

Omni Bridgeway achieves significant growth in key drivers

Omni Bridgeway Limited (ASX: OBL) (**Omni Bridgeway, OBL, Group**) has today released its results for the 12 months ended 30 June 2023 (**FY23, Year**).

Managing Director and Chief Executive Officer, Andrew Saker, said "I am pleased to announce notable achievements during FY23 and report on a strong finish to the year, underpinned by gathering market momentum and the effectiveness of our diversified funds management strategy.

"The Group reported a substantial ~200% turnaround in the second half compared to the first half and is backed by a strong capital position of over \$360 million in cash and receivables," added Mr Saker.

Key highlights of FY23

- Increased potential future income by achieving a record level of commitments amounting to \$544.2m up 17%.
- The estimated portfolio value (**EPV**) grew by 12% to reach \$30.5 billion, after completions, removal of impaired investments now completed, and disposals, and achieved a 34% CAGR (four years to 30 June 2023).
- Grew implied embedded value (**IEV**) by 9% to \$3.9 billion, with \$1.0 billion provisionally attributable to OBL, excluding estimated management fees and potential performance fees.
- Delivered a strong second half result with 203% NPAT turnaround of \$61.1m from the first half, reflecting improved income, lower expenses and signalling momentum heading into FY24.
- We have delivered total gross income and revenue to a record level of \$330.0 million, up 51% on last year, derived from diversified sources comprising both completions of investments and secondary market sales.
- Increased litigation proceeds by 30% to \$283.4m comprising \$235.7m investment completions and \$47.7m cash proceeds from the sale of a participation in Fund 1 assets.
- Achieved 9% cost savings in 2H23 reflecting non-recurring items and initial savings from expense optimisation with a continued focus on cost efficiencies into FY24.
- Upsizing of Funds 4 and 5 are progressing well with ~US\$400m to US\$600m first close from existing investors expected in 1H24, followed by a potential second close with new investors.
- Build out of platform is now substantially complete readying our business for anticipated future growth.

- Achieved geographic expansion in the northern hemisphere with new locations in the United States, France and Italy, maintaining both our competitive advantage and industry leadership.
- Made executive leadership appointments including a Global Chief Financial Officer, a Co-Chief Investment Officer of EMEA and a Global Head of People and Culture.

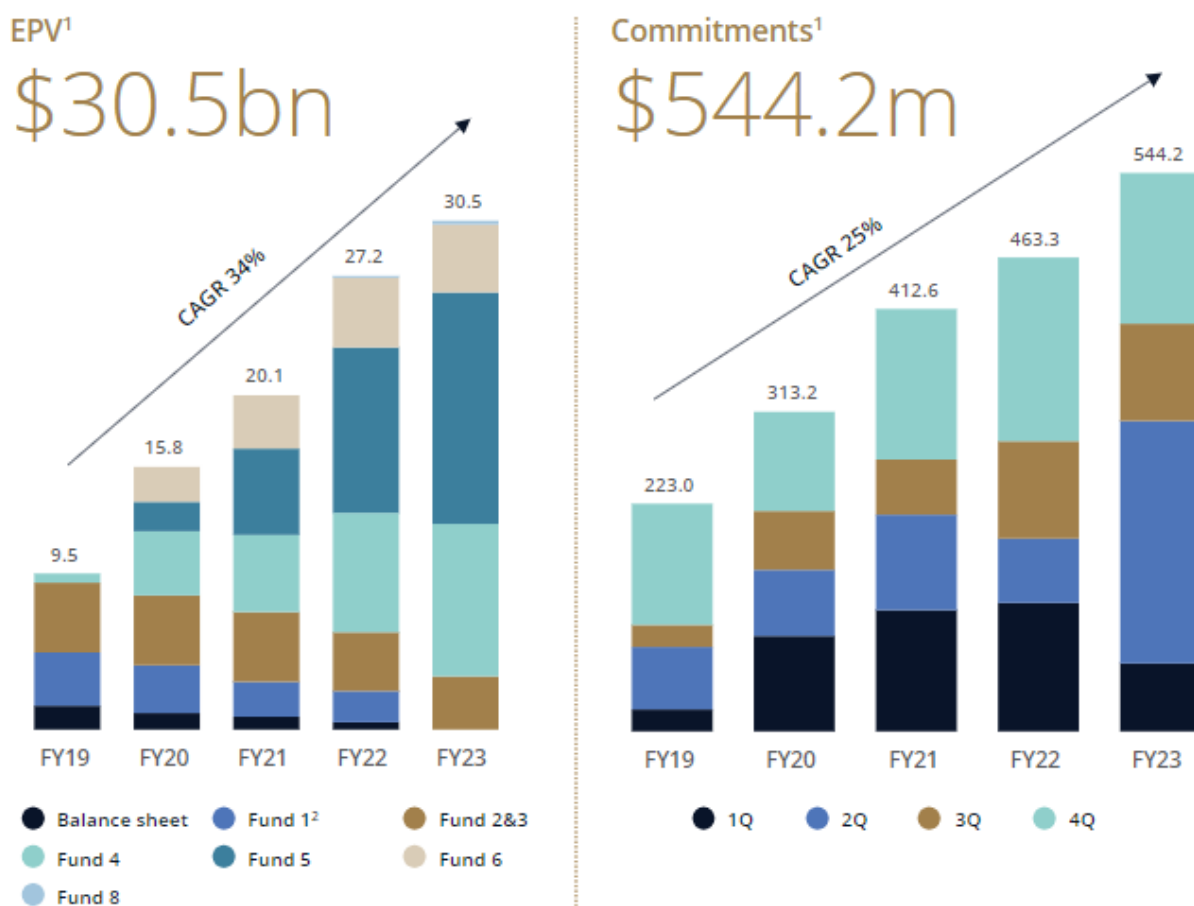
Portfolio growth drives future income generation

At 30 June 2023, our portfolio consisted of over 300 investments with a net carrying value of \$741.8 million, including Fund 5 at 100%.

Our annual commitments, including conditional and unconditional capital commitments, amounted to \$544.2 million, marking a 17% increase from the previous year and a compound annual growth rate of 25% since FY19.

The current pipeline of indicative investment opportunities is approximately \$195 million across 22 term sheets with clients.

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1. Fund 5 is not consolidated within the Group Consolidated Financial Statements, here it is presented at 100%.
 2. Following the sale of a participation in Fund 1 assets which completed on 31 May 2023, Fund 1 has been derecognised within the Group Consolidated Financial Statements. HC 1 LLC was disposed on 31 December 2022 and derecognised from the Group Consolidated Financial Statements.

Secondary market

Embracing a culture of continuous innovation is instrumental in our adaptation to evolving market conditions and staying ahead of emerging industry trends including utilising the secondary market.

During the year, we completed two strategic transactions which diversified our income sources and yielded gross cash proceeds of approximately \$76 million.

In a significant milestone, the sale of a participation in Fund 1 assets allowed us to recycle capital, de-risk the portfolio, and expedite returns.

Secondary market transactions will play a pivotal role in and become a meaningful contributor to our income generation, whilst also controlling the liquidity of an investment, ensuring a diversified income stream, accelerating realisations in our portfolio and mitigating risk.

Estimated value from completions

We continue to provide quantitative information on the value of future completions from our funded portfolio by applying our long term past performance metrics.

Based on a normalised EPV conversion rate of 15%, the implied embedded value of our portfolio is \$3.9 billion. This calculation includes returns from completions of our existing funded investments.

The IEV attributed to Omni Bridgeway is around \$1.0 billion. This excludes management and performance fees which we anticipate will become an increasingly important source of our future revenues.

Based upon the IEV analysis and related assumptions, the funds' terms entitle us to potential performance fees, from the existing portfolio, of approximately \$240 million based on the Group historic 1.1x ROIC and achieving 20% IRR hurdle of completed investments.

Performance fees are subject to the sequencing and timing of fund waterfall proceeds and sufficient certainty of earning positive income, above specific hurdle rates, in each respective fund and are subject to potential clawback.

In addition, for FY24 we estimate that approximately \$22 million of management fees could be generated.

These figures, and together with EPV and IEV, are based on several assumptions noted on page 119 in our Annual Report and definitions of key concepts are included in our Glossary <https://omnibridgeway.com/investors/omni-bridgeway-glossary>.

A strong platform for growth

Our success is a testament to the dedication of the Omni Bridgeway team, whose commitment to achieving business goals, maximising investment outcomes and providing access to justice for our clients has been notable.

Our diversified and resilient platform, coupled with unrivalled expertise in sourcing and underwriting quality investments, positions us well to create value for shareholders through strong cash returns.

With a stabilising operating environment post-COVID-19 pandemic and a significant investment pipeline, secondary market opportunities, and completion momentum, we are confident in our underlying business model and foresee continued future growth.

Our key goals for FY24 include:

- Achieving new commitments of \$625 million or equivalent value through improved pricing and attribution terms.
- Exploring transition to or adding fair value reporting.
- Finalising the establishment of Fund 8, our new global enforcement fund.
- Increasing FUM via first closing of series II of Fund 4 and Fund 5 and potential launch of new funds.
- Continued focus on cost coverage initiatives.
- Accelerating realisations and mitigating risk through secondary market transactions.
- Moderately expanding the UK team to increase our presence in the second largest litigation finance market.
- Aiming for approximately \$95 million of cash operational expenses.

FY23 results disclosures and market briefing

This announcement should be read in conjunction with Omni Bridgeway's FY23 results disclosures available at <https://omnibridgeway.com/investors/reports-and-presentations/results-reporting-and-investor-presentations>

A market briefing will be held at 10.00am (AEST) today. For access to the event, please register at https://webcast.openbriefing.com/obl_fyr_2023/

This announcement is authorised for release to the market by the Board.

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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.

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