

## Market update

Omni Bridgeway Limited (**Omni Bridgeway, OBL, Group**) announced the completion of the €135 million first tranche of the debt capital for its €300 million Fund 8 on 4 September 2023. As such, we have elected to provide an update in relation to OBL's working capital position.

Following the closing of the Fund 8 first tranche capital raising, Omni Bridgeway will receive within the first quarter of FY24 a cash reimbursement of up to \$11 million for the insurance premium, establishment costs and deployments previously paid by OBL on behalf of Fund 8. The insurance premium was reported as prepayments (not as receivables) in other assets in Note 24 of the Group Consolidated Financial Statements for the 12 months to 30 June 2023 (**Accounts**).

The Fund 8 reimbursement supplements Omni Bridgeway's strong working capital position at 30 June 2023 of a combined cash and receivables total of \$129 million on our balance sheet. With proforma adjustments to account for the Fund 8 reimbursements and OBL's portion of cash and receivables in Funds, this represents approximately \$180 million, as follows:

\$m	
OBL cash and receivables on balance sheet	129
OBL share of cash and receivables in Funds	40
Reimbursement to OBL of Fund 8 insurance premium, establishment costs and deployments	11
<b>Total</b>	<b>180</b>

Based on the above proforma, and with access to the balance of our debt facility of \$60 million, Omni Bridgeway has approximately \$240 million to meet its operating costs, interest, co-contributions to funds for investments and other obligations, before recognising any investment completions, secondary market sales, management fees and associated fund performance fees scheduled or targeted for FY24.

Of the \$37 million in OBL balance sheet receivables at 30 June 2023, approximately 68% has already been converted and collected as cash at 31 August 2023. The remaining receivables balance is expected to be received in 2Q24.

Of the reported \$55 million income yet to be recognised at 30 June 2023, approximately 42% of this converted to recognised income in August 2023. Of this recognised amount, approximately \$5 million represents OBL's share, and is anticipated to be received in 1Q24.

We note that the above does not include any payment in relation to the provision for adverse costs, nor the receipt of proceeds from adverse costs insurance or from co-funders associated with such adverse costs.

Note 27(b) of the Accounts details the provision for adverse costs on litigation investments, which is an obligation to pay the reasonable legal costs of the defendant in the case of an adverse outcome in some cost shifting jurisdictions. The provision reported is the gross amount before corresponding adverse cost insurance and indemnities from co-funders.

The corresponding amount for adverse cost insurance and indemnities from co-funders is included in other receivables in Note 22 to the Accounts. If an adverse costs provision is required to be paid, the corresponding amount of these receivables are payable to OBL. The estimated net exposure at 30 June 2023 for adverse costs is therefore approximately \$17 million.

The recognition of the provision as a current liability is required because an order has been made establishing liability for adverse costs, notwithstanding no actual amount of liability has as yet been established. The provision is based on an estimate of the amount which may become due following the completion of the adverse costs quantification process, which is based on external counsel's advice and subject to audit review. The fact that the provision is a current liability in the Accounts does not imply that the liability is expected to be paid within the next 12 months. The process can take up a significant period of time, especially for complex, multi-year litigation, and ultimate payment can, in our experience, be up to 24 months after the initial costs claim is made.

The taxation process involves the defendant's legal costs being submitted to a taxing officer for assessment and certification and the resultant taxing officer's decision may be subject to an appeal. For the majority of the exposure, no cost claim has as yet been made. The costs may also be agreed between the parties, and payment may occur earlier. As noted, the provision relates to multiple investments.

**This announcement is authorised for release to the market by the Disclosure Committee.**

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**About Omni Bridgeway**

Omni Bridgeway is the global leader in legal finance and risk management, including dispute and litigation finance from case inception to post-judgment enforcement and recovery.

Listed on the ASX, Omni Bridgeway (ASX:OBL) operates from 26 international locations.