portfolio Investment(s)) complete in the selected Possible Completion Period (PCP).
- All Portfolio Investments are completed at their full estimated portfolio value (EPV).
- The income received by the Omni Bridgeway funding entity upon the completion of a Portfolio Investment reflects the long term conversion rate (LTCR) (which includes losses) and hence equals the full IEV of an investment.
- The residual capital to be deployed in Funds 2&3 is deployed in equal portions during FY23 and FY24.
- For Funds 4 and 5 the attribution is split solely in proportion to capital commitments.
- For Fund 6 the attribution to OBL equity reflects the historic blended average proportion of proceeds received by OBL equity (excluding performance fees).
- FX rates are assumed to remain constant across the periods.
- 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.

**The sensitivity analysis provided uses the following assumptions:**

- IEV is adjusted to reflect variations in the income conversion rate from the LTCR of 15%. The selected sensitivity rates are 10% and 20%.
- EPV of material impaired investments excluded from EPV with commensurate flow-on to IEV and attribution.
- PCP on all Portfolio Investments is delayed by 12 months. Duration risk has traditionally been addressed through a time based pricing escalator. Historically these capped out at a certain level, leaving the Group exposed to further delays. We have sought to address the risk by incorporating some additional IRR protection provisions. The 12 month delay sensitivity does not incorporate the effects of these duration protections and assumes the income is the IEV at whatever time it is received.

**Management fee assumptions:**

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

**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 2022 such investments included Westgem (EPV of \$30m with PCP in FY24) and a Fund 4 investment with PCP in FY24.
- Conditionally funded and IC approved investments are not included in the EPV.

**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.

## 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 2022, 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  
22 February 2023

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Consolidated Statement of Comprehensive Income for the half year ended 31 December 2022

	Notes	Consolidated	
		Half-year ended	Half-year ended
		31-Dec-22	31-Dec-21
		\$'000	\$'000
<b>Continuing operations</b>			
Revenue from contracts with customers	4	5,997	6,550
Interest revenue	5	5,027	4,701
Net gain on derecognition of litigation investments - intangible assets	6	1,195	41,389
Net gain on disposal of litigation investments - purchased claims	13	—	137
Net gain on disposal in subsidiary	26	6,376	—
Other income	7	971	3,707
<b>Total income</b>		<b>19,566</b>	<b>56,484</b>
Finance costs	8(a)	2,636	599
Amortisation of litigation investments - claims portfolio	8(b)	2,727	2,367
Depreciation expense	8(c)	1,950	1,564
Employee benefits expense	8(d)	39,033	30,273
Corporate and office expense	8(e)	8,635	7,896
Other expenses	8(f)	5,575	3,420
Impairment expense and adverse costs - litigation investments	8(g)	3,725	31,025
Share of loss/(gain) in associates and joint ventures		(1,337)	104
<b>Loss before tax and fair value adjustments</b>		<b>(43,378)</b>	<b>(20,764)</b>
Fair value adjustments on financial liabilities		(21)	2,404
<b>Loss before tax</b>		<b>(43,399)</b>	<b>(18,360)</b>
Income tax expense/(benefit)	9	(13,263)	(9,630)
<b>Loss for the period</b>		<b>(30,136)</b>	<b>(8,730)</b>
<b>Attributable to:</b>			
Equity holders of the parent	10	(42,793)	(27,738)
Non-controlling interests		12,657	19,008
		<b>(30,136)</b>	<b>(8,730)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be subsequently reclassified to profit and loss:			
Movement in foreign currency translation reserve		9,574	5,193
Items that will not be subsequently reclassified to profit and loss:			
Movement in foreign currency translation reserve attributed to non-controlling interests		(1,806)	4,946
Other comprehensive income/(loss) for the period, net of tax		7,768	10,139
<b>Total comprehensive income/(loss) for the period</b>		<b>(22,368)</b>	<b>1,409</b>
<b>Attributable to:</b>			
Equity holders of the parent		(33,219)	(22,545)
Non-controlling interests		10,851	23,954
<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	(15.76)	(10.50)
Diluted loss per share (cents per share)	10	(15.76)	(10.50)

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 2022

	Notes	Consolidated	
		At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	112,736	158,966
Trade and other receivables	19	88,485	127,754
Contract costs		939	939
Other assets	20	6,609	5,424
<b>Total Current Assets</b>		<b>208,769</b>	<b>293,083</b>
<b>Non-Current Assets</b>			
Trade and other receivables	19	43,637	36,638
Property, plant and equipment		15,753	14,869
Litigation investments - claims portfolio	12	113,654	106,123
Litigation investments - purchased claims	13	48,002	47,040
Litigation investments - intangible assets - litigation contracts in progress	14	371,415	394,684
Litigation investments - intangible assets - financial assets		3,991	3,071
Goodwill		98,967	95,567
Investment in associates and joint ventures		11,279	5,031
Contract costs		2,113	2,583
Other assets	20	18,443	12,751
Deferred tax assets	9	87,682	63,809
<b>Total Non-Current Assets</b>		<b>814,936</b>	<b>782,166</b>
<b>TOTAL ASSETS</b>		<b>1,023,705</b>	<b>1,075,249</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		73,164	41,953
Income tax payable		5,345	7,464
Provisions	22	28,734	25,124
Lease liabilities		2,623	2,755
Debt securities	17	—	148,000
Litigation investment - deferred consideration		22,603	21,872
Other financial liabilities	21	8,882	29,161
<b>Total Current Liabilities</b>		<b>141,351</b>	<b>276,329</b>
<b>Non-Current Liabilities</b>			
Provisions	22	1,222	1,243
Lease liabilities		12,333	11,173
Debt securities	17	140,727	—
Deferred income tax liabilities		38,805	30,282
Other financial liabilities	21	11,422	16,568
Other liabilities		162	155
<b>Total Non-Current Liabilities</b>		<b>204,671</b>	<b>59,421</b>
<b>TOTAL LIABILITIES</b>		<b>346,022</b>	<b>335,750</b>
<b>NET ASSETS</b>		<b>677,683</b>	<b>739,499</b>
<b>EQUITY</b>			
Contributed equity	18	451,135	406,963
Reserves		(847)	9,759
Retained earnings/(accumulated losses)		(130,625)	(87,832)
<b>Equity attributable to equity holders of the parent</b>		<b>319,663</b>	<b>328,890</b>
Non-controlling interests	26	358,020	410,609
<b>TOTAL EQUITY</b>		<b>677,683</b>	<b>739,499</b>

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

# Omni Bridgeway Limited

ABN 45 067 298 088

## Interim Consolidated Statement of Cash Flows for the half year ended 31 December 2022

	Notes	Consolidated	
		Half-year ended	Half-year ended
		31-Dec-22 \$'000	31-Dec-21 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from litigation investments - claims portfolio		3,435	7,427
Payments for litigation investments - claims portfolio		(6,858)	(3,891)
Proceeds from management and performance fees	4	6,626	5,528
Payments to suppliers and employees		(63,150)	(39,338)
Interest income		721	169
Interest paid		(5,436)	(3,646)
Income tax paid		(2,318)	(1,304)
<b>Net cash flows from/(used in) operating activities</b>		<b>(66,980)</b>	<b>(35,055)</b>
<b>Cash flows from investing activities</b>			
Proceeds from litigation investments - purchased claims	13	—	3,539
Proceeds from litigation investments - intangible assets		104,211	185,048
Payments for litigation investments - intangible assets		(83,360)	(39,964)
Payments for litigation investments - capitalised overhead and employee costs		(3,528)	(3,019)
Payments for plant and equipment		(521)	(1,473)
Loans to related parties		(943)	(1,349)
<b>Net cash flows from investing activities</b>		<b>15,859</b>	<b>142,782</b>
<b>Cash flows from financing activities</b>			
Payments of costs for issuing debt		(9,037)	—
Repayment of bonds and notes	17	(149,440)	—
Drawdown of debt facility	17	150,000	—
Payments of lease liabilities		(2,131)	(1,180)
Contributions from non-controlling interests	26	58,447	22,390
Distributions to non-controlling interests	26	(42,982)	(106,554)
<b>Net cash flows from/(used in) financing activities</b>		<b>4,857</b>	<b>(85,344)</b>
Net increase/(decrease) in cash and cash equivalents held		(46,264)	22,383
Net foreign exchange difference		34	624
Cash and cash equivalents at beginning of period		158,966	142,648
<b>Cash and cash equivalents at end of period</b>	<b>16</b>	<b>112,736</b>	<b>165,655</b>

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

## Interim Consolidated Statement of Changes in Equity for the half year ended 31 December 2022

	Issued capital	Share based payments reserve	Foreign currency translation reserve	Option premium reserve	Convertible note reserve	Fund equity reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interest	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2022</b>	<b>406,963</b>	<b>32,273</b>	<b>(19,806)</b>	<b>3,404</b>	<b>3,832</b>	<b>(9,944)</b>	<b>(87,832)</b>	<b>328,890</b>	<b>410,609</b>	<b>739,499</b>
Profit/(loss) for the period	—	—	—	—	—	—	(42,793)	(42,793)	12,657	(30,136)
Other comprehensive income	—	—	9,574	—	—	—	—	9,574	(1,806)	7,768
<b>Total comprehensive income/(loss) for the period</b>	<b>—</b>	<b>—</b>	<b>9,574</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(42,793)</b>	<b>(33,219)</b>	<b>10,851</b>	<b>(22,368)</b>
<b>Equity transactions:</b>										
Shares issued	13,746	(19,399)	—	—	—	—	—	(5,653)	—	(5,653)
Share based payments, net of tax	—	5,997	—	—	—	—	—	5,997	—	5,997
Shares issued to settle deferred and variable deferred consideration	30,712	—	—	—	—	—	—	30,712	—	30,712
Contributions from non-controlling interests	—	—	—	—	—	—	—	—	58,447	58,447
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(70,976)	(70,976)
Share Buy-back Scheme	(286)	—	—	—	—	—	—	(286)	—	(286)
Deconsolidation of Subsidiary	—	—	—	—	—	—	—	—	(57,690)	(57,690)
Changes in the proportion of equity held by non-controlling interests	—	—	—	—	—	(6,778)	—	(6,778)	6,779	1
<b>As at 31 December 2022</b>	<b>451,135</b>	<b>18,871</b>	<b>(10,232)</b>	<b>3,404</b>	<b>3,832</b>	<b>(16,722)</b>	<b>(130,625)</b>	<b>319,663</b>	<b>358,020</b>	<b>677,683</b>

	Issued capital	Share based payments reserve	Foreign currency translation reserve	Option premium reserve	Convertible note reserve	Fund equity reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interest	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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>
Loss for the period	—	—	—	—	—	—	(27,738)	(27,738)	19,008	(8,730)
Other comprehensive loss	—	—	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>										
Dividend paid / declared	—	—	—	—	—	—	—	—	—	—
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>

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 2022

### 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 2022 was authorised for issue in accordance with a resolution of the Directors on 22 February 2023. 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 2022 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 doubt 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 or \$100,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2022/519.

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 2022 and considered together with any public announcements made by the Company during the half-year ended 31 December 2022 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 2022.

#### 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 2022. All new and amended accounting standards and interpretations effective from 1 July 2022 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 2022. 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 2022.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (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
- New Zealand
- Latin America
- EMEA.

The Group's Fund structures include:

- Fund 1 – This comprises Omni Bridgeway (Fund 1) LLC and Security Finance (Fund 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 and included in the segment note.
- Fund 6 – An investment structure focused in Europe, Middle East and Africa that was acquired in a business combination on 8 November 2019 and includes the entity responsible for providing the management of Fund 7. 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 investments. OBL retains control and ownership of Fund 6 via its equity interests. Legal ownership of the litigation investments are spread across the entire OBE Group. Fund 6 is consolidated into the Group.
- Fund 8 – Launched on 30 June 2022, is an investment structure focused in Europe, Middle East and Africa and comprises Omni Bridgeway (Fund 8) Guernsey Investments Limited. Fund 8 is consolidated into the Group.

For Fund 1 and Funds 2 & 3, the non-controlling interest is comprised of an equity interests which carry 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 investment 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.

For Fund 8, there is no non-controlling interests as the fund is structured as an insured, leveraged special purpose vehicle (SPV). The capital for the fund is to be sourced from limited recourse debt and equity provided by OBL.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 3: Segment Information (continued)

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

Intercompany interest revenue is recognised in accordance with AASB 9 using the effective interest rate method.

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.

	Group (excl Funds)		Funds					Consolidation	
	Corporate \$'000	1 \$'000	2&3 \$'000	4 \$'000	5 \$'000	6 \$'000	8 \$'000	Adjustments and eliminations \$'000	Consolidated \$'000
<b>Segment result for half-year ended 31 December 2022</b>									
Interest revenue on cash and deposits	579	4	147	—	—	—	—	—	730
Interest revenue on receivables	—	—	1,230	—	—	95	—	—	1,325
Interest revenue on litigation investments - purchased claims	—	—	2,104	235	—	633	—	—	2,972
Inter-segment	16,039	—	—	—	—	(153)	—	(15,886)	—
Revenue from contracts with customers	2,621	—	—	—	—	3,376	—	—	5,997
<b>Segment revenue</b>	<b>19,239</b>	<b>4</b>	<b>3,481</b>	<b>235</b>	<b>—</b>	<b>3,951</b>	<b>—</b>	<b>(15,886)</b>	<b>11,024</b>
Net gain/(loss) on derecognition of litigation investments - intangible assets	1,793	(6,781)	1,774	8,585	2,119	1,985	—	—	9,475
Derecognition of capitalised overheads on litigation investments - intangible assets	—	(6,965)	(568)	(547)	(200)	—	—	—	(8,280)
Net gain/(loss) on disposal of subsidiaries	—	6,376	—	—	—	—	—	—	6,376
Other income	20	—	951	—	—	—	—	—	971
<b>Total Income</b>	<b>21,052</b>	<b>(7,366)</b>	<b>5,638</b>	<b>8,273</b>	<b>1,919</b>	<b>5,936</b>	<b>—</b>	<b>(15,886)</b>	<b>19,566</b>
Impairment expense - litigation investments	175	(4,759)	3,347	(1,129)	—	1,510	—	—	(856)
Amortisation of litigation investments - claims portfolio	—	—	—	—	—	2,727	—	—	2,727
Other expenses	78,362	43	3,204	133	348	8,190	44	(27,914)	62,410
Share of (profit) in associates and joint ventures	270	(1,607)	—	—	—	—	—	—	(1,337)
<b>(Loss)/profit before tax and fair value</b>	<b>(57,755)</b>	<b>(1,043)</b>	<b>(913)</b>	<b>9,269</b>	<b>1,571</b>	<b>(6,491)</b>	<b>(44)</b>	<b>12,028</b>	<b>(43,378)</b>
Profit/(Loss) on fair value of financial liabilities	(91)	—	295	—	—	—	—	(225)	(21)
<b>(Loss)/profit before tax</b>	<b>(57,846)</b>	<b>(1,043)</b>	<b>(618)</b>	<b>9,269</b>	<b>1,571</b>	<b>(6,491)</b>	<b>(44)</b>	<b>11,803</b>	<b>(43,399)</b>
Income tax expense/(benefit)	(16,362)	—	469	9	888	431	—	1,302	(13,263)
<b>Segment result</b>	<b>(41,484)</b>	<b>(1,043)</b>	<b>(1,087)</b>	<b>9,260</b>	<b>683</b>	<b>(6,922)</b>	<b>(44)</b>	<b>10,501</b>	<b>(30,136)</b>
<b>Attributable to:</b>									
Equity holders of the parent	(41,484)	(6,546)	(1,087)	1,448	683	(6,264)	(44)	10,501	(42,793)
Non-controlling interests	—	5,503	—	7,812	—	(658)	—	—	12,657

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 3: Segment Information (continued)

	Group (excl Funds)		Funds					Consolidation	
	Corporate \$'000	1 \$'000	2&3 \$'000	4 \$'000	5 \$'000	6 \$'000	8 \$'000	Adjustments and eliminations \$'000	Consolidated \$'000
<b>Segment assets and liabilities at 31 December 2022</b>									
Cash and cash equivalents <sup>1</sup>	60,616	31,978	11,785	7,214	—	1,143	—	—	112,736
Trade receivables	32,338	2,498	38,070	—	65	26,913	—	—	99,884
Other current assets	35,693	—	6,920	1,786	6,207	25,040	1,007	(38,707)	37,946
Litigation investments - claims portfolio	—	—	—	—	—	110,400	—	3,254	113,654
Litigation investments - purchased claims	—	—	16,882	9,525	—	21,595	—	—	48,002
Litigation investments - intangible assets	79,052	63,755	81,626	176,253	22,427	60,114	—	36,952	520,179
Litigation investments - financial assets	—	—	—	—	4,052	—	—	(61)	3,991
Litigation investments - provision for impairment	(60,616)	(15,820)	(5,018)	(59,360)	—	(2,448)	—	(5,502)	(148,764)
Goodwill	98,967	—	—	—	—	—	—	—	98,967
Investments in funds	295,326	5,700	—	—	—	—	—	(289,747)	11,279
Other non-current assets	417,435	—	4,439	1,837	2,455	1,619	12,297	(314,251)	125,831
<b>Total segment assets</b>	<b>958,811</b>	<b>88,111</b>	<b>154,704</b>	<b>137,255</b>	<b>35,206</b>	<b>244,376</b>	<b>13,304</b>	<b>(608,062)</b>	<b>1,023,705</b>
Current liabilities	75,076	29,163	24,031	7,015	33,275	27,900	10,632	(65,741)	141,351
Non-current liabilities	166,826	—	1,862	—	51	14,426	2,718	18,788	204,671
<b>Total segment liabilities</b>	<b>241,902</b>	<b>29,163</b>	<b>25,893</b>	<b>7,015</b>	<b>33,326</b>	<b>42,326</b>	<b>13,350</b>	<b>(46,953)</b>	<b>346,022</b>
<b>Net assets</b>	<b>716,909</b>	<b>58,948</b>	<b>128,811</b>	<b>130,240</b>	<b>1,880</b>	<b>202,050</b>	<b>(46)</b>	<b>(561,109)</b>	<b>677,683</b>
<b>Equity attributable to:</b>									
Equity holders of the parent	716,909	61,625	19,648	26,048	1,880	56,562	(46)	(562,963)	319,663
Contributed equity - NCI	—	(13,745)	82,000	148,322	—	130,753	—	—	347,330
Earnings - NCI	—	11,068	27,163	(44,130)	—	14,735	—	1,854	10,690
<b>Total equity</b>	<b>716,909</b>	<b>58,948</b>	<b>128,811</b>	<b>130,240</b>	<b>1,880</b>	<b>202,050</b>	<b>(46)</b>	<b>(561,109)</b>	<b>677,683</b>

1 Cash in Funds can only be used for litigation investments and expenses within the respective Funds in accordance within their mandates and constituent documents.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 3: Segment Information (continued)

	Group (excl Funds)		Funds				Consolidation	
	Corporate	1	2&3	4	5	6	Adjustments and eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	—	—	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/(loss) 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>
<b>Impairment expenses</b>	<b>17,169</b>	<b>8,342</b>	<b>2,860</b>	<b>551</b>	<b>—</b>	<b>101</b>	<b>726</b>	<b>29,749</b>
Amortisation of litigation investments - claims portfolio	—	—	—	—	—	2,367	—	2,367
Other expenses	53,832	35	280	1,032	287	8,096	(18,534)	45,028
Share of loss in associates and joint ventures	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>
Profit/(Loss) on fair value of 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

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 3: Segment Information (continued)

	Group (excl Funds)	Funds					Consolidation	
	Corporate	1	2&3	4	5	6	Adjustments and eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segment assets and liabilities at 30 June 2022</b>								
Cash and cash equivalents <sup>1</sup>	107,645	8,820	24,283	17,926	1	291	—	158,966
Trade receivables	61,057	—	47,316	4,780	—	24,921	—	138,074
Other current assets	32,158	—	7,854	582	4,064	22,286	(34,263)	32,681
Litigation investments - claims portfolio	—	—	—	—	—	102,901	3,222	106,123
Litigation investments - purchased claims	—	—	17,727	9,198	—	20,115	—	47,040
Litigation investments - intangible assets	79,066	147,793	70,225	143,334	17,936	54,784	34,573	547,711
Litigation investments - financial assets	—	—	—	—	3,117	—	(46)	3,071
Litigation investments - provision for impairment	(60,491)	(20,206)	(4,786)	(59,812)	—	(2,067)	(5,665)	(153,027)
Goodwill	95,567	—	—	—	—	—	—	95,567
Investments in funds	280,196	—	—	—	—	—	(275,165)	5,031
Other non-current assets	369,818	—	5,067	—	2,953	1,827	(285,653)	94,012
<b>Total segment assets</b>	<b>965,016</b>	<b>136,407</b>	<b>167,686</b>	<b>116,008</b>	<b>28,071</b>	<b>225,058</b>	<b>(562,997)</b>	<b>1,075,249</b>
Current liabilities	239,828	1,471	27,623	5,311	27,266	24,392	(49,562)	276,329
Non-current liabilities	32,589	—	1,902	—	460	15,029	9,441	59,421
<b>Total segment liabilities</b>	<b>272,417</b>	<b>1,471</b>	<b>29,525</b>	<b>5,311</b>	<b>27,726</b>	<b>39,421</b>	<b>(40,121)</b>	<b>335,750</b>
<b>Net assets</b>	<b>692,599</b>	<b>134,936</b>	<b>138,161</b>	<b>110,697</b>	<b>345</b>	<b>185,637</b>	<b>(522,876)</b>	<b>739,499</b>
<b>Equity attributable to:</b>								
Equity holders of the parent	692,599	61,717	25,377	22,139	345	52,044	(525,331)	328,890
Contributed equity - NCI	—	33,447	93,038	127,686	—	118,201	—	372,372
Earnings - NCI	—	39,772	19,746	(39,128)	—	15,392	2,455	38,237
<b>Total equity</b>	<b>692,599</b>	<b>134,936</b>	<b>138,161</b>	<b>110,697</b>	<b>345</b>	<b>185,637</b>	<b>(522,876)</b>	<b>739,499</b>

1 Cash in Funds can only be used for litigation investments and expenses within the respective Funds in accordance within their mandates and constituent documents.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 4: Revenue from contracts with customers

	Corporate \$'000	Fund 6 \$'000	Total \$'000
<b>Half-year ended 31 December 2022</b>			
<b>Type of service</b>			
Litigation investments - claims portfolio proceeds	—	2,534	2,534
Management fees	2,621	842	3,463
	<b>2,621</b>	<b>3,376</b>	<b>5,997</b>
<b>Half-year ended 31 December 2021</b>			
<b>Type of service</b>			
Litigation investments - claims portfolio proceeds	—	3,366	3,366
Management fees	2,561	623	3,184
	<b>2,561</b>	<b>3,989</b>	<b>6,550</b>
<b>Half-year ended 31 December 2022</b>			
<b>Geographical markets</b>			
Europe	—	3,376	3,376
Australia	666	—	666
United States	1,354	—	1,354
Cayman Islands	601	—	601
	<b>2,621</b>	<b>3,376</b>	<b>5,997</b>
<b>Half-year ended 31 December 2021</b>			
<b>Geographical markets</b>			
Europe	—	3,989	3,989
Australia	464	—	464
United States	1,102	—	1,102
Cayman Islands	995	—	995
	<b>2,561</b>	<b>3,989</b>	<b>6,550</b>
<b>Half-year ended 31 December 2022</b>			
<b>Timing of revenue recognition</b>			
Services transferred at a point in time	—	2,534	2,534
Services transferred over time	2,621	842	3,463
	<b>2,621</b>	<b>3,376</b>	<b>5,997</b>
<b>Half-year ended 31 December 2021</b>			
<b>Timing of revenue recognition</b>			
Services transferred at a point in time	—	3,366	3,366
Services transferred over time	2,561	623	3,184
	<b>2,561</b>	<b>3,989</b>	<b>6,550</b>

Not included in revenue is \$7.667 million (31 December 2021: \$3.873 million) of performance fees in Fund 4 that have not yet satisfied the income recognition requirements. This is disclosed in trade and other payables on the balance sheet.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 5: Interest revenue

	Consolidated	
	Half-year ended 31-Dec-22	Half-year ended 31-Dec-21
	\$'000	\$'000
<b>Interest revenue</b>		
Interest revenue on cash and deposits	730	170
Interest revenue on receivables	1,325	894
Interest revenue on litigation investments - purchased claims	2,972	3,637
	<b>5,027</b>	<b>4,701</b>

### 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 through sale or completion (partial or full) of the underlying litigation that the Group invested in.

	Consolidated	
	Half-year ended 31-Dec-22	Half-year ended 31-Dec-21
	\$'000	\$'000
<b>Net gain on derecognition of litigation investments - intangible assets</b>		
Proceeds	41,073	108,572
Derecognition of carrying cost	(39,878)	(67,183)
	<b>1,195</b>	<b>41,389</b>

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

	Consolidated	
	Half-year ended 31-Dec-22	Half-year ended 31-Dec-21
	\$'000	\$'000
Australia	1,404	3,314
United States	(5,670)	39,390
Canada	(164)	(5,694)
EMEA	3,455	6,211
Asia	2,125	(1,832)
Latin America	45	—
	<b>1,195</b>	<b>41,389</b>

### Note 7: Other income

	Consolidated	
	Half-year ended 31-Dec-22	Half-year ended 31-Dec-21
	\$'000	\$'000
<b>Other income</b>		
Net foreign exchange gain	—	2,597
Other income	971	1,110
	<b>971</b>	<b>3,707</b>

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 8: Expenses

	Consolidated	
	Half-year ended 31-Dec-22 \$'000	Half-year ended 31-Dec-21 \$'000
<b>(a) Finance costs</b>		
Interest on lease liabilities	153	41
Other finance charges	2,483	558
	<b>2,636</b>	<b>599</b>
<b>(b) Amortisation of litigation investments - claims portfolio</b>		
Amortisation of litigation investments - claims portfolio (Note 12)	2,727	2,367
<b>(c) Depreciation expense</b>		
Depreciation	1,950	1,564
<b>(d) Employee benefits expense</b>		
Wages and salaries	31,355	22,131
Superannuation expense	1,198	939
Directors' fees	283	278
Payroll tax	1,257	936
Share based payments	4,893	6,393
Long service leave	47	(404)
	<b>39,033</b>	<b>30,273</b>
<b>(e) Corporate and office expense</b>		
Insurance expense	1,868	1,644
Network expense	938	831
Marketing expense	894	625
Occupancy expense	312	488
Professional fee expense	2,417	3,688
Recruitment expense	962	378
Travel expense	1,244	242
	<b>8,635</b>	<b>7,896</b>
<b>(f) Other expenses</b>		
ASX listing fees	124	93
General expenses	908	1,908
Amortisation of contract costs	470	470
Postage, printing and stationary	821	690
Repairs and maintenance	2	9
Share registry costs	6	30
Staff training, development and conferences	531	220
Net foreign exchange loss	601	—
Expected credit loss – receivables	2,112	—
	<b>5,575</b>	<b>3,420</b>
<b>(g) Impairment expense and adverse costs - litigation investments</b>		
Adverse costs - litigation investments (Note 22)	4,581	1,276
Net impairment expense/(gain) - litigation investments (Notes 12 - 14)	(856)	29,749
	<b>3,725</b>	<b>31,025</b>

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 9: Income tax

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

	Consolidated	
	Half-year ended 31-Dec-22	Half-year ended 31-Dec-21
	\$'000	\$'000
Accounting profit/(loss) before income tax	(43,399)	(18,360)
At the Group's statutory income tax rate of 30% (2021: 30%)	(13,020)	(5,508)
Foreign tax rate adjustments	596	(396)
Adjustment in respect of income and deferred tax of previous years	(261)	5,363
Non-assessable income	(3,710)	(10,037)
Non-deductible expenditures	500	1,308
Write off of non-recoverable Deferred Tax Assets	36	63
Other	2,596	(423)
<b>Income tax expense/(benefit) reported in the Statement of Comprehensive Income</b>	<b>(13,263)</b>	<b>(9,630)</b>

### Unrecognised temporary differences and tax losses

At 31 December 2022, the Group had \$2.816 million (30 June 2022: \$2.287 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 \$31.464 million (30 June 2022: \$17.765 million) of assets relating to carried forward tax losses of Omni Bridgeway Limited (OBL) tax consolidated group as at 31 December 2022.

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 \$1.447 billion. In addition, OBL is expected to receive distributions from Fund 2&3 and intra group income from the wider group.

### Deferred tax assets relating to USA operations

The deferred tax assets balance includes \$28.100 million (30 June 2022: \$22.750 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 had a history of incurring tax losses before the year ended 31 December 2022. 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. Omni 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, Omni 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 in 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 3 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 four 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. Omni has access to more investment capital that at any time in its history. Fund 4 Series II which has further Fund commitments of USD 500 million is considered by the institutional investors and may be launched in the near future.
- (iii) US business committed a record level of commitments of A\$188 million last year, and is on track this year to achieve A\$240 million in commitments which represents a growth of 28%.
- (iv) There are 50 US investments with total EPV of A\$10.4 billion as at 31 December 2022. The US business historically has a 79% success rate, based on financial result dollar weighted average. The US business has historically had a return on invested capital ("ROIC") (refer to Glossary) of 0.56x, 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.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 9: Income tax (continued)

#### 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 \$1.394 million as at 31 December 2022 (30 June 2022: \$1.573 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-22 \$'000	Half-year ended 31-Dec-21 \$'000
<b>For basic and diluted loss per share</b>		
Total net loss attributable to ordinary equity holders of the Parent	(42,793)	(27,738)

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

	Consolidated	
	Half-year ended 31-Dec-22 Number	Half-year ended 31-Dec-21 Number
Weighted average number of ordinary shares outstanding	271,493,088	264,158,997
Effect of dilution:		
Performance rights	—	—
Variable Deferred Consideration Shares	—	—
Weighted average number of ordinary shares	271,493,088	264,158,997

Variable 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. In addition to this, the inclusion of any of these shares would be considered anti-dilutive.

During the period to 31 December 2022, the performance milestones for Tranche 3 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 2022, there were 7,755,446 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 2022, there were no performance rights calculated 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.

### 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 2022 to equity holders of the parent company.

The Directors did not pay a final dividend for the financial year ended 30 June 2022.

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.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### B. INVESTMENTS AND INTANGIBLE ASSETS

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

	Consolidated	
	At	At
	31-Dec-22	30-Jun-22
	\$'000	\$'000
Balance at start of the period <sup>1</sup>	106,123	95,059
Additions	7,777	20,749
Amortisation of carrying costs <sup>2</sup>	(2,727)	(5,650)
Impairment Expense	(1,181)	(197)
Foreign currency adjustment	3,662	(3,838)
Balance at the end of the period <sup>3</sup>	113,654	106,123

1. Includes \$59.558 million (30 June 2022: \$64.541 million) of fair value adjustments from business combination in FY20.

2. Includes \$0.734 million (30 June 2022: \$2.414 million) of fair value adjustments from business combination in FY20.

3. Includes \$60.927 million (30 June 2022: \$59.558 million) of fair value adjustments from business combination in FY20.

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

	Consolidated	
	At	At
	31-Dec-22	30-Jun-22
	\$'000	\$'000
Balance at 1 July <sup>1</sup>	47,040	38,754
Interest revenue	2,972	6,275
Increase in carrying value	—	8,447
Carrying value disposed <sup>2</sup>	—	(5,637)
Impairment gain/(loss)	(3,114)	260
Foreign currency adjustment	1,104	(1,059)
Balance at the end of the period <sup>3</sup>	48,002	47,040

At 31 December 2022, the fair value of the litigation investments - purchased claims amounted to \$48.002 million (30 June 2022: \$47.040 million) and the gross contractual amount was \$161.20 million (30 June 2022: \$177.5 million).

	Consolidated	
	Half-year ended	Half-year ended
	31-Dec-22	31-Dec-21
	\$'000	\$'000
<b>Net gain on disposal of litigation investments - purchased claims</b>		
Proceeds	—	3,539
Carrying value disposed <sup>2</sup>	—	(3,402)
	—	137

1. Includes \$0.586 million (30 June 2022: \$2.936 million) of fair value adjustments from the business combination in FY20.

2. Includes \$nil (30 June 2022: \$2.331 million) of fair value adjustments from the business combination in FY20.

3. Includes \$0.607 million (30 June 2022: \$0.586 million) of fair value adjustments from the business combination in FY20.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### 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-22 \$'000	At 30-Jun-22 \$'000
External funding costs	439,146	472,310
Capitalised overheads	81,033	75,399
Gross carrying amount at cost	520,179	547,709
Accumulated impairment	(148,764)	(153,025)
<b>Net carrying amount</b>	<b>371,415</b>	<b>394,684</b>

Included in the closing balance is \$17.701 million (30 June 2022: \$17.083 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 10.8% and 12.0% for this reporting period (30 June 2022: between 10.9% and 12.0%).

At 31 December 2022, the balance of provisions for impairment was \$148.764 million (30 June 2022: \$153.025 million). The \$4.261 million net movement in the period reflects (i) \$5.653 million of new impairments in relation to 11 investments; (ii) the net impact of investment completions and the asset derecognised; and (iii) foreign exchange variances.

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 10.8%. After taking into account the impairment indicators, at 31 December 2022, the 11 investments have a combined carrying value of \$4.710 million. This amount reflects the net recoverable amount expected to be received from the investments.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (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.

#### Fair Values

The carrying amounts of financial assets and liabilities of the Group carried at amortised cost approximate their fair values.

For the purposes of disclosure, the fair value measurements used for all assets and liabilities below are level 3, except for the bonds which are level 1 on the fair value hierarchy.

	Carrying Amount		Fair Value	
	At	At	At	At
	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Receivables from litigation contracts and other	132,122	164,392	132,122	164,392
Litigation investments - purchased claims	48,002	47,040	48,002	47,040
Financial investments	3,991	3,071	3,991	3,071
Security deposits	2,930	2,848	2,930	2,848
	<b>187,045</b>	217,351	<b>187,045</b>	217,351
<b>Financial liabilities</b>				
Trade and other payables	73,164	41,953	73,164	41,953
Omni Bridgeway bonds	—	76,000	—	76,494
Fixed rate notes	—	72,000	—	73,146
Debt Security	140,727	—	140,727	—
Deferred consideration	3,725	15,491	3,725	15,491
Variable deferred consideration – business combination	16,579	30,238	16,579	30,238
Variable consideration – litigation investments - purchased claims	22,603	21,872	22,603	21,872
	<b>256,798</b>	257,554	<b>256,798</b>	259,194

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

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

#### 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 2022 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 2022 and 40% at 30 June 2022	At 31 December 2022: An absolute 5% increase in the volatility would result in a \$293,000 increase in the value of the liability. An absolute 5% decrease in the volatility would result in a \$295,000 decrease in the value of the liability.  At 30 June 2022: An absolute 5% increase in the volatility would result in a \$487,000 increase in the value of the liability. An absolute 5% decrease in the volatility would result in a \$487,000 decrease in the value of the liability.
		Underlying share price	\$3.62 at 31 December 2022 and \$3.55 at 30 June 2022	At 31 December 2022: A relative 5% increase in the share price would result in a \$499,000 increase in the value of the liability. A relative 5% decrease in the share price would result in a \$469,000 decrease in the value of the liability.  At 30 June 2022: A relative 5% increase in the share price would result in a \$875,000 increase in the value of the liability. A relative 5% decrease in the share price would result in a \$803,000 decrease in the value of the liability.
Dividend yield		At 31 December 2022: 0% for 8-Nov-23 payment; 1.9% for 8-Nov-24 payment  At 30 June 2022: 0% for 8-Nov-22 payment; 2% for 8-Nov-23 payment; 2% for 8-Nov-24 payment	At 31 December 2022: An absolute 1% increase in dividend yield would result in a \$130,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would result in a \$44,000 increase in the value of the liability.  At 30 June 2022: An absolute 1% increase in dividend yield would result in a \$160,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would result in a \$164,000 increase in the value of the liability.	

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (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 2022: 3.64% for 8-Nov-23 payment; 3.56% for 8-Nov-24 payment  At 30 June 2022: 1.94% for 8-Nov-22 payment; 2.95% for 8-Nov-23 payment; 3.02% for 8-Nov-24 payment;	At 31 December 2022: An absolute 0.5% increase in risk free rate would result in a \$44,000 decrease in the value of the liability. An absolute 0.5% decrease in risk free rate would result in a \$42,000 increase in the value of the liability.  At 30 June 2022: An absolute 0.5% increase in risk free rate would result in a \$77,000 decrease in the value of the liability. An absolute 0.5% decrease in risk free rate would result in a \$79,000 increase in the value of the liability.
		FX forward rate (AUD/EUR)	At 31 December 2022: 8-Nov-23: 1.58 8-Nov-24: 1.60  At 30 June 2022: 8-Nov-22: 1.53 8-Nov-23: 1.58 8-Nov-24: 1.62	At 31 December 2022: A relative 5% increase in the forward exchange rates would result in a \$805,000 increase the value of the liability. A relative 5% decrease in the forward exchange rate would result in a \$805,000 decrease in the value of the liability.  At 30 June 2022: A relative 5% increase in the forward exchange rates would result in a \$1,489,000 increase the value of the liability. A relative 5% decrease in the forward exchange rate would result in a \$1,489,000 decrease in the value of the liability.

### Note 16: Cash and cash equivalents

	Consolidated	
	At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
Cash at bank	88,584	124,755
Short-term deposits	24,152	34,211
	<b>112,736</b>	158,966

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, \$3,954,000 (30 June 2022: \$1,686,000) 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 2022, 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 2022, guarantees of \$2,360,000 were outstanding (30 June 2022: \$2,355,000). The Group has a total guarantee facility limit of \$2,477,000 (30 June 2022: \$2,472,000) that is secured by an offset arrangement with deposits of \$1,477,000 (30 June 2022: \$1,672,000).

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 17: Debt securities

	Consolidated	
	At	At
	31-Dec-22	30-Jun-22
	\$'000	\$'000
<b>Current</b>		
Omni Bridgeway Bonds	—	76,000
Fixed Rate Notes	—	72,000
	—	148,000
<b>Non-Current</b>		
Debt Security	140,727	—
	140,727	—

On 5 May 2022, the Company secured a \$250 million debt facility in the form of a Senior Facility Agreement. The first drawdown was performed on 8 July 2022 which was used to fully redeem the existing Bonds and Notes.

In relation to the debt securities held by the Group, there were no breaches in covenants.

### 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	At
	31-Dec-22	30-Jun-22
	\$'000	\$'000
<i>Contributed equity</i>		
Issued and fully paid ordinary shares	451,135	406,963

#### (a) Ordinary shares

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

	Consolidated			
	Period ended 31-Dec-22		Year ended 30-Jun-22	
	Number		Number	
	000	\$'000	000	\$'000
<b>Movement in ordinary shares</b>				
Balance at 1 July	268,639	406,963	262,180	389,501
Shares issued during the period (Deferred and Variable deferred Consideration)	7,756	30,712	3,659	10,940
Shares issued upon exercise of performance rights	2,768	13,746	2,800	6,522
Share Buy-Back Scheme	(70)	(286)	—	—
Balance at period end	279,093	451,135	268,639	406,963

#### (b) Performance Rights

At 31 December 2022, there were 14,135,310 unissued ordinary shares in respect of outstanding share performance rights (30 June 2022: 15,929,183).

#### (c) Variable Deferred Consideration Shares

At 31 December 2022, there were 6,221,298 Variable Deferred Consideration Shares remaining to be issued (30 June 2022: 9,861,386).

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (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.

Other receivables mainly comprises of receivables from adverse cost insurance, short term loans, receivables due to management serving fees and receivables due from participations.

	Consolidated	
	At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
<b>Current</b>		
Receivables from litigation contracts	58,087	101,448
Other receivables	30,398	26,306
	<b>88,485</b>	<b>127,754</b>
<b>Non-Current</b>		
Receivables from litigation contracts	41,797	36,638
Other receivables	1,840	—
	<b>43,637</b>	<b>36,638</b>

#### 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.

#### Note 20: Other assets

	Consolidated	
	At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
<b>Current</b>		
Prepayments	3,679	2,576
Deposits	2,930	2,848
	<b>6,609</b>	<b>5,424</b>
<b>Non-Current</b>		
Prepayments	17,702	12,037
Other	741	714
	<b>18,443</b>	<b>12,751</b>

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### Note 21: Other financial liabilities

	Consolidated	
	At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
<b>Current</b>		
Deferred consideration – business combination/insurance <sup>1</sup>	1,007	15,491
Variable deferred consideration – business combination	7,875	13,670
	<b>8,882</b>	<b>29,161</b>
<b>Non-Current</b>		
Deferred consideration – business combination/insurance <sup>1</sup>	2,718	—
Variable deferred consideration – business combination	8,704	16,568
	<b>11,422</b>	<b>16,568</b>

1. Current period Deferred consideration balance relates to insurance product acquired for Funds 2&3. Prior year balance relates to deferred consideration from the business combination which has now been fully paid.

#### Variable deferred consideration

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 (Note 15).

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 2022	15,491	13,670	29,161
Fair value remeasurement recognised through profit and loss	337	61	398
Issue of shares to satisfy the liability	(16,297)	(14,415)	(30,712)
Reclassification from Non-Current	—	8,146	8,146
Effect of movement in foreign currency	469	413	882
At 31 December 2022	—	7,875	7,875
<b>Non-Current</b>			
At 1 July 2022	—	16,568	16,568
Fair value remeasurement recognised through profit and loss	—	—	—
Issue of shares to satisfy the liability	—	(307)	(307)
Reclassification to Current	—	(8,146)	(8,146)
Effect of movement in foreign currency	—	589	589
At 31 December 2022	—	8,704	8,704

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

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

	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	(1,564)	(4,971)	(6,535)
Issue of shares to satisfy the liability	—	(10,940)	(10,940)
Reclassification from Non-Current	17,055	15,050	32,105
Effect of movement in foreign currency	—	(116)	(116)
At 30 June 2022	15,491	13,670	29,161
<b>Non-Current</b>			
At 1 July 2021	17,783	33,886	51,669
Fair value remeasurement recognised through profit and loss	—	(880)	(880)
Reclassification to Current	(17,055)	(15,050)	(32,105)
Effect of movement in foreign currency	(728)	(1,388)	(2,116)
At 30 June 2022	—	16,568	16,568

### Note 22: Provisions

	Consolidated	
	At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
<b>Current</b>		
Annual leave and vested long service leave	4,355	3,941
Adverse costs	23,741	20,877
Bonus	638	306
	28,734	25,124
<b>Non-Current</b>		
Premises lease make good	542	601
Long service leave	680	642
	1,222	1,243

#### 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).

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

### 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 \$7.5 million up to the policy indemnity limit. The entire Fund 5 portfolio has an 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 2022, the total amount spent on currently funded investments by the Group where undertakings to pay adverse costs have been provided was \$153.463 million (30 June 2022: \$141.127 million). The potential adverse costs orders using the above methodology would amount to \$51.251 million (30 June 2022: \$53.363 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.

Fund 2 and 3 have a separate adverse cost policy for a single investment that consists of an upfront premium and three stages of a contingent premium payable only on achievement of a successful outcome. An accrual for this contingent premium is based on the best estimated judgement which is included in other current liability.

The premium for the Fund 8 principal protection insurance policy consists of an upfront premium which has been paid, four deferred annual premium payments which have been accrued in other liabilities - deferred consideration, a contingent premium payable if the debt is upsized to €270 million and a contingent end-of-term premium which is fully dependent on the overall multiple on invested capital (MOIC) realized by Fund 8.

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 \$61.661 million (30 June 2022: \$32.872 million) in 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.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (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 Black Scholes models are used.

The share performance rights for FY23 are yet to be issued. The valuation method used in the calculation for these rights is outlined below:

Grant Date	1 July 2022
Share price at grant date	\$3.45
Expected Volatility (%)	40%
Dividend yield (%)	0% for FY23 and 2% for FY24 and FY25
Risk-free rate (%)	2.92%
Performance period	3 years ending 30 June 2025
Models used	Monte Carlo & Black Scholes
Tranche 1 - relative TSR (value per right)	\$1.85
Tranche 2 - CAGR (value per right)	\$3.32

#### 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-22 \$'000	Half-year ended 31-Dec-21 \$'000
Transactions with Thomson Geer <sup>1</sup>	113	15
Transactions with OB DARP Cooperatief UA <sup>2</sup>	724	1,251
	837	1,266

1. During the period, the Group obtained legal advice from a legal firm associated with Michael Bowen, Thomson Geer Lawyers of \$112,600. 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 ceases to be a non-executive director on 30 November 2022.

2. During the period, the Group received management fees from OB DARP Cooperatief UA, a related party of the Group.

##### Loans with a related entity

The following table provides the total amount of loans with related parties for the relevant financial period.

	Consolidated	
	At 31-Dec-22 \$'000	At 30-Jun-22 \$'000
Loans with Omni Bridgeway DARP Cooperatief UA	5,945	5,167
	5,945	5,167

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (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-22 %	At 30-Jun-22 %
<b>Fund 1</b>			
Omni Bridgeway (Fund 1) LLC	USA	100	100
HC 1 LLC <sup>1</sup>	USA	—	25
Security Finance (Fund 1) LLC	USA	100	100
<b>Funds 2 &amp; 3</b>			
Omni Bridgeway (Fund 2) Pty Ltd	Australia	27	23
Omni Bridgeway (Fund 3) Pty Ltd	Australia	27	23
IMF Bentham ROW SPV 1 Limited	United Kingdom	27	23
IMF Bentham ROW SPV 2 Limited	Australia	27	23
<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
Omni Bridgeway Finance BV	Netherlands	81	81
Stichting Client Accounts Omni Bridgeway	Netherlands	N/A	N/A
Stichting Cartel Compensation	Netherlands	N/A	N/A
Stichting Trucks Cartel Compensation	Netherlands	N/A	N/A
<b>Fund 7</b>			
Omni Bridgeway Advisory Ltd	United Arab Emirates	65	65
<b>Fund 8</b>			
Omni Bridgeway (Fund 8) Guernsey Investments Ltd. <sup>2</sup>	Guernsey	100	—

1. HC 1 LLC was derecognised on 30 December 2022.

2. Incorporated on 19 July 2022.

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

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

Name	Country of Incorporation	Percentage Owned	
		At 31-Dec-22 %	At 30-Jun-22 %
<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	Netherlands	100	100
Omni Bridgeway (NZ) Limited	New Zealand	100	100
Crestwood I LLC	USA	100	100

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 2022	73,219	112,784	91,013	133,593	410,609
Contributions	10,548	8,480	26,867	12,552	58,447
Distributions	(31,812)	(19,519)	(19,645)	—	(70,976)
Deconsolidation of Subsidiary	(57,690)	—	—	—	(57,690)
Change in share of net assets attributable to NCI	1,128	7,366	(626)	(1,089)	6,779
Profit/(loss)	5,503	—	7,812	(658)	12,657
Other comprehensive income/(loss)	(3,573)	52	625	1,090	(1,806)
At 31 December 2022	(2,677)	109,163	106,046	145,488	358,020
At 1 July 2021	147,470	80,399	85,120	117,485	430,474
Contributions	20	19,600	16,211	7,786	43,617
Distributions	(80,593)	—	(32,742)	—	(113,335)
Change in share of net assets attributable to NCI	(4,778)	(1,635)	(7,265)	939	(12,739)
Profit/(loss)	6,796	14,511	22,434	8,386	52,127
Other comprehensive income/(loss)	4,304	(91)	7,255	(1,003)	10,465
At 30 June 2022	73,219	112,784	91,013	133,593	410,609

# Omni Bridgeway Limited

ABN 45 067 298 088

## Notes to the Interim Consolidated Financial Statements for the half year ended 31 December 2022 (continued)

As at 30 December 2022, the Consolidated Entity disposed of subsidiary HC 1 LLC which was a Fund 1 entity.

### Disposal of HC1 LLC:

	<b>\$'000</b>
<b>Carrying value of assets and liabilities</b>	
Intangible assets	68,483
Prepayment	14,167
Payable	(10)
Non-controlling interests	(61,863)
<b>Total carrying value of net assets</b>	<b>20,777</b>
	<b>27,993</b>
<b>Consideration received by the Group</b>	
<b>Direct cost relating to disposal - Sale commission</b>	<b>(840)</b>
	<b>6,376</b>
<b>Net gain on disposal of investment</b>	

### Note 27: Events after the reporting date

In February 2023, we received a favourable judgment relating to a Fund 4 investment and anticipate recognising income of around ~US\$6 million in 2H23.

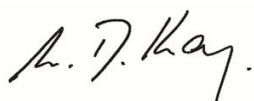
Except as disclosed in this report there have been no other subsequent events after the reporting date.

**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 2022 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**

**22 February 2023**

## 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 2022, 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 2022 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 2022 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

22 February 2023

# Omni Bridgeway Limited

ABN 45 067 298 088

## Corporate Information

This Interim Financial 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 )
Raymond van Hulst	Executive Director, Managing Director EMEA
Michael Bowen	Non-Executive Director (retired 30 November 2022)
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

<b>AASB</b>	Australian Accounting Standards Board.
<b>CAGR</b>	Compound annual growth rate.
<b>EMEA</b>	The geographic region incorporating Europe, Middle East and Africa.
<b>EPS</b>	Earnings per share.
<b>Estimated Portfolio Value (EPV)</b>	<p>For an investment where the funding entity earns:</p> <ol style="list-style-type: none"> <li>a percentage of the resolution proceeds arising from the underlying litigation or enforcement as a funding commission, EPV is the estimate of the investment's recoverable amount after considering the perceived capacity of the defendant to meet the claim and any other pertinent factors. Such amount is not necessarily the amount being claimed, nor is it an estimate of the return to the Group if the investment is successful. It includes the amount to the funded client and to the Group. It does not include any co-funder portion</li> <li>a funding commission calculated as a multiple of the capital deployed; EPV is arrived at by taking the estimated potential income from the investment to the funding entity and grossing this up to an EPV using the Long-Term Conversion Rate at the time estimation. It does not include co-funder portion, or</li> <li>a funding commission calculated on a combination of the above bases or on an alternative basis, arriving at the EPV 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 noting that, enforcement case investments may have a multi-layered approach from a timing and value perspective.</p> <p>Regardless of how 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, ability to enforce or recover.</p> <p>Possible EPVs are reviewed and updated where necessary.</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 the 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. IEV is instead a statement of the amount of gross proceeds 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>	<p>Is the rate of income conversion that the Group has experienced on all completed investments over its life.</p> <p>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 EPV at the at the time of completion.</p>
<b>LTIP</b>	Long Term Incentive Plan.
<b>NCI</b>	<p>Non-controlling interest.</p> <p>This represents the interests of external Fund investors in funds that are consolidated within the Group. It is calculated in accordance with each of the respective Funds' return waterfall.</p>
<b>OBE Group</b>	Omni Bridgeway Holdings BV and subsidiary; it includes Fund 6 and Fund 7.
<b>OBL</b>	Omni Bridgeway Limited (ABN 45 067 298 088).
<b>STIP</b>	Short Term Incentive Program.
<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.

**Americas****Chicago**

+1 872 260 2057

United States

**Dallas**

+1 212 488 5331

United States

**Houston**

+1 713 965 7919

LyondellBasel Tower  
1221 McKinney Street  
Suite 2860

Houston TX 77010

United States

**Los Angeles**

+1 213 550 2687

555 W. Fifth Street  
Suite 3310

Los Angeles CA 90013

United States

**Miami**

+1 786 891 2228

United States

**Minneapolis**

+1 612 488 9211

100 South Fifth Street  
19th Floor

Minneapolis MN 55402

United States

**New York**

+1 212 488 5331

437 Madison Avenue  
36th Floor

New York NY 10022

United States

**San Francisco**

+1 415 231 0363

50 California Street  
Suite 2930

San Francisco CA 94111

United States

**Washington, D.C.**

+1 202 749 8300

1300 I Street N.W.  
Suite 400E

Washington, D.C. 20005

United States

**Montreal**

+1 514 257 6971

60 rue St-Jacques

Bureau 401

Montréal QC H2Y 1L5

Canada

**Toronto**

+1 416 583 5720

250 The Esplanade

Suite 127

Toronto ON M5A 1J2

Canada

**Montevideo**

+1 514 257 6971

Uruguay

**Asia-Pacific****Adelaide**

+61 8 8122 1010

50 Gilbert Street

Adelaide SA 5000

Australia

**Melbourne**

+61 3 9913 3301

Level 3

Bourke Place

600 Bourke Street

Melbourne VIC 3000

Australia

**Perth**

+61 8 9225 2300

Level 10

66 St George Terrace

Perth WA 6000

Australia

**Sydney**

+61 2 8223 3567

Level 7

35 Clarence Street

Sydney NSW 2000

Australia

**Hong Kong**

+852 3978 2629

Level 27

World-Wide House

19 Des Voeux Road

Central

Central, Hong Kong

**Singapore**

+65 6813 2647

Level 13-03

6 Battery Road

Singapore 049909

**Auckland**

+64 277 470 369

Commercial Bay Tower

Level 17

11-19 Customs Street

West Auckland 1010

New Zealand

**Europe, Middle East & Africa****Amsterdam**

+31 70 338 4343

Schipol Boulevard 121

1118 BG Schipol

Amsterdam

The Netherlands

**Cologne**

+49 221 801155-0

Gereonstr. 43-65

50670 Cologne

Germany

**Geneva**

+41 22 818 6300

Rue de La Rôtisserie 4

1204 Geneva

Switzerland

**London**

+44 203 968 6061

5 Chancery Lane

London WC2A 1LG

United Kingdom

**Madrid**

+31 70 338 4343

Spain

**Milan**

+31 70 338 4343

Italy

**Paris**

+33 6 5159 4359

31 rue du Colisée

75008 Paris

France

**Dubai**

+971 4 514 4608

Unit 1905, Level 19

Index Tower

Dubai International Financial

Centre

507152 Dubai

United Arab Emirates