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Euroz Conference

March 2020

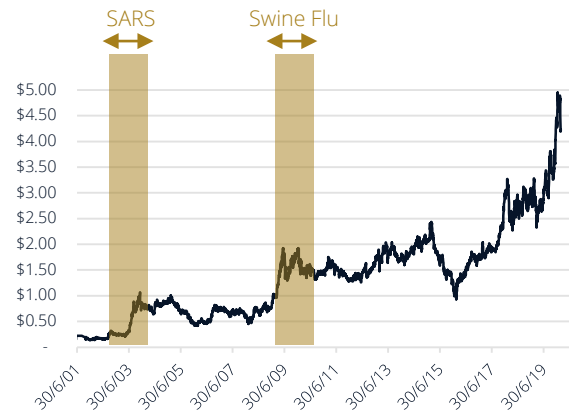


Economic Climate Impact

Fears of a COVID-19 pandemic have negatively impacted global share markets with further falls experienced and expected.

Topic	Impact
SHARE PRICE	Omni Bridgeway has obtained expert analysis that shows Omni Bridgeway's share price is not correlated to our comparator group, the ASX300 Diversified Financials Index. While there may be short term impacts, history has shown that Omni Bridgeway's share price has not suffered in the longer term.
INCOME	Omni Bridgeway's income is not dependent upon China and any supply-chain disruption is irrelevant to Omni Bridgeway's business.
COMMODITIES, BONDS AND OTHER MARKETS	Commodity market fluctuations are not relevant to the business. Omni Bridgeway's listed bonds do not impact the results, as they are not fair valued for accounting purposes.
INVESTMENTS	Due to sometimes lengthy lead times for completion of investments, those that are expected to complete commenced long before the COVID-19 outbreak began. Some investments currently in progress may be delayed if the courts were to close temporarily.

OMNI BRIDGEWAY SHARE PRICE



↑ During the **SARS** outbreak in 2003, Omni Bridgeway's share price **rose 164%**

↑ During the **Swine Flu (H1N1)** outbreak in 2009, Omni Bridgeway's share price **rose 26%**

FY2020 – more to come

AUD (millions)	Balance sheet	Fund 1	Funds 2&3	Fund 4	Fund 5	Fund 6	Total
Recognised income							
Completed investments	37.9	42.8	12.7	29.5	-	8.7	131.6
Ongoing investments	12.3	7.1	0.5	-	-	-	19.9
Total income recognised to 31 December 2019	50.2	49.9	13.2	29.5	-	8.7	151.5
Income yet to be recognised							
Agreed in-principle settlements	47.4	-	29.5	-	-	-	76.9
Binding conditional settlements	12.0	-	1.8	-	-	-	13.8
Successful judgements	169.6	7.8	-	-	-	-	177.4
Total income yet to be recognised	229.0	7.8	31.3	-	-	-	268.1

- \$189.4m of gross income is pending possible recognition during the remainder of FY2020 from four investments that have completed prior to 31 December 2019 (including Wivenhoe¹).
- A further \$78.7m of gross income is pending possible recognition for investments that have completed subsequent to 31 December 2019.
- It is expected that additional investment completions will also occur in the second half of FY2020.

1. For further information see our announcements dated 2 December 2019 *Brisbane Floods Class Action Judgment* and 2 March 2020 *Brisbane Floods Class Action – Update*. Please note the estimated income is subject to the outcome of any appeals and the timing of the recognition of the income remains uncertain.

Fund Performance and Commitments

	Fund size	Commence date	Completed investments		Incomplete investments				Conditionally funded and IC approved investments	
			Number	Deployed amount (excl overheads) A\$m	Number	Deployed amount (excl overheads) A\$m	Committed amount A\$m	EPV A\$m	Number	Committed amount A\$m
Fund 1	USD 167m	10 Feb 2017	18	55.8	15	128.1	130.9	2,758.4	1	4.6
Funds 2 & 3	AUD 180m	3 Oct 2017	5	4.4	30	41.0	107.2	3,007.2	8	53.7
Fund 4	USD 500m	1 Apr 2019	1	25.3	31	77.5	107.6	2,419.0	1	8.6
Fund 5	USD 500m	27 Sep 2019	-	-	5	0.9 ²	14.2	180.5	6	18.0
Fund 6	EUR 150m	13 Jun 2016	6	2.8	224	59.7	84.0	n/a	5	9.0
Fund 7	USD 100m	28 Sep 2018	-	-	-	-	-	n/a	-	-
Total			30	88.3	305	307.2	443.9	8,365.1	21	93.9

- High correlation between Deployed and Committed
- Omni Bridgeway generates management fee income in Funds 4 and 5 from deployed capital.
- Ideal situation will be to deploy sufficient capital to generate recurring management fees sufficient to meet or substantially meet overheads.

Sources and Applications of Cash

	1HY 2020 \$m	2HY 2019 \$m	1HY 2019 \$m	2HY 2018 \$m
Cash generation				
Proceeds from litigation funding – intangible assets	91.0	19.3	23.9	15.4
Proceeds from litigation funding – other litigation assets	8.7	-	-	-
95% of Funds 6 & 7 operating costs	3.3	-	-	-
Net interest	(3.9)	(2.2)	(2.4)	(3.1)
Other income	0.8	-	-	-
Movement in receivables	62.1	(0.4)	(8.4)	10.6
	162.0	16.7	13.1	22.9
Cash burn				
Operational cash expenditure	(34.1)	(32.9)	(31.5)	(23.2)
Transaction costs - purchase of Omni Bridgeway (one-off)	(4.8)	-	-	-
Professional advisors (one-off)	(0.3)	(0.9)	(0.7)	-
Income tax received / (paid)	-	4.6	(1.1)	(2.4)
	(39.2)	(29.2)	(33.3)	(25.6)
Net cash generation	122.8	(12.5)	(20.2)	(2.7)
Cash and net receivables				
Balance Sheet	213.7	132.4	195.1	134.2
Funds	49.0	93.6	38.2	26.0
Movement in receivables	62.1	(0.4)	(8.4)	10.6
	324.8	225.6	224.9	170.8

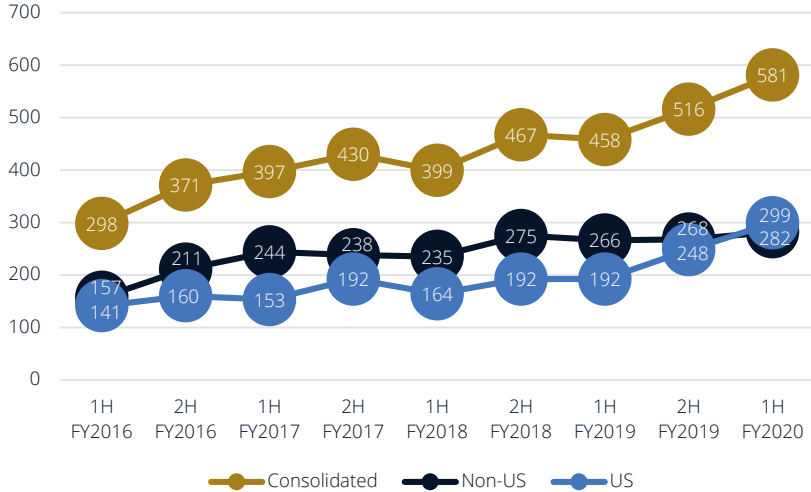
- IFRS reporting requires the deferral of income until recovery is certain, and in some instances the acceleration of the recognition of some expenses and the capitalisation of others.
- Net cash generation identifies cash inflows from completions and deducts cash expenses during the period.

Net cash generation is 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.

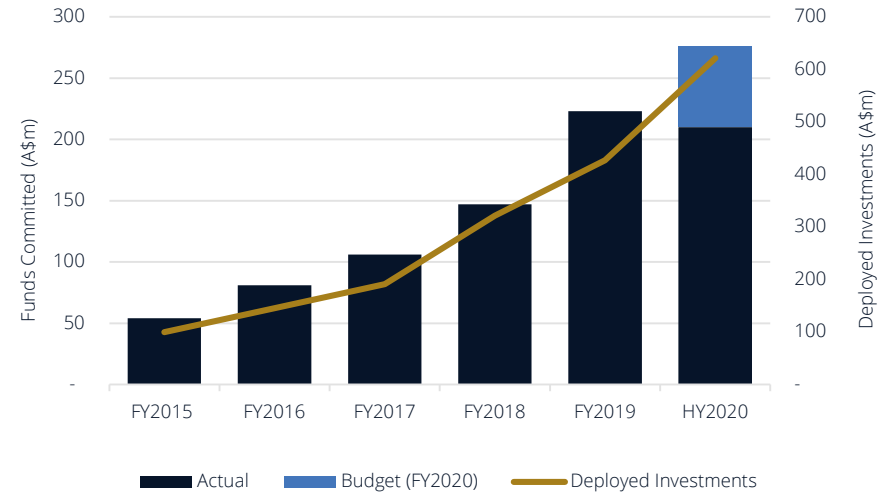
Funding Funnel

Funding applications continue to grow year on year as our geographic expansion takes hold.

FUNDING APPLICATIONS



ACTUAL AND BUDGETED FUNDING COMMITMENTS¹



1. Committed funding amounts from FY2017 include conditionally funded investments and investments approved for funding by the Investment Committee but not yet funded. From FY2018, upward budget revisions have been included.

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Investment Portfolio Profile

- Past performance indicates that 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 Omni Bridgeway, after which proceeds are split.
- For second generation funds, Funds 4 and 5, Omni Bridgeway will receive its investor return on its committed capital pari passu with external investors, as well as generate performance and management fee income.
- Funds 6 and 7 were acquired through Omni Bridgeway. EPV has not been calculated for investments in these funds, as this information is not available.

	Number of current investments	Number of completed investments	Average investment length (years)	Success rate on investment number (%)	ROIC excl. capitalised overhead (%)	IRR excl. capitalised overhead (%)	Investment costs A\$m	EPV A\$m	Possible completion EPV			
									FY2020 A\$m	FY2021 A\$m	FY2022 A\$m	FY2023+ A\$m
Balance Sheet	20	84	2.9	85 ¹	123	89	132.5	1,360.9	807.8	403.1	150.0	-
Fund 1	30	18	2.6	83	16	10	198.9	2,758.4	766.9	1,635.3	119.1	237.1
Funds 2 & 3	31	5	0.6	80	302	924	50.8	3,007.2	292.2	1,193.6	1,011.5	509.9
Fund 4	5	1	0.3	100	16	93	77.8	2,419.0	-	1,649.5	85.7	683.8
Fund 5	4	-	n/a	n/a	n/a	n/a	1.2 ²	180.5	-	72.9	57.1	50.5
Fund 6	229	102 ³	2.3	69	236	99 ⁴	60.3	n/a	n/a	n/a	n/a	n/a
Fund 7	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	314	210	1.7	83			521.4	9,725.8	1,866.9	4,954.2	1,423.4	1,481.3

1. Completed investment information for balance sheet portfolio covers the period from 1 July 2011 to 31 December 2019.

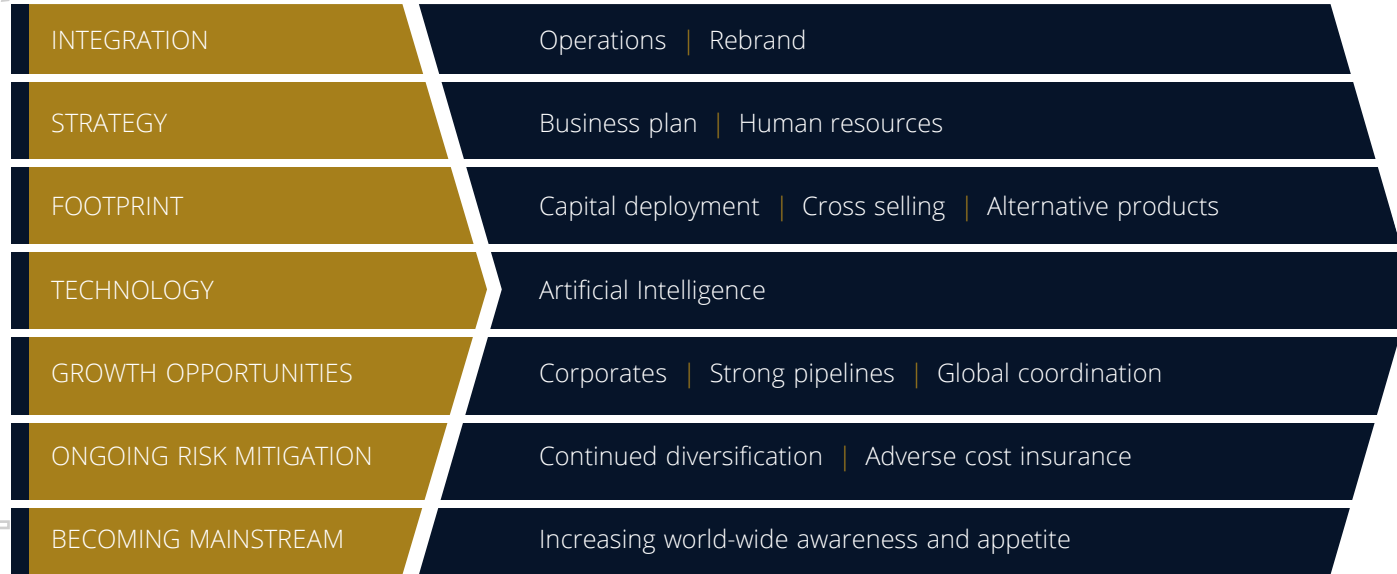
2. Investment costs for Fund 5 represent Omni Bridgeway's participation share of costs.

3. Includes pre-acquisition completions.

4. IRR is calculated on Fund 6 completed investments (14) and does not include Roland completed investments (88), as this data is not available.

The future

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Risk Mitigation

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

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

Glossary of terms and notes

ESTIMATED PORTFOLIO VALUE (EPV)	EPV for an investment where the OBL funding entity earns a percentage of the resolution proceeds as a funding commission, is OBL's current estimate of the claim's recoverable amount after considering the perceived capacity of the defendant to meet the claim. It is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to OBL if the investment is successful. EPV for an investment where the OBL funding entity earns a funding commission calculated as a multiple of capital invested shall be calculated by taking OBL's estimate of the potential income return from the investment and grossing this up to an EPV using OBL's Long-Term Conversion Rate. 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.
IFRS	International Financial Reporting Standards
IRR	Internal Rate of Return
LTIP	Long Term Incentive Program
MOIC	Multiple on Invested Capital
NCI	Non-Controlling Interest
PAST PERFORMANCE	Past performance is <u>not necessarily an indication</u> of future performance. Past performance indicates that OBL's litigation funding investments (excluding Omni Bridgeway investments) have generated average gross income of approximately 15% of the EPV of an investment at the time it is completed (Long-Term Conversion Rate). The Long-Term Conversion Rate, MOIC, ROIC and IRR from completed investments may vary materially over time. By providing this information, OBL has not been and is not now, in any way, providing earnings guidance for future periods.
POSSIBLE COMPLETION PERIODS	The possible completion period is OBL's current estimate of the period in which an investment may be finalised. It is <u>not</u> a projection or forecast. An investment may finalise earlier or later than the identified period for various reasons. Completion for these purposes means finalisation of the litigation by either settlement, judgement or arbitrator determination, for or against the funded claimant, notwithstanding that such finalisation may be conditional upon certain matters such as court approval in the context of a class action. It may not follow that the financial result will be accounted for in the year of finalisation. Possible completion period estimates are reviewed and updated where necessary.
PPA	Purchase Price Allocation
ROIC	Return on Invested Capital - gain or loss on derecognition of investments (including or excluding overheads) divided by the total spent on investments (including or excluding overheads)

The Long-Term Conversion Rate, MOIC, ROIC and IRR from completed investments may vary materially over time.
By providing this information, Omni Bridgeway has not been and is not now, in any way, providing earnings guidance for future periods.

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- A number of terms used in this presentation including: ROIC, EPV, net cash generation, operational cash expenditure, success rate by number of investments, IRR, actual and budgeted commitments, and deployed investments 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 OBL's 2020 half year report.
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