

Investor Presentation

January 2020

For personal use only



Disclaimer

The material in this presentation has been prepared by IMF Bentham Limited (IMF) and is general background information about IMF's activities. The information is given in summary form and does not purport to be complete.

A number of terms used in this presentation including; ROIC, EPV, success rate by \$ weighted average, success rate by number of investments, IRR, actual, budgeted and deployed committed capital are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, issued in December 2011. This information has not been audited or reviewed. For further commentary and analysis refer to IMF's 2019 annual report.

This presentation is provided for general information purposes. Nothing in this document constitutes an offer to sell, or a solicitation of an offer to buy, any securities in the United Kingdom or any other jurisdiction. This document provides information only and does not provide any form of financial advice and does not constitute an invitation or inducement to engage in investment activity under Section 21 of the Financial Services and Markets Act 2000 (FSMA).

To the maximum extent permitted by law, no representation or warranty is given, express or implied, as to the accuracy of the information contained in the presentation.

The information in this presentation is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read and consider the terms of any IMF securities in full before deciding to invest in such securities and consider the risks that could affect the performance of those securities.

If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest in IMF securities.

Save in respect of the specific commentary regarding the Brisbane floods class action on pages 13 - 14, by providing the material in this presentation IMF is not in any way making forecasts, predictions or providing earnings guidance and nothing in this presentation should be relied on as doing so.

This presentation is for use of IMF's public shareholders and is not an offering of any fund managed or advised by IMF or any of its affiliates. Bentham Capital Management LLC (BCM) is registered as an investment adviser with the U.S. Securities and Exchange Commission. The information provided for the IMF funds herein is for informational purposes only. Past performance is not indicative of future results. Any information contained herein is not, and should not be construed as, an offer to sell or the solicitation of an offer to buy any securities (including, without limitation, interests or shares in the funds).

This presentation is for the use of IMF Bentham's public shareholders and is not an offering of any IMF Bentham private fund.

Agenda

1

LEGAL FINANCIAL
SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED
BUSINESS

5

CURRENT YEAR
DEVELOPMENTS

6

Q&A

For personal use only

1

LEGAL FINANCIAL SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED BUSINESS

5

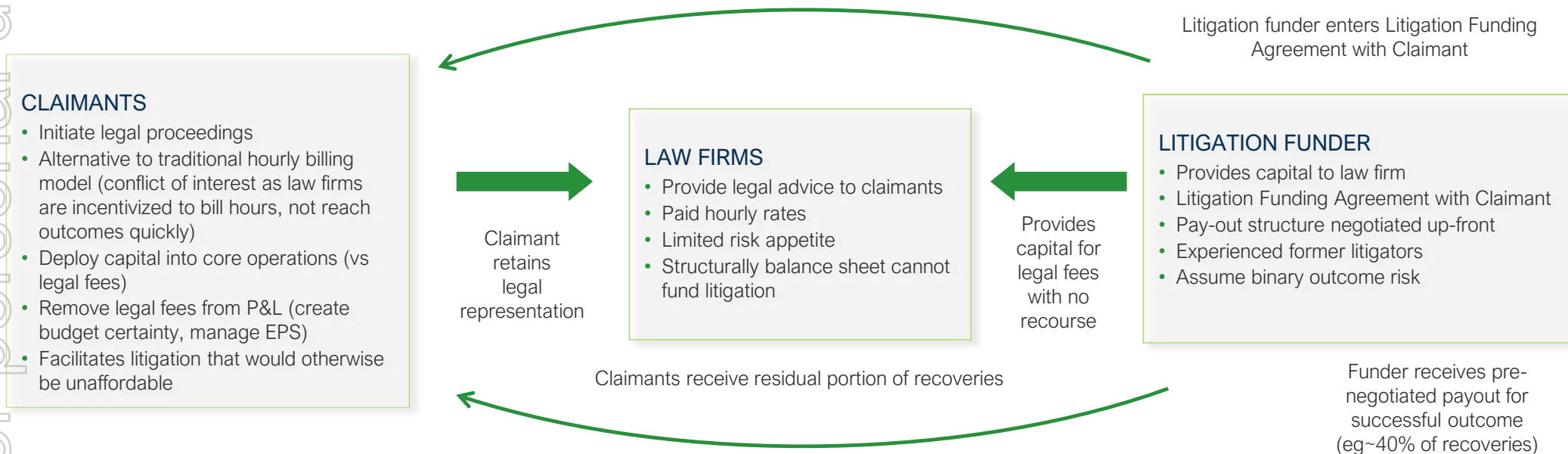
CURRENT YEAR DEVELOPMENTS

6

Q&A

What is litigation funding?

- Specialty finance – growing rapidly as corporates embrace benefits and law firms unwilling/unable to fund litigation
- Non-recourse capital for commercial and class action claims
- Capital pays legal expenses incurred in litigation
- Binary outcome: Funder receives share of economic recovery should case successful; nothing if unsuccessful
- Funder does not provide legal advice



IMF Bentham has collected over \$2.4 billion for clients and successfully resolved 89% of 192 completed cases since 2001

Merits litigation funding

974 applications/enquiries

93 Investment Committee meetings

55 new investments assessed by IC

37 new investments

IMF Bentham investment funnel FY19

1. OUTLINE OF CLAIM

Confidentiality agreement. Claim outlined by client or their legal representative.

2. APPLICATION REVIEW

IMF assesses:

- type and strength of case
- potential damages or settlement prospects
- legal fee arrangement
- likely duration
- amount of capital required
- defendant's ability to satisfy a judgment

3. OFFER OF FUNDING

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

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

4. CASE PROGRESSES

Generally case length 1 – 5 years. IMF also provides strategic management services.

IMF monitors case progress. IMF receives periodic updates from lawyers. In certain jurisdictions (such as Australia) IMF will also provide strategic advice concerning the litigation.

5. SETTLEMENT OR TRIAL

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

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

6. DISTRIBUTION OF PROCEEDS

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

Average case duration 2.6 years

Enforcement Funding - Investment procedures

Overview

Investment and engagement committee

Case sourcing

Case analysis

Investment decision

Transaction structuring

Recovery and workout

Continuous client and investment reporting

Enforcement Funding - Investment procedures

Pre-investment due diligence

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

Team allocation

Preliminary recoverability

Preliminary merits

Transaction structuring

Budgeting process

Client reporting

Workout and legal strategy

Counterparty analysis

- Guarantors
- Collateral
- Financials / solvency
- Other disputes
- International activities
- Compliance issues

Asset and collateral tracing and recoverability

- Cross-border cash flows
- Foreign assets
- Third party obligations

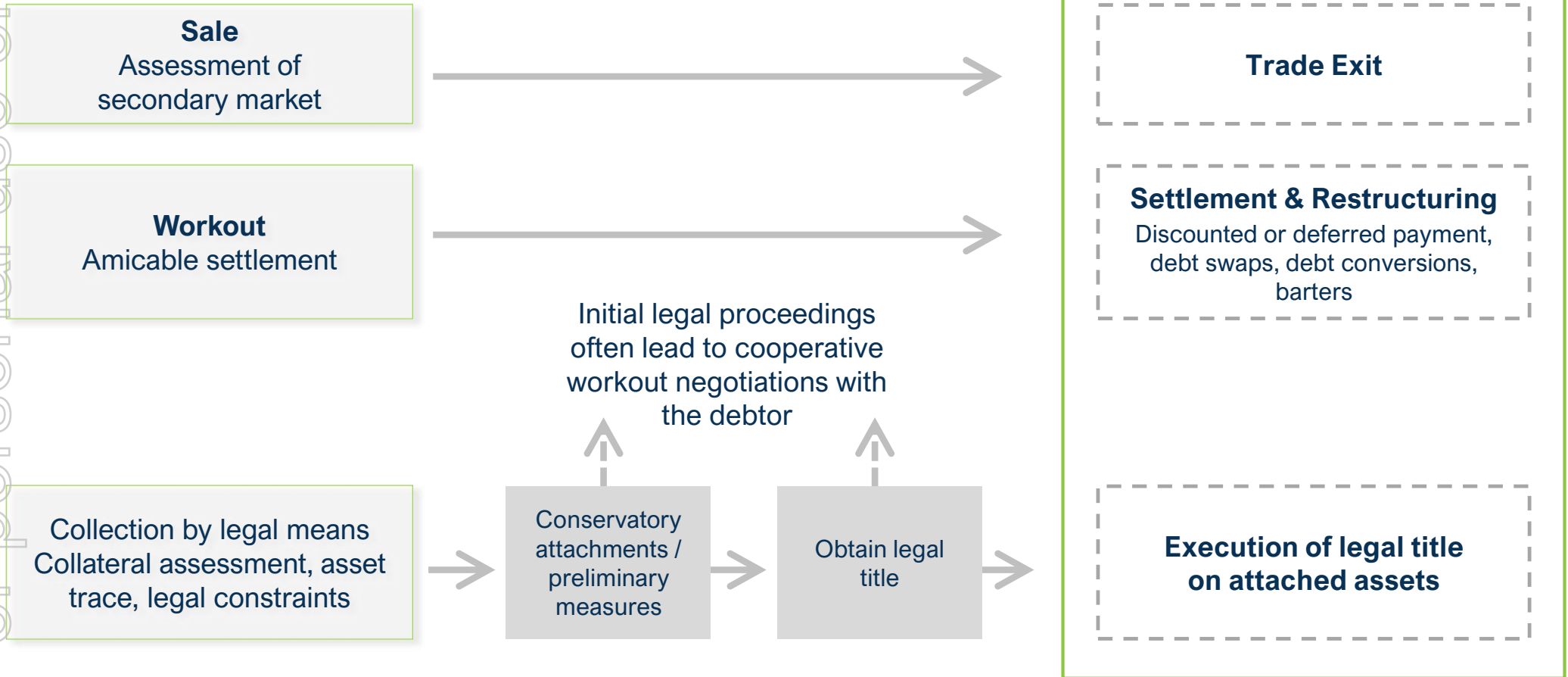
Legal merits analysis

- Pending proceedings
- Applicable law
- Jurisdiction
- Statute of limitations
- Additional fact finding

Pre-investment due diligence, workout strategy

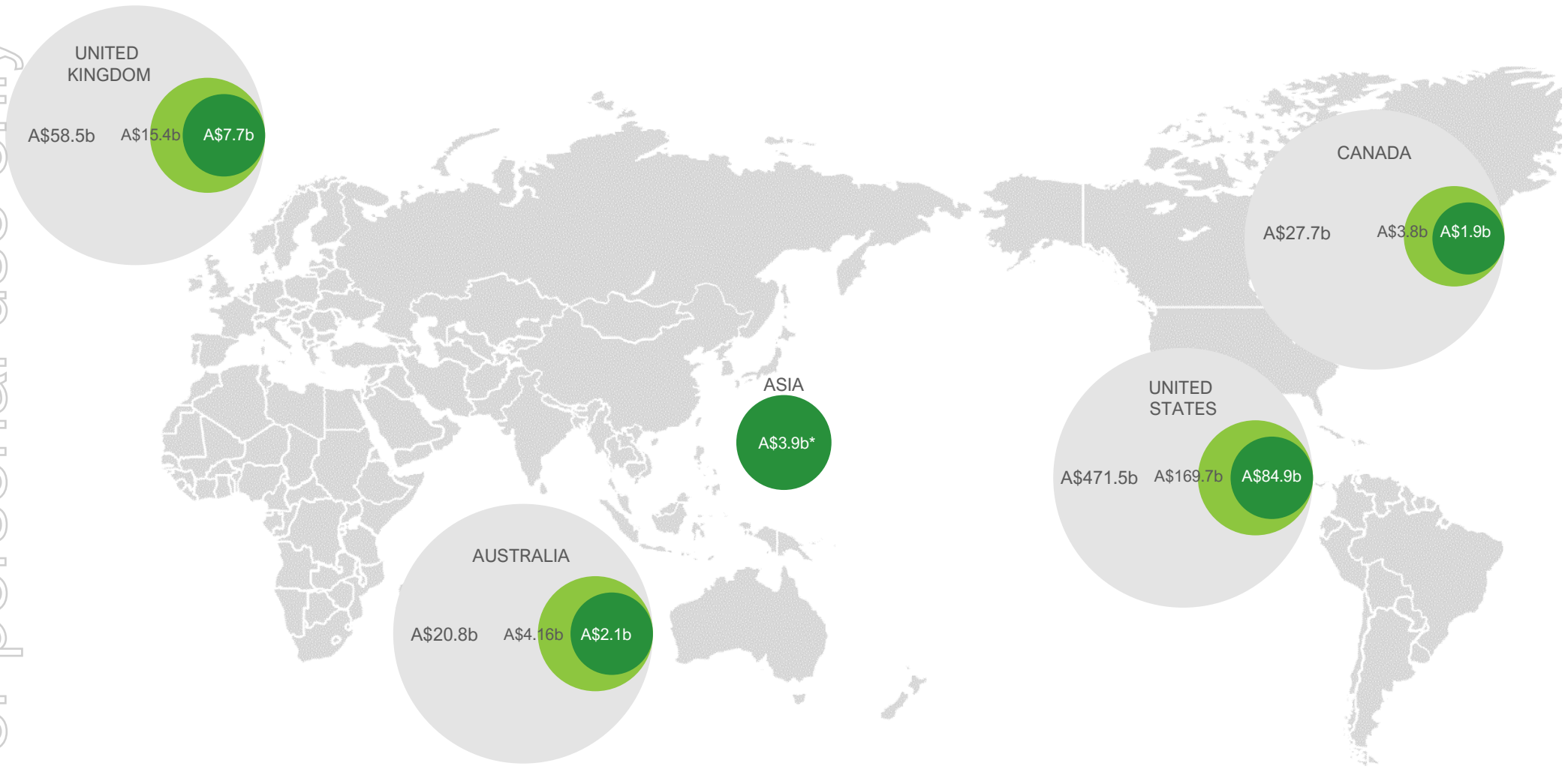
Asset Recovery - Investment procedures

Distressed assets workout



Market potential

For personal use only



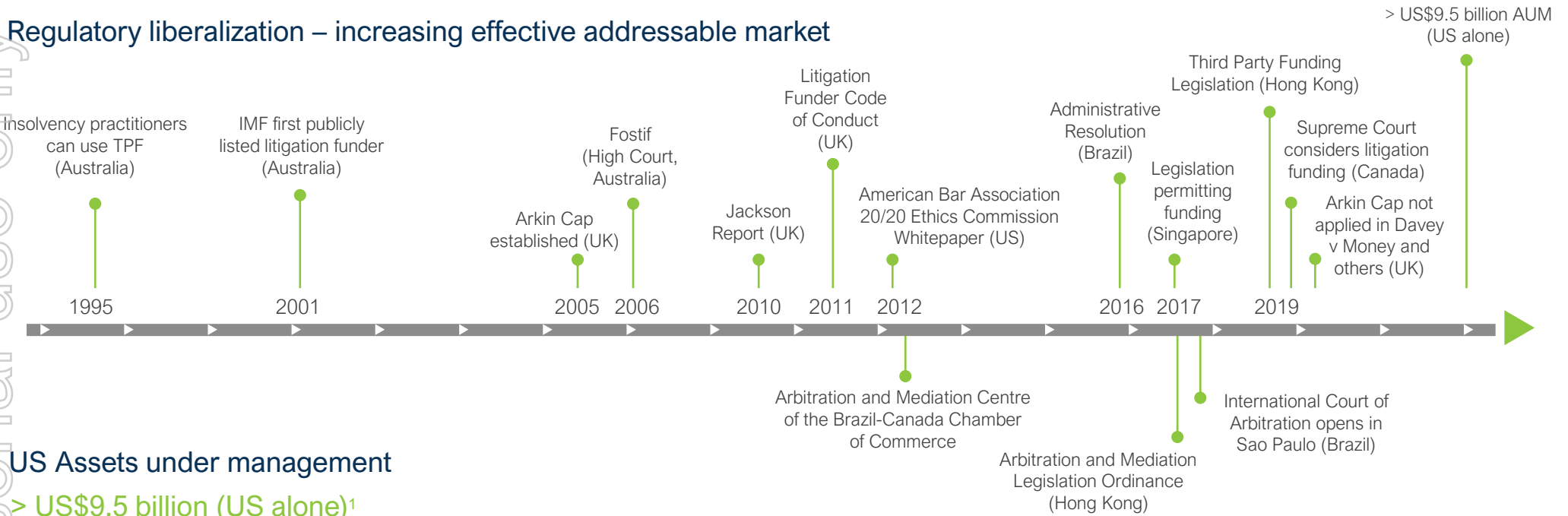
2019-20 Total Estimated Addressable Markets

- Total Market Legal Spend
- Estimated Litigation Portion of Total Legal Spend
- Estimated Total Addressable Market as % of Total Legal Spend

* Asia TAM based on claim value for international commercial arbitration and investment treaty arbitration

Global industry momentum

Regulatory liberalization – increasing effective addressable market



US Assets under management

> US\$9.5 billion (US alone)¹

Increased industry uptake

97% are aware of third party funding in international arbitration

2018 International Arbitration Survey: The Evolution of International Arbitration, Queen Mary University of London

Almost 1,000 Investment Settlement Dispute cases expected by end 2019

United Nations Conference on Trade & Development ISDS Navigator update, 31 July 2019

74.8% of lawyers say legal finance makes law firms competitive

Burford Capital Litigation Finance Survey 2018

Almost 95% of respondents are very or somewhat likely to recommend litigation finance

2019 Legal Finance Report, Burford

97% of all interviewees view litigation finance as growing

Burford Capital Litigation Finance Survey 2018

32% of interviewees said their organizations have used litigation finance – 237% increase from 2012

Burford Capital Litigation Finance Survey 2018

1

LEGAL FINANCIAL SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED BUSINESS

5

CURRENT YEAR DEVELOPMENTS

6

Q&A

The big “W”

- Over the past several years we have managed two large investments in Wivenhoe and Westgem which represented both a material opportunity and a material risk given the size of the investments, the potential adverse cost exposure and the impact on profitability if these matters were won or lost.
- With respect to Wivenhoe, on 29 November 2019 Justice Beech-Jones handed down his decision in a 1,600 page judgment in favour of our clients. The decision identified that the defendants, the State of Queensland, the Queensland Bulk Water Supply Authority, trading as Seqwater and Sunwater Limited, were liable in negligence to group members.
- The judgment makes findings in relation to issues that are common to the approximately 6,800 group members. However, individual losses of group members still need to be proved relying on these findings.
- The events giving rise to the claim occurred in 2011, and the action commenced as a closed class⁽¹⁾ in 2014. The trial commenced in 2017, and ran for over a year. The total external costs paid were in excess of \$50 million, with several millions of dollars of expenditure deferred and carried by the lawyers pending a successful outcome.

The big “W” (continued)

- IMF co-funded this investment with Innsworth on the basis that expenses and returns are shared equally and that IMF is to be paid a fee, such that, in effect, the commission is split 57.5% to IMF and 42.5% to Innsworth.
- In addition to external costs, given the length of time since these two investments commenced, and the amount of internal work undertaken, the carrying cost of the investments in IMF’s balance sheet includes substantial capitalised interest and overheads.
- The quantum of losses of all the group members is still to be determined. That process will likely involve an individualistic assessment. Any estimate of total loss and of IMF’s potential returns is subject to substantial uncertainties and relies on assumptions. In that context, IMF estimates that, subject to appeals, it is likely (on a conservative basis) to recognise income from this investment in the range of \$100 million and \$130 million, inclusive of costs. The timing of such recognition is uncertain.
- Subject to completing as anticipated, this represents IMF’s most remunerative investment to date.
- As noted, there is a risk that the judgment will be appealed and two of the defendants have given notice of an intention to do so. Income will depend on the outcome of the various processes, including any appeals, any settlement and any individual judgments in favour of group members.

The other “W”

- The Westgem proceedings were issued in 2012. The trial on liability commenced in early April 2018 and continued through to the end of June 2018. Judgment is expected momentarily.
- If IMF’s client succeeds at trial, there is a risk that the defendants will appeal a decision. If IMF’s client fails at trial, IMF will recognise the loss and will consider with the clients any grounds for appeal.
- IMF’s capitalised costs, inclusive of external costs and overheads are similar to those in Wivenhoe. An ATE policy has been obtained to insure some of the adverse costs in Westgem. Adverse costs of Westgem are covered to the extent of \$7.5 million. Our uninsured exposure is estimated to be about \$7.5 million.
- Based on the above, with the Wivenhoe outcome, the IMF position is materially de-risked.

Common Fund Orders

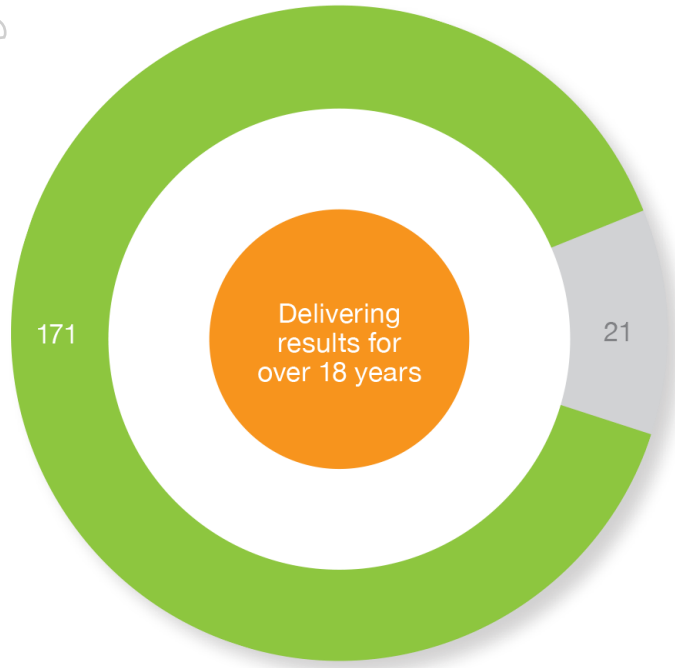
- The High Court handed down its decision on 4 December 2019 in what was known as the Westpac and BMW CFO appeals. The High Court by majority allowed the appeals, which effectively overruled the Appeals Court and the Court of first instance decisions to allow CFOs.
- The media reported that this was the “death” of class actions and a “major setback” for funders. In the words of Mark Twain, “the reports of my death are greatly exaggerated”.
- The High Court decision takes litigation funding back to a time before CFO’s were permitted (pre a decision in 2016 called “Money Max”), when IMF funded class actions under an “opt in” model, requiring claimants to sign-up to a LFA and agree to participate in the class action process.
- The Money Max decision encouraged the “opt out” model, where a class member was in an open class, sometimes unknowingly, until such time as they opt out of the class. Funders were not required to build a book of interested participants or enter funding arrangements with each group member, such that the Court was required to intervene to set an appropriate commission rate payable to the funder from the recoveries (this was the CFO).

Common Fund Orders (continued)

- IMF is uniquely positioned in the funding world with its internal infrastructure for book-building, to undertake class actions under the “opt in” model following the High Court decision.
- IMF will continue to explore class action opportunities on a closed class basis, and may be in a position to take over class actions that have been commenced on an open class basis where the funder lacks the capacity or interest in undertaking a bookbuild process.
- We expect this development will have a cooling effect on IMF’s competitors who do not have bookbuilding capacity, and should enhance IMF’s position as the pre-eminent class action funder in Australia.

IMF's track record (as at 30 June 2019)

For personal use only



■ Wins/settlements ■ Losses

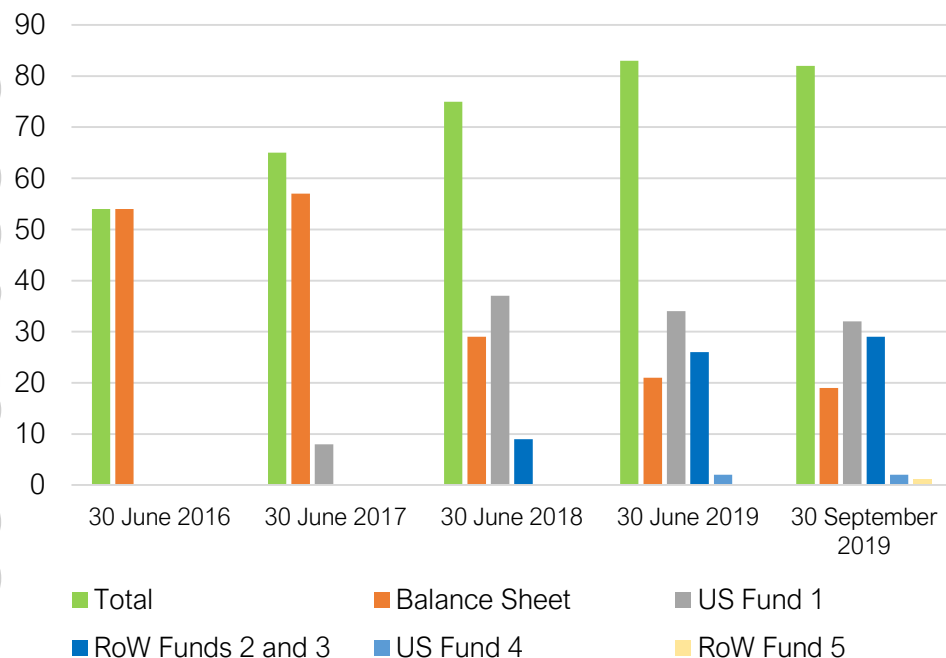
Investments funded to completion at 30 June 2019. Does not include withdrawn investments

A\$2.4b total recoveries	2.6 years average duration	89% success rate	\$897m IMF's revenue
A\$1.5b returns for funded claimants	83 active investments	192 investments funded to completion	134% ROIC 2.3x MOIC

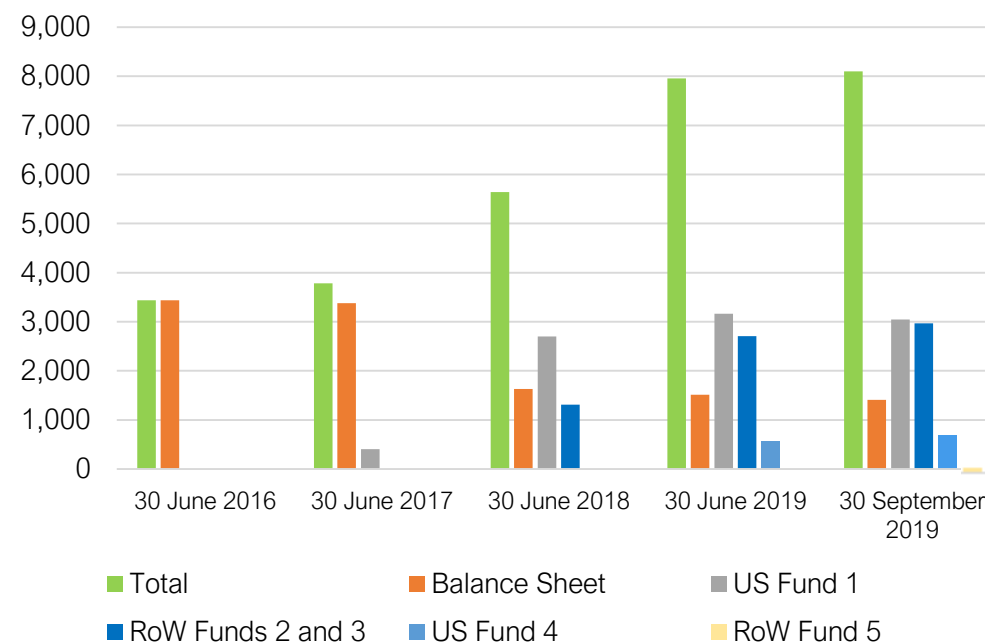


IMF's Investment portfolio (as at 30 September 2019)

Number of investments in portfolio



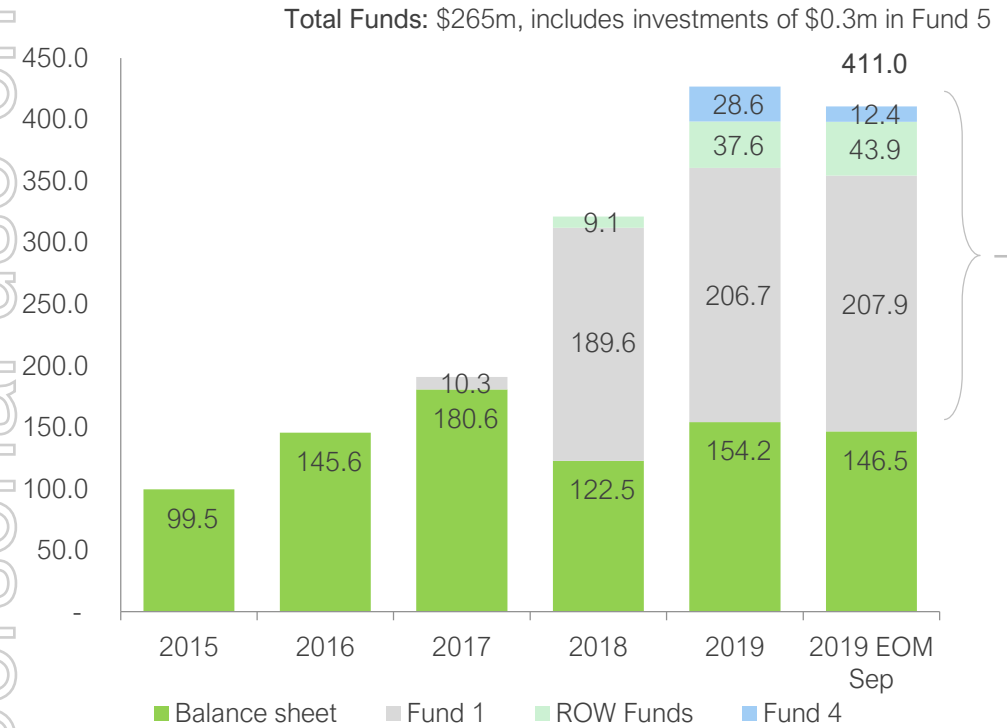
EPV of investments in portfolio (\$ million)



- Increase in number of investments currently funded to 83 at 30 September 2019
- 8 further investments conditionally funded, with 6 approved by the Investment Committee at 30 September 2019
- IMF does not separately disclose EPV or intangible asset values for individual investments

IMF's Investment portfolio

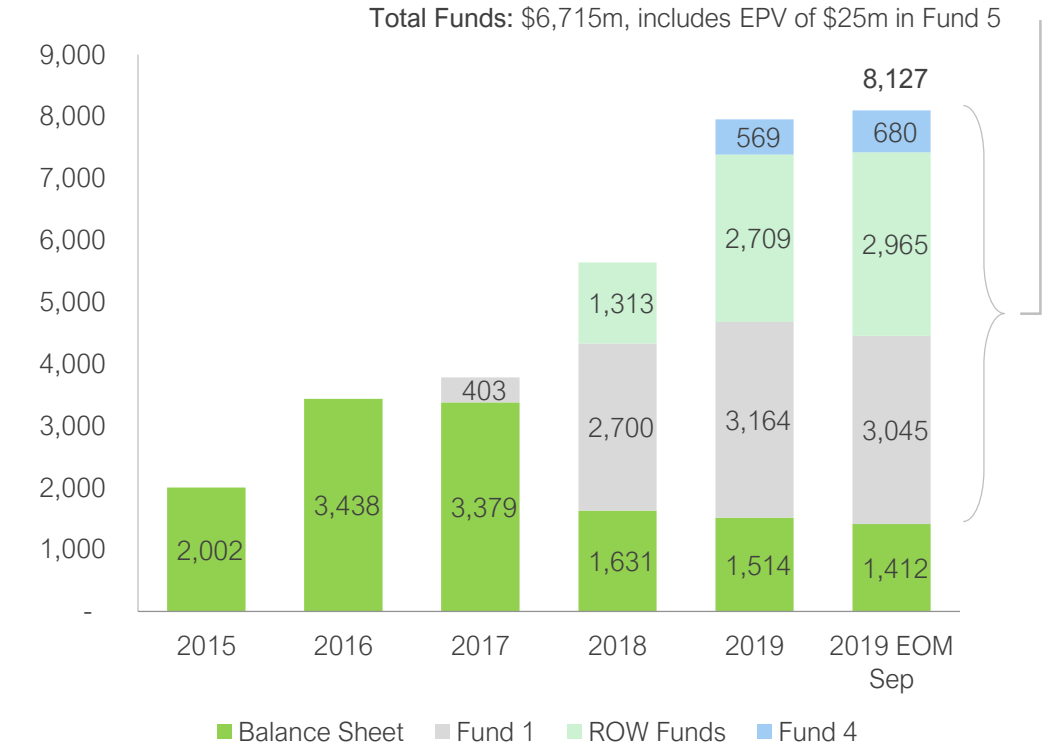
Investments¹ (\$ million)



Investments up 28% from FY18 to \$411 million

We have tripled the number of investments and increased the average size of investments. This cements our position as one of the world's largest and strongest funders.

Portfolio EPV (\$ million)



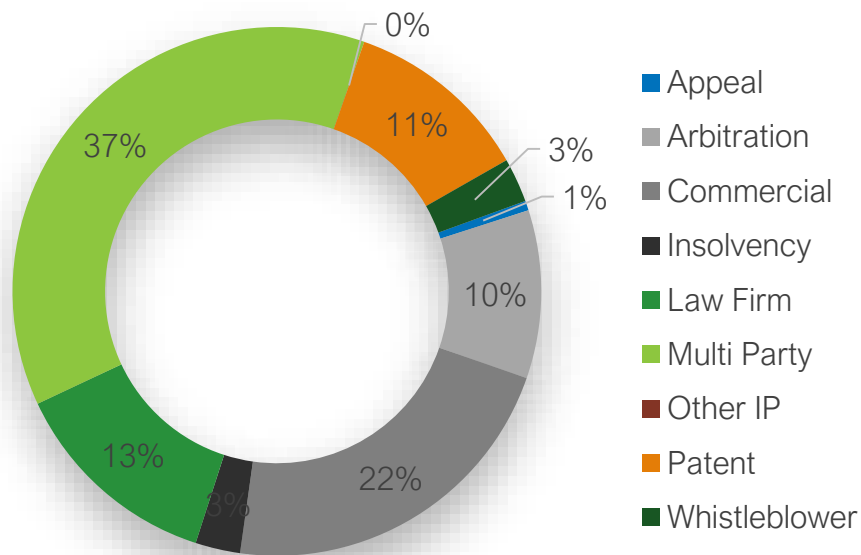
Portfolio value up 44% from FY18 to \$8.13 billion

Our increased portfolio represents the potential for cash generation in future years. Management fees are not generated from this portfolio figure.

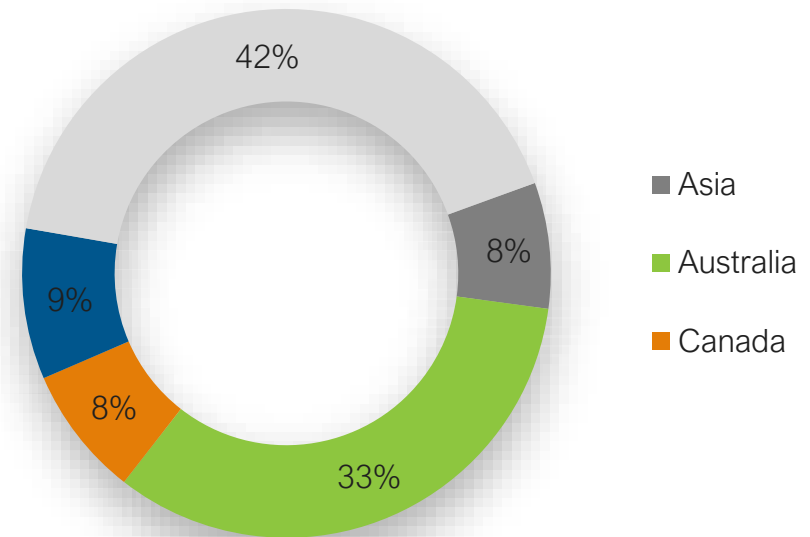
IMF's Investment portfolio – diversification by type and geography (as at 30 September 2019)

For personal use only

EPV by Investment Type*



EPV by Geography*



IMF's Investment portfolio – balance sheet and funds (as at 30 September 2019)

	Number of investments	EPV A\$m	Possible completion FY2020 A\$m	Possible completion FY2021 A\$m	Possible completion FY2022 and later A\$m
IMF balance sheet	19	1,411.8	971.8	290.0	150.0
Fund 1	32	3,045.0	901.4	1,632.7	510.9
RoW Funds 2 and 3	29	2,965.1	261.2	1,263.5	1,440.4
Fund 4	2	679.9	-	-	679.9
Fund 5	1	25.1	-	25.1	-
Total	83	8,126.9	2,134.4	3,211.3	2,781.2

- Past performance indicates that IMF's litigation funding investments have generated average gross revenue of approximately 15% of the EPV of the investment at the time it is completed.
- For first generation funds, which include Funds 1, 2 & 3, waterfalls dictate capital and preferred return paid to investors before payment of capital and management fees to IMF, after which profit is split.
- For second generation funds, Funds 4 and 5, IMF will receive its investor return on its committed capital pari passu with external investors.

Counter cyclical performance

Performance in a recession

- Litigation funding one of few asset classes globally with returns independent of financial markets and/or economic cycle
- Last global recession produced investment opportunities

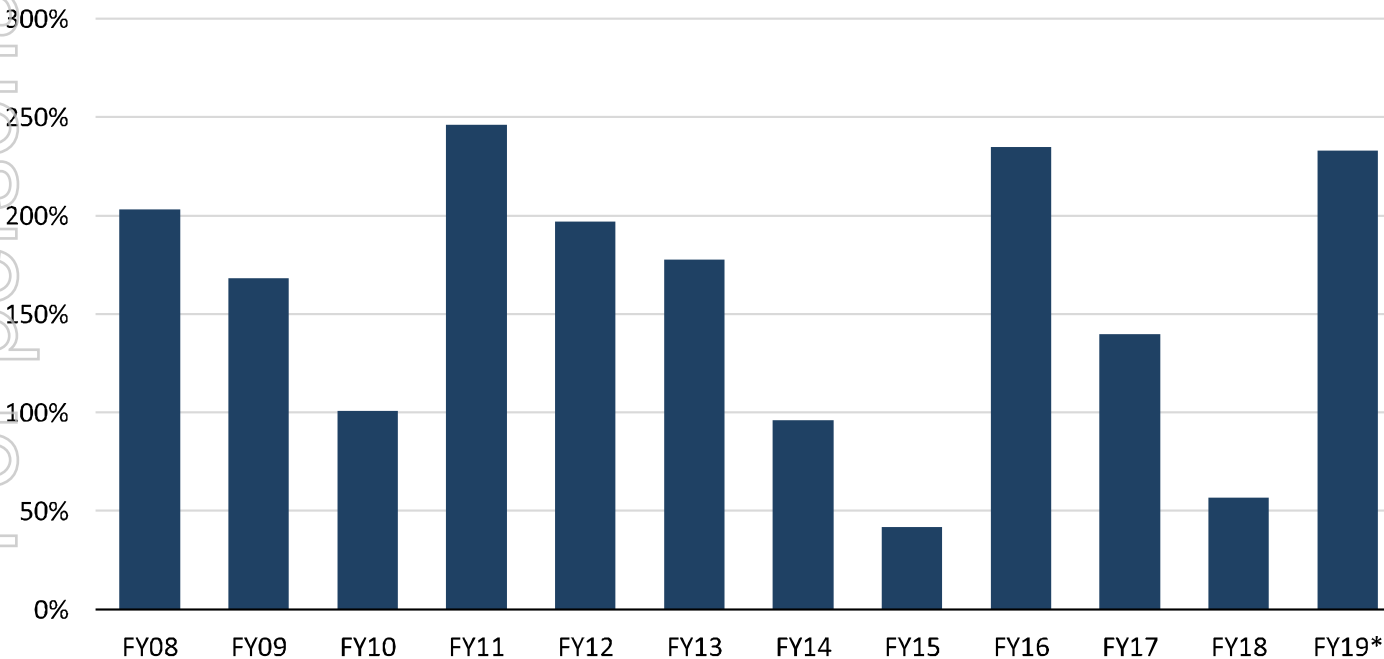
Fund management model sensitive to economic cycles?

- Capital for funds able to be raised during recessionary periods
- Alternative assets with no correlation to markets present an opportunity for fund flows
- IMF launched Fund 4 (2018) and Fund 5 (2019): US\$1 billion capital to deploy over the next 4 years

Limited debt

- At 30 June 2019, IMF had almost zero net debt, with A\$132 million in cash (at the corporate level ex capital in funds) and Debt of A\$148 million

IMF's Realized ROIC by year of completion



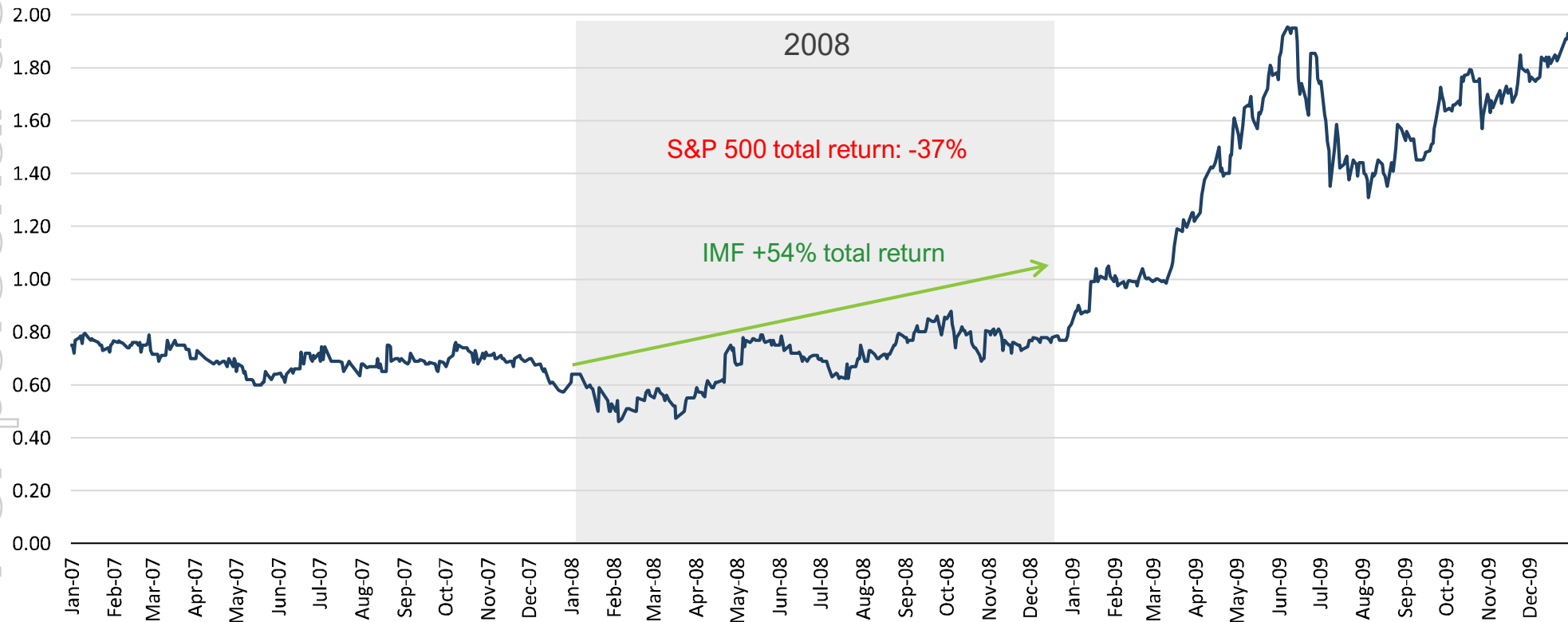
Counter cyclical performance

Share price performance during a recession?

Cannot predict, but:

- CY2008 underlying business did well, total shareholder return +54%
- Largely insulated from broader economic cycles
- Limited Exchange-Trade Fund (ETF) ownership – not materially impacted by forced ETF selling during recession

IMF share price (A\$)



Source: Bloomberg

1

LEGAL FINANCIAL SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED BUSINESS

5

CURRENT YEAR DEVELOPMENTS

6

Q&A

Omni Bridgeway's track record



#1
Funder of
Enforcement

Over US\$5 billion
Total recovered
claim value

>320
Pending
Cases

Expertise and experience

- Founded in 1986
- Un-matched experience in recoveries from (sovereign and quasi sovereign) debtors, developed in the 1990's by funding and managing the recovery of political risk claims from the Lloyds of London insurance market
- Multi-disciplinary skilled and international team comprising (civil and common law trained) lawyers, former bankers and intelligence officers
- Investment Committee comprising industry founders and lawyers

Track record

- >90% success rate over 33 years on enforcement cases
- Hired consistently by governmental entities, banks, political risk insurers and multinationals
- Only litigation funder to be selected partner of the IFC / WorldBank for the Distressed Asset Recovery Program

Capital

- Robust balance sheet and cash position
- Significant funds available to invest via Fund 6

Accessibility

- Speaking more than 15 languages, including Urdu, Arabic, Russian and Mandarin
- Easy to work with
- Pragmatic – commercial resolution
- Aligned interests

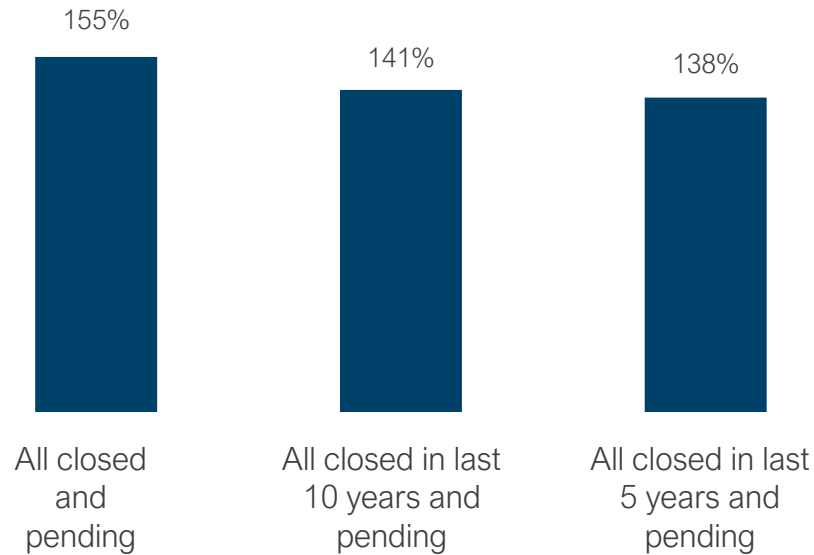
Project Management and Strategic Insights

- Dedicated multidisciplinary team for each claim

Omni Bridgeway's track record

(as at 30 September 2019)

Portfolio IRR (recovery and merits funding, incl. internal costs)



Loss ratio – total result on unsuccessful cases divided by the total result on successful cases ie 6.6% loss ratio on all closed cases indicates that for Euro 100 result that is realized on successful cases, EUR 6.6 is lost on unsuccessful cases

Indicators

Multiple (closed cases)

4.2

Tenor
(median - years)

4.2



2.1

Weighted
average
Life (years)

Weighted average life – algorithmic approach to calculate the average life for which invested amounts were outstanding (in years)

Overview of Omni Bridgeway

Omni Bridgeway is a leading provider of funding and specialized skills for litigation / arbitration and enforcement proceedings, and for the work-out and monetization of claims and non-performing loans

OVERVIEW

- Leading funder of litigation, arbitration and enforcement proceedings with a track record over 33 years
 - +135% historical IRR⁽¹⁾ generated over all closed cases
- Global operations with 45 employees across Amsterdam, Cologne, Geneva, Dubai and Singapore

RECENT DEVELOPMENTS

- 2016:** Established a joint investment fund with €150 million of committed capital with an institutional investor (major global insurance company)
- 2017:** Acquired ROLAND ProzessFinanz Germany
- 2019:** Launched a US\$100m joint venture with the International Finance Corporation⁽²⁾ aimed at Distressed Asset and Dispute Resolution funding (“DARP”) in the MENA⁽³⁾ regions

FINANCIALS

FY18 audited financials (ended 31 December 2018)⁽¹⁾

- Revenue and other income of €20 million and net profit of €5 million
- Net assets of €16m (excluding minority interest)
- Claims portfolio of €34 million
- Claim value under management of €2.5+ billion



320+

Pending cases, with over €2.5 billion in total claim value



30+

Years track record



45

Employees across 3 continents and 5 offices



4x+

Historical money multiple over all closed cases



€175+ million

Immediately available capital for investments



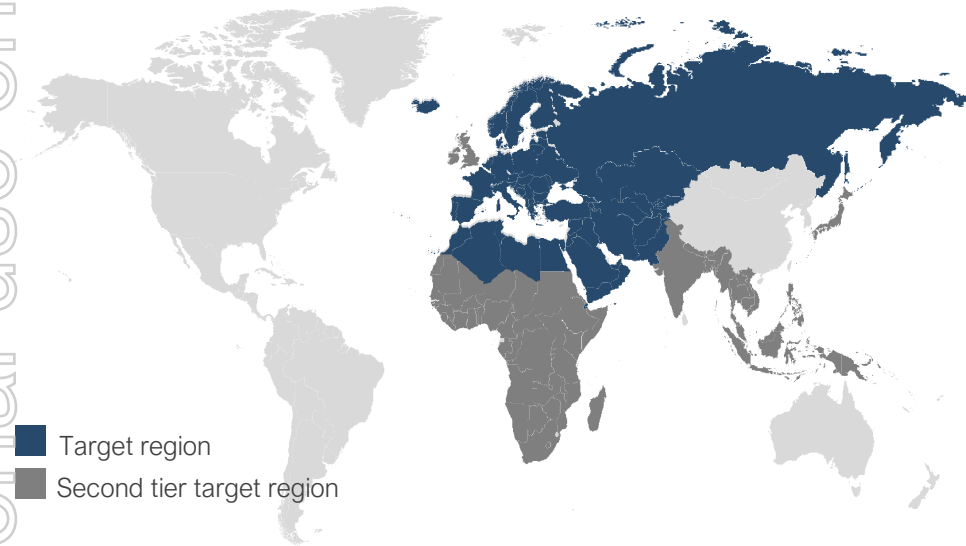
135%+

Historical IRR over all closed cases

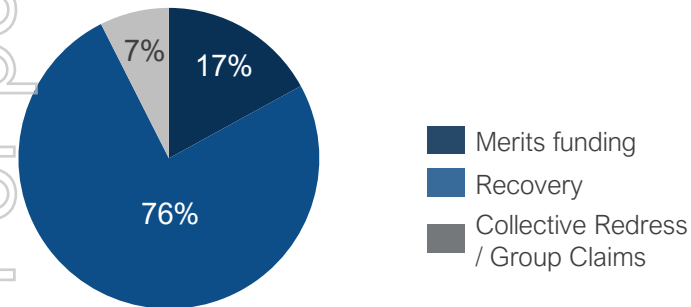
Source: OB FY18 annual report

Omni Bridgeway

Target regions



Business lines



Strategy and focus

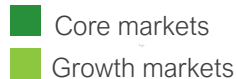
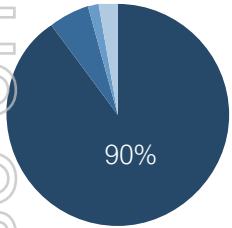
- Focus on funding and management of enforcement claims on a success-fee-only basis
- Focus on civil law litigation funding Europe
- Expand product portfolio to reduce idiosyncratic risks by including moving into anti-trust group claims
- Remain global enforcement specialist with high margins based on skills and added value
- Cross selling via Roland and DARP
- Specific focus on Europe, Middle East (North) Africa and (Central) Asia

Types of cases

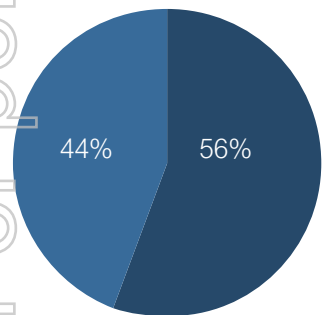


Roland ProzessFinanz

Geographic presence



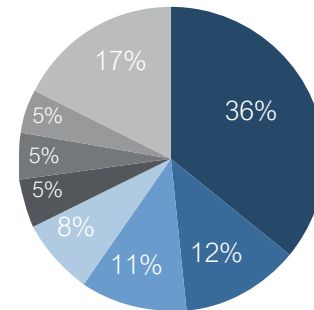
Claim type



Strategy and focus

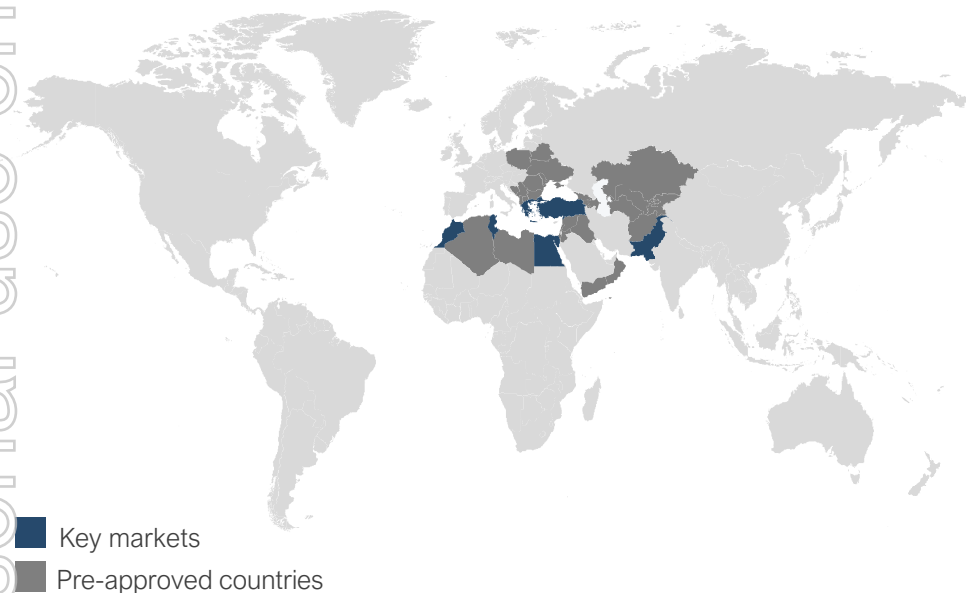
- One of the two market leaders in Germany for domestic litigation funding
- Primarily active in funding mid-sized claims (EUR 250k – EUR 5 million)
- Well diversified portfolio in excess of 200 cases with a total principal claim value in excess of EUR 400 million
- Growth strategy towards higher value claims
- Growth opportunity in Switzerland and Austria leveraging on the German language and its proven track record

Fields of practice



Distressed Asset Recovery Program (DARP) – WorldBank / IFC

Geographic presence



Clients and claims

- Banks in MENA and ECA region
- Greece, Egypt, Turkey, Morocco and Lebanon are focus markets
- NPL's with an amount outstanding exceeding USD 3 million
- Default is (partially) based on unwillingness and abuse of legal system of the obligor

Services

- Distressed Assets Recovery Program (DARP) is a joint venture project with the WorldBank / International Finance Corporation
- To assist banks with the funding and international legal work-out of non-performing loans
- Initial tranche commitment of USD 100 million allowing for an NPL portfolio in excess of USD 1 billion in nominal value

Status and strategy

- 3 year process: discussions started in 2015, on site due diligence performed in 2016, IFC investment committee approval in 2017 and board approval in 2018
- Launch Q1 – 2019; bank discussions started in Morocco, Greece. Egypt and Turkey to follow
- Expansion within IFC possible to Asia and Africa
- Significant investor interest
- Significant cross-sell possibilities

1

LEGAL FINANCIAL SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED BUSINESS

5

CURRENT YEAR DEVELOPMENTS

6

Q&A

The combined IMF/Omni Bridgeway Group

Global leader in dispute resolution finance, financing disputes from inception through trial, appeal, enforcement and recovery

- Funding and management of disputes, and international enforcement of judgments and awards (against sovereigns on all continents)
- Enforcement of non-performing loans of banks and subrogation claims of insurance companies
- Market leading After the Event cost protection cover in relevant jurisdictions

Combined team of legal and recovery experts

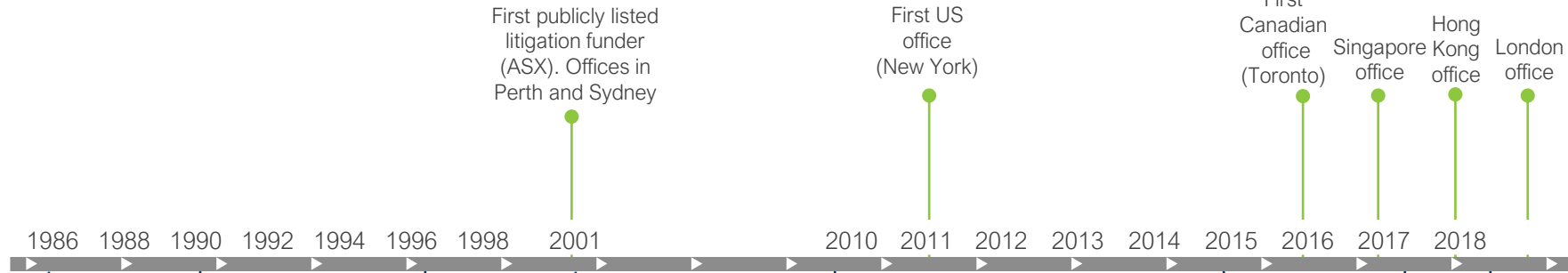
- Seasoned litigators, enforcement lawyers, economists, financial experts, business intelligence and asset-tracing professionals
- Experience funding commercial, antitrust, intellectual property, arbitration, whistleblower, bankruptcy, securities and multi-party claims

Unrivalled 33-year track record of funded and recovered claims throughout the world

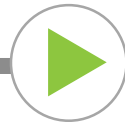
For personal use only

The combined IMF/Omni Bridgeway Group

● IMF Bentham



IMF Bentham merges with Omni Bridgeway
 148 people 18 offices
 10 countries
 20 languages

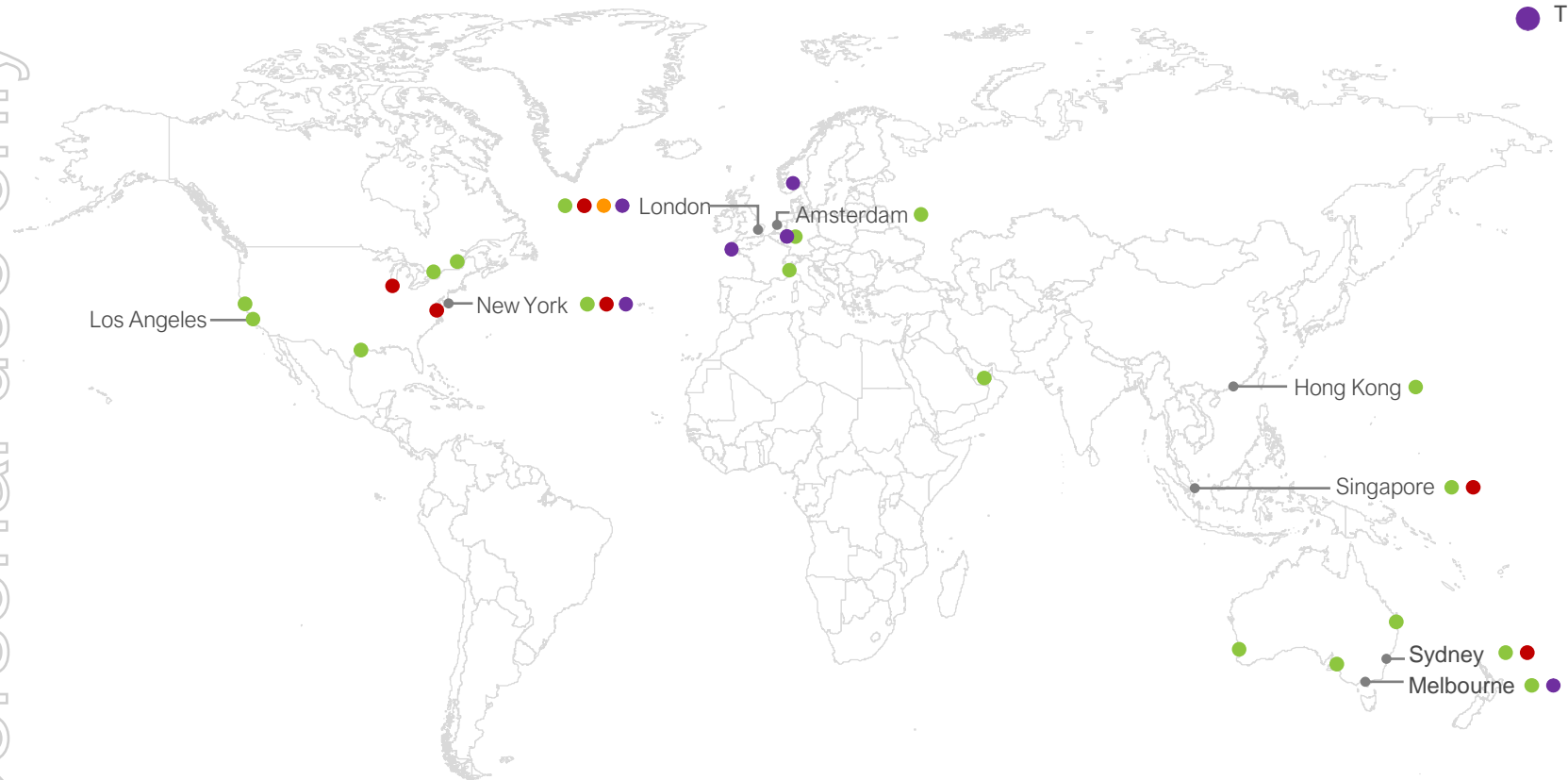


● Omni Bridgeway

For personal use only

Our position in the market

- IMF Bentham / Omni Bridgeway
- Burford Capital
- Harbour Litigation Funding
- Therium Capital Management



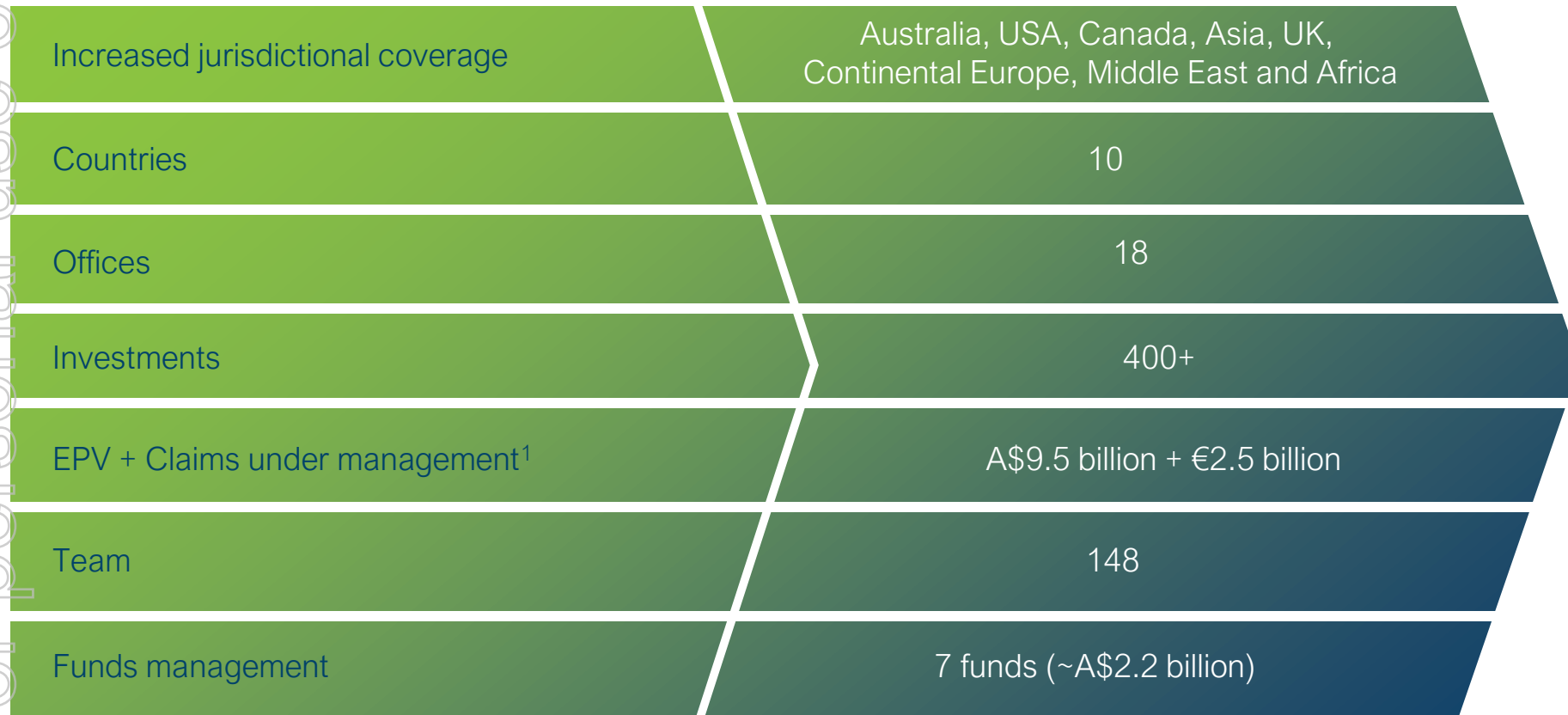
	IMF Bentham + Omni Bridgeway	Burford	Therium	Harbour	Longford	Parabellum	Augusta	Woodsford	Litigation Capital Management
Fund size (US\$m)	\$1,500	\$2,800	\$1,100	\$1,000	\$557	\$373	\$295	\$100 – \$300	\$95
Offices	18	6	6	1	2	1	4	4	5
Team	148	120+	20	32	12	18	86	23	19
Founded	2001 /1986	2009	2009	2007	2011	2012	2012	2010	1998

Sources: Company websites, LinkedIn company pages, Houlihan Lokey research and Westfleet Advisors Litigation Finance Buyer's Guide 2019

For personal use only

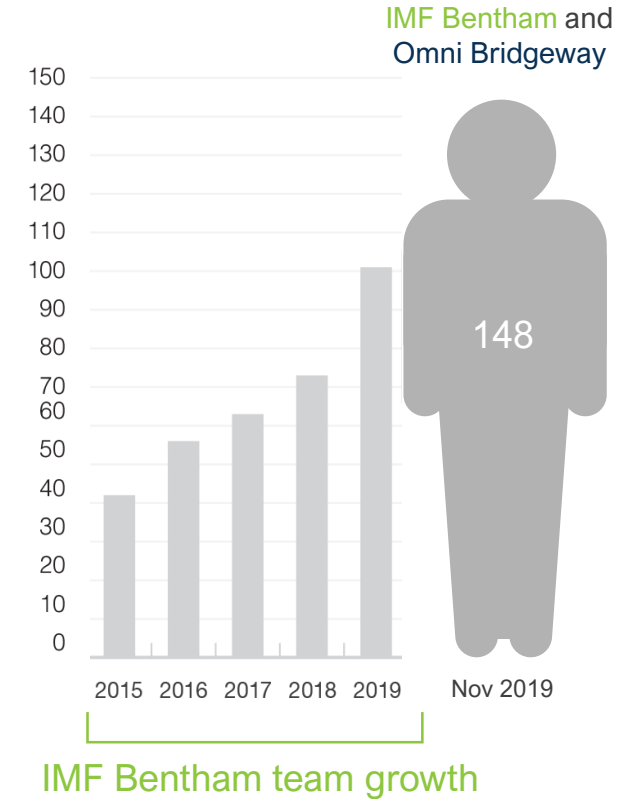
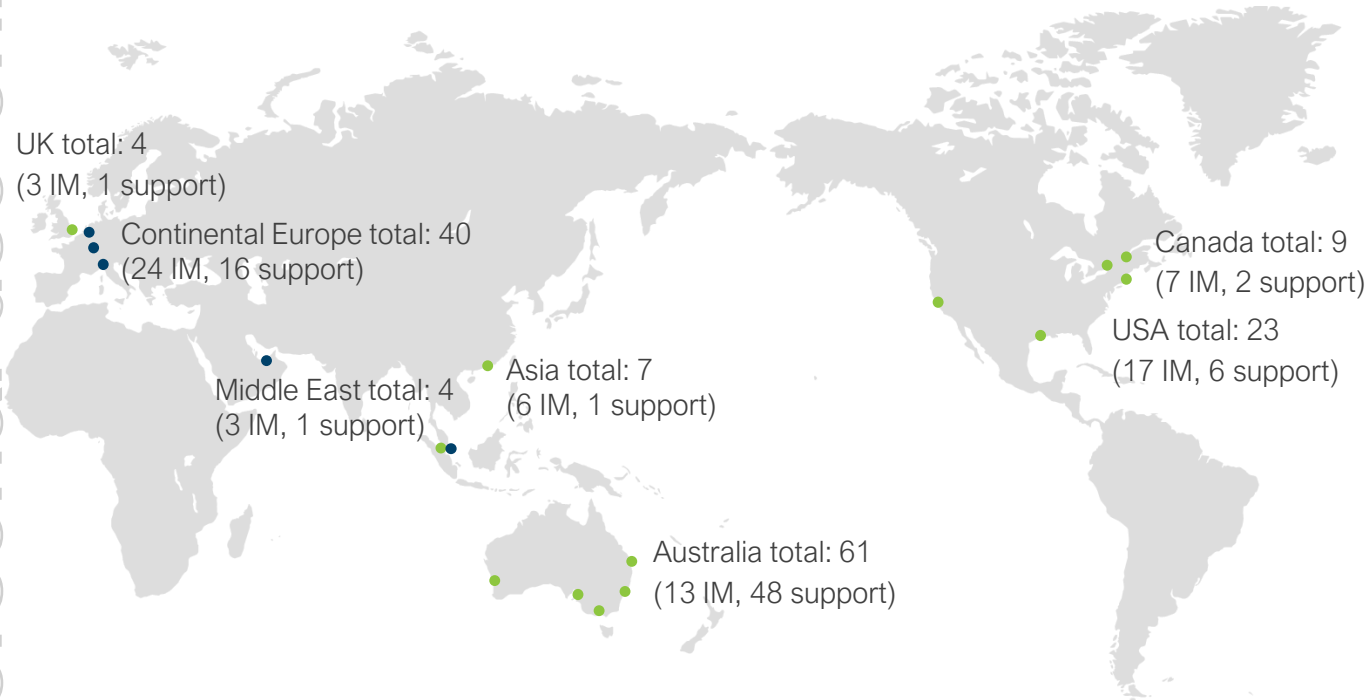
The combined IMF/Omni Bridgeway Group

For personal use only



Global team

For personal use only



Boots on the ground

50% IMs or equivalent

Majority support staff in Australia

18 Offices

10 Countries

20+ Languages

148 Specialists

A\$2.2b Funds Under Management

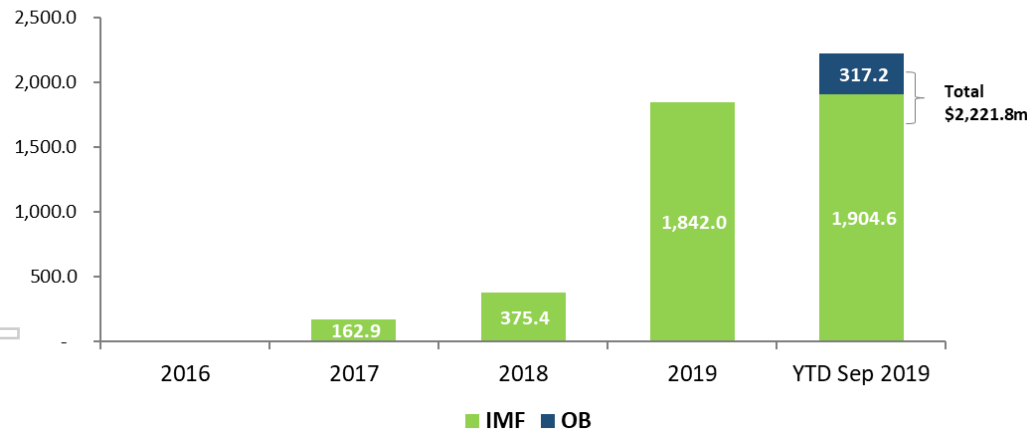
Fund structures

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

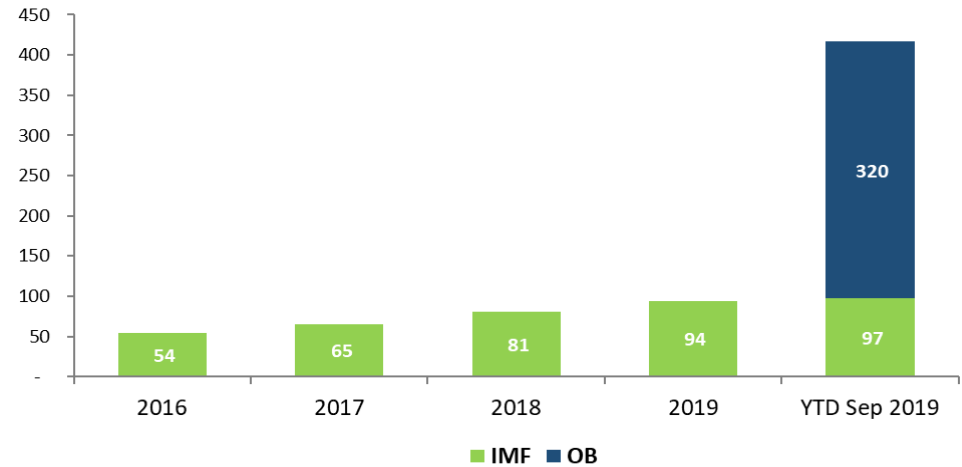
Funds under management

- The objectives of increasing FUM and cases include the diversification of risk, and to provide access to management fee and performance fee income.
- Funding is sourced from seven funds, four of which are active for new investments each with different economics and returns.
- Accounting for new matters remain consistent with historical treatment on a cost basis except for purchased claims that will be fair-valued. Assets of Omni that were purchased are carried at their fair value at acquisition date.

Funds under management
(AUD \$ Million)



Number of investments



1

LEGAL FINANCIAL SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED BUSINESS

5

CURRENT YEAR DEVELOPMENTS

6

Q&A

Developments since 1 July 2019

Corporate funding

- Over 30% of portfolio financing claims for corporates*

Largest investment in our history

- US\$40 million working capital investment for a corporate (Fund 4)

Completions

- Numerous conditional and unconditional completions
- So far, income of A\$299 million potentially to be recognised in FY20

Merger with Omni Bridgeway

- Final element of five-year strategic plan
- Expanded sourcing capacity and geographic footprint

\$ m	Balance sheet direct	Fund 1	Funds 2&3	Fund 4	TOTAL
	(RoW & USA)	(USA)	(RoW)	(USA)	(Global)
Recognised income					
Completed investments	37.1	32.1	12.9	29.5	111.5
Ongoing investments	14.1	5.5	-	-	19.6
Total income recognised	51.2	37.6	12.9	29.5	131.2
Income yet to be recognised					
Binding conditional settlements	12.0	-	-	-	12.0
Agreed in-principle settlements	-	7.0	-	-	7.0
Successful judgments	146.4	7.8	-	-	154.2
Total income yet to be recognised	158.4	14.8	-	-	173.1
TOTAL EXPECTED INCOME YTD	209.6	52.4	12.9	29.5	304.3

Restructure of OTC Debt

- IMF has completed the process of restructuring of its OTC Debt. The original maturity date for the OTC debt was 30 June 2020 and priced at 7.4%.
- We completed a consent process to enable an early redemption of the OTC Debt which was supported by 83% of noteholders.
- We completed the restructuring of the OTC Debt on 20 December 2019. Approximately 50% of previous holders exchanged into a new OTC note with the balance of holders being cash redeemed and those cash redemptions being funded by the issue of new OTC notes.
- The new notes will mature in January 2026 and align the covenants to the IMF listed bonds, including increasing the secured debt ceiling to \$300 million. The new notes are priced at 5.65%.

The future

Integration

Operations | Rebrand | Multinational decision making

Strategy

Business plan | Human resources

Footprint

Team growth | Jurisdictional expansion where appropriate

Technology

Artificial Intelligence

Growth opportunities

Corporates | Strong pipelines | Global coordination

Ongoing risk mitigation

Continued diversification | Adverse cost insurance

Becoming mainstream

Increasing world-wide awareness and appetite

For personal use only

1

LEGAL FINANCIAL SOLUTIONS

2

IMF BENTHAM

3

OMNI BRIDGEWAY

4

OUR COMBINED BUSINESS

5

CURRENT YEAR DEVELOPMENTS

10

Q&A

Notes to investment portfolio (as at 30 September 2019)

Investments Included in Portfolio

The Investment Portfolio includes investments for which the IMF Group have entered into an unconditional commitment to fund and includes investments where a previously conditional funding agreement has become unconditional. It includes investments that have settled until they have finally complete and the associated income can be recognised. Investments in Australian shareholder class actions included in the portfolio as unconditional may still be subject to a Court process, where there are competing class actions claims, to determine which case proceeds.

Past Performance

Past performance is not necessarily an indication of future performance. Past performance indicates that IMF's litigation funding investments have generated average gross income of approximately 15% of the EPV of an investment at the time it is completed (Long Term Conversion Rate). Both the Long-Term Conversion Rate and IMF's ROIC may vary materially over time. By providing this information, IMF has not been and is not now in any way providing earnings guidance for future periods. IMF's ROIC figures in its Investment Portfolio are reviewed by EY in its semi-annual review of completed investments.

The completed investment data has been reviewed by the auditor of IMF, EY, to 31 December 2018 and updated to 30 June 2019 by management and will be reviewed by EY as part of the year end audit.

ROIC (return on invested capital) is calculated as gross income to the Group less all reimbursed costs, divided by total expenditure (excluding overheads but including any adverse costs on lost cases).

IRR is calculated on underlying flows for completed cases including losses but excluding withdrawals, excluding overheads but including any adverse costs on lost cases.

EPV

EPV for an investment where the IMF funding entity earns a percentage of the resolution proceeds as a funding commission, is IMF's current estimate of the claim's recoverable amount after considering the perceived capacity of the defendant to meet the claim. It is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to IMF if the investment is successful. EPV for an investment where the IMF funding entity earns a funding commission calculated as a multiple of capital invested shall be calculated by taking IMF's estimate of the potential income return from the investment and grossing this up to an EPV using IMF's Long-Term Conversion Rate. An EPV 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, partial recovery and, where applicable, fluctuations in exchange rates between the applicable local currency and the Australian dollar.

Possible Completion Periods

The possible completion period is IMF's current estimate of the period in which an investment may be finalised. It is not a projection or forecast. An investment may finalise earlier or later than the identified period for various reasons.

Completion for these purposes means finalisation of the litigation by either settlement, judgment or arbitrator determination, for or against the funded claimant, notwithstanding that such finalisation may be conditional upon certain matters such as court approval in the context of a class action. It may not follow that the financial result will be accounted for in the year of finalisation. Possible completion period estimates are reviewed and updated where necessary.

Invested and Committed Capital

Invested and committed capital is equal to the total capital either invested or committed to investments, translated to Australian dollars at the foreign exchange spot rate prevailing on the reporting date.

Rest of the World/Non-USA

IMF's Non-USA classification includes all regions excluding the USA in which IMF has commitments currently being Australia, Canada, Asia and Europe.

Accounting Consolidation of IMF's Investment Vehicles

Funds 1, 2 & 3, and 4's balance sheets are consolidated within the IMF group financial statements, with the respective external investors' interests reflected as Non-Controlling interests. Fund 5 balance sheet is not consolidated within the IMF Group financial statements. The entire EPV and gross income for all investments including external investors proportionate share therein are included in this quarterly investment portfolio announcement.

Investment Commitments

(i) Fund 1 & 4 are the amounts committed to conditionally & unconditionally funded investments and are generally fixed; (ii) Fund 2/3 are the investment budget amounts of conditionally & unconditionally funded investments.

Other Costs

Includes unrecoverable due diligence costs; and for Funds 2 & 3 it additionally includes the cost of the After-the-Event insurance policy premium.

AUSTRALIA

Sydney
 +61 2 8223 3567
 Level 18
 68 Pitt Street
 Sydney NSW 2000
 GPO Box 5457
 Sydney NSW 2001

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

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

Perth
 +61 8 9225 2300
 Level 6
 37 St George's Terrace
 Perth WA 6000
 PO Box 5106
 Perth WA 6831

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

ASIA

Singapore
 +65 6622 5396
 #13-03
 Six Battery Road
 Singapore 049909

Hong Kong
 +852 3978 2629
 +852 3978 2300
 Level 16, Man Yee
 Building
 60-68 Des Voeux
 Road Central
 Central, Hong Kong

CANADA

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

Montreal
 +1 514 257 691
 60 Rue St Jacques
 Bureau 401
 Montreal QC H2Y 1L5

EUROPE, MIDDLE EAST & AFRICA

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

Amsterdam
 +31 (0) 70 338 4343
 Schiphol Boulevard 121
 1118 BG Schiphol
 Amsterdam
 The Netherlands

Geneva
 +41 (0) 22 818 6300
 Rue de la Rôtisserie 4
 1204 Geneva
 Switzerland

Cologne
 +49 (0) 221 8277 3000
 ROLAND
 ProzessFinanz AG
 Deutz-Kalker Str. 46
 50679 Cologne
 Germany

Dubai
 +971 4321 0029
 Unit 1905, Level 19,
 Index Tower,
 Dubai International
 Financial Centre
 507152 Dubai
 United Arab Emirates

UNITED STATES OF AMERICA

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

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

San Francisco
 +1 415 231 0363
 Two Rincon Center
 121 Spear Street
 Suite 405
 San Francisco CA
 94105

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

IMF.COM.AU IMF.SG BENTHAMIMF.COM BENTHAMIMF.CA

Disclaimer: The information contained within this document is intended to give a general understanding of how IMF Bentham finances disputes. Actual transactions and deal terms may vary from any examples given based on the facts and circumstances of specific investments. Nothing in the document constitutes advice.