

## First close of Funds 4 and 5 Series II capital raising

Omni Bridgeway Limited (**Omni Bridgeway**) (ASX:OBL) is pleased to announce the first close (**First Close**) of capital raising for the second series of its core funds, Fund 4 and Fund 5 (**Series II**), with existing investors on improved cost coverage terms achieved through transaction fees (**Transaction Fees**). Each Series II fund is capped at US\$500 million, and Omni Bridgeway will continue to be a 20% co-investor.

Existing investors<sup>1</sup> in Fund 4 and Fund 5, being funds managed by Harvard Management Company, Partners Capital Investment Group LLP and Amitell Capital (**Existing Investors**), have all exercised their capacity rights which were a key term of the first series, granting the Existing Investors the right to reinvest in Series II on the same terms.

The continued reinvestment by the Existing Investors of the first and second generation funds underscores the confidence of leading institutional and legal finance investors in our track record, investment origination and underwriting process.

We anticipate additional closings in 2024 for Series II, involving potential further commitments from clients of Existing Investors (**Advised Accounts**), which were a significant part of Series I, along with new investors.

### **Highlights of the Series II capital raising**

- **First Close:** US\$485 million from Existing Investors<sup>2</sup> inclusive of OBL's co-funding<sup>3</sup>, provides a strong base to market the remaining US\$515 million capacity of Series II.
- **Upcoming second close:** Aimed at existing and new Advised Accounts. This is expected to complete in the third quarter of FY24.
- **Further closings and timeline:** We anticipate further closings over the next 12 months to build up to the capped size of US\$500 million for each Series II fund. This further capital raising will be aimed at broadening our private capital investor base.
- **Fee terms / cost coverage:** Series II has been structured to improve the cost coverage received by Omni Bridgeway as manager through the inclusion of Transaction Fees. Transaction Fees, comparable to facility fees in traditional lending, are targeted to average around 2.5% to 3.0% of investment commitments and will typically be payable to Omni Bridgeway in the first years of an investment's life cycle. The Transaction Fees represent a significant improvement on the fee terms of the first series, in line with our stated objective to increase cost coverage contribution from future funds. The market leading performance fee terms (an 8% hurdle return to the investors followed by a full catch-up, a 20%

<sup>1</sup> Refer to OBL's announcement dated 20 June 2019 for further details on these investors.

<sup>2</sup> Harvard Management Company (**Harvard**) has structured its commitment to each Series II fund such that US\$50 million is committed unconditionally and the balance of US\$25 million is conditional on Harvard's interest being capped at 15% of the ultimate fund size (i.e., after further closings).

<sup>3</sup> OBL's commitment of US\$100 million to each Series II fund is capped at 20% of the ultimate fund size (i.e., after further closings).

performance fee up to 20% investor IRR and a 30% performance fee on the residual profit) and a deal-by-deal “American” waterfall are unchanged from the first series.

- New fund structures established: The Series II Funds 4 and 5 will be structured as new and separate fund vehicles.
- Fund 5 adverse cost insurance policy: We are in the process of replicating the adverse cost insurance wrapper, a beneficial and innovative feature of Fund 5 series I, prior to the commencement of Fund 5 Series II.
- Commencement: Series II will commence making investments following the expiry of the first series commitment periods. Fund 4 series I has approximately US\$150 million available for commitments, plus the ability to recycle capital from completed investments up to the end of its commitment period on 18 April 2024. Similarly, Fund 5 series I has approximately US\$77 million available for commitments, with the same recycling rights and a commitment period which ends on 31 October 2024.

**Raymond van Hulst, Managing Director and CEO**, commented “We have achieved an important milestone with this first close of our Series II capital raise at improved cost coverage terms. Our valued capital partners are amongst the most reputable and experienced investors in legal finance. Their ongoing support and our continued access to capital is a strong endorsement of our platform and long term performance track record, particularly given the current private capital landscape.

“Our newly established capital markets team has initiated an investor outreach and onboarding campaign dedicated to further expanding our investor base to support our continued growth. This will mark the first time our core funds have been open to new investors in almost six years supporting our strategy of further diversification,” said Mr van Hulst.

**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.