OMNI BRIDGEWAY

# Appendix 4E – Final Report

## Omni Bridgeway Limited
## ABN 45 067 298 088

### Financial year ended 30 June 2024
### Results for announcement to the market

Current reporting period: 30 June 2024

Previous reporting period: 30 June 2023

### Revenue and net profit

| | Up/Down | Percentage Change | $'000 |
|---|---|---|---|
| Revenue from ordinary activities | Up | 304% | 82,754 |
| Total income for the year | Up | 76% | 205,408 |
| Profit for the year | Up | 3437% | 30,487 |
| | | | |
| Loss from ordinary activities after tax attributable to members | Down | (176%) | (87,524) |
| Net loss for the period attributable to members | Down | (176%) | (87,524) |
| | | | |
| Other comprehensive income after tax for the period | Down | (168%) | (8,603) |
| Total comprehensive income after tax for the period | Up | 62% | 21,884 |

### Dividends

The Directors have determined not to pay a final dividend for the year ended 30 June 2024.

### Net tangible asset backing

| | Consolidated | |
|---|---|---|
| | 2024 $ | 2023 $ |
| Net tangible assets per weighted average number of ordinary share[1] | $0.82 | $0.66 |
| Net assets per ordinary share | $2.83 | $2.85 |
| Book value of investments per ordinary share | $1.88 | $1.96 |

1. Net tangible assets excludes litigation investments - intangible assets, goodwill, litigation investments - claims portfolio and contract assets.

Additional Appendix 4E disclosure requirements can be found in the Directors' Report, Financial Statements and the Notes to the Financial Statements contained in the Omni Bridgeway Limited Annual Report for the year ended 30 June 2024.

### Audit Report

This Appendix 4E (Final Report) is based on the audited financial statements for the year ended 30 June 2024, which are contained within the Omni Bridgeway Limited Annual Report, attached.

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# Annual Report 2024

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OMNI BRIDGEWAY

Omni Bridgeway is a global leader in financing and managing legal risk.

## Industry acknowledgement

We are honoured to receive endorsement and recognition for Omni Bridgeway's industry leadership and pioneering solutions.

### CHAMBERS AND PARTNERS

**Litigation Funding:**

Band 1 US (2018-2024)
Band 1 Australia (2021-2024)
Band 1 Canada (2021-2024)
Band 1 Europe (2021-2024)
Band 1 South East Asia (2021-2024)
Band 1 Latin America (2022-2024)
Band 1 Middle East (2022-2024)
Band 3 UK (2023-2024)
Band 4 UK (2020-2022)

**Global Asset Tracing & Recovery:**

Band 1 (2020-2024)

**International Arbitration:**

Band 1 (2020-2024)

**Intellectual Property:**

Band 1 US (2024)
Band 2 US (2022-2023)

**Insolvency:**

Band 3 UK (2022-2024)

### WHO'S WHO LEGAL

**Who's Who Legal Thought Leaders:**

33 team members recognised (2024)
25 team members recognised (2023)
23 team members recognised (2022)
25 team members recognised (2021)
22 team members recognised (2020)

**Who's Who Legal Arbitration:**

1 team member recognised (2022)
2 team members recognised (2020)

### LAWDRAGON

**Global 100 Leaders in Litigation Finance:**

12 team members recognised (2024)
14 team members recognised (2023)
12 team members recognised (2022)
14 team members recognised (2021)
6 team members recognised (2020)
2 team members recognised (2016-19)

**Global 500 Restructuring and Insolvency Advisors:**

9 team members recognised (2020)

**Find out more at**
*omnibridgeway.com/acknowledgement*

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**Omni Bridgeway acknowledges the traditional custodians of the lands on which we live, work, and operate. We pay respect to their connections to land, sea, and community and to Elders past, present, and emerging.**

All figures are in Australian dollars (AUD, A$) unless otherwise stated.

# Financial performance

**For the 12 months ended 30 June 2024**

**Total gross income and revenue**

$277.0m

-10% FY24 v FY23

**Net profit after tax**

$30.5m

+29.6m on FY23

**Value conversion rate[1]**

118% in 2H24

Providing a first validation of the value of the overall portfolio

**Cumulative capital raised**

~$3.3bn

Across a balanced portfolio

**Cash opex**

$89.7m

-8% on FY23

**FY24 MOIC[2]**

2.7x

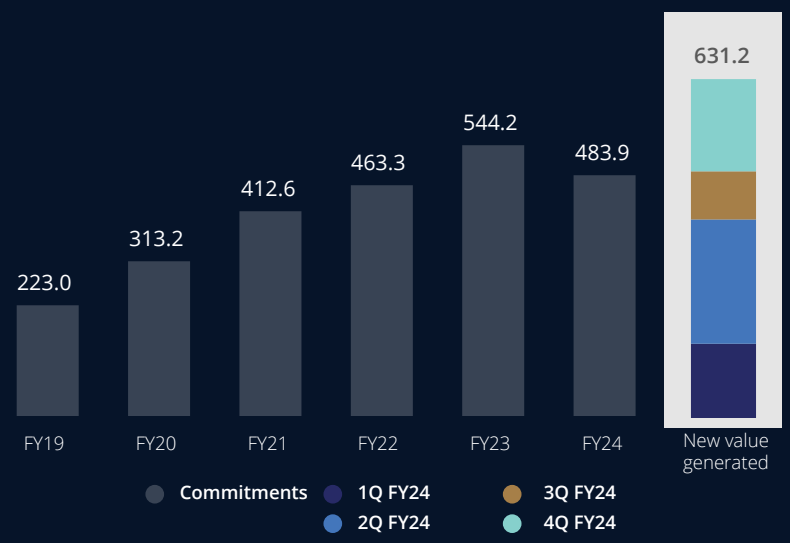
**IRR[3]**

53%

77 full and partial completions

**New value generated[4] ($m)**

$631.2m




**Total portfolio value[5] ($bn)**

$2.8bn

+11% on 1H24

1. The fair value conversion ratio indicates the ratio of proceeds and deployments received on completions, discounted back to the date of the last reported portfolio fair value (31 December 2023 currently), compared to the fair value of such completed investments as at that prior reporting date.
2. Life to date (LTD) MOIC includes full and partial completions (excluding withdrawals) in Funds 1 to 5 and the OBL balance sheet since inception. It also reflects Fund 6 full and partial completions since the OBE acquisition in 2019, including investments acquired and funded. FY24 MOIC includes full and partial completions (excluding withdrawals) recognised during FY24, as well as full and partial completions reported as IYTBR as of 30-Jun-2024.
3. IRR is calculated based on full completions only and does not include partial completions of $216 million on an LTD basis and $92 million on an FYTD basis, or investments categorised as IYTBR.
4. Fund 5 is not consolidated within the Group Consolidated Financial Statements, here it is presented at 100%.
5. For more information on our non-IFRS fair value methodology refer to www.omnibridgeway.com.au/investors/investorday

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# Chairman's report

On behalf of the Omni Bridgeway board, I am delighted to present the 2024 Annual Report. It has been a very productive year for our company, during which we consolidated our status as the leading international origination platform in legal finance.

**Michael Kay**
Non-Executive Director and Chairman

Notably, in FY24 we reported the following outcomes:

- Generated $277 million in investment income in FY24.
- 76 full and partial completions and one secondary market transaction including IYTBR delivered an overall multiple on invested capital (MOIC) of 2.7x.
- The 34 full completions during 2H24 had a combined fair value conversion ratio of 118%, providing a first validation of the fair value of the overall portfolio.
- $631 million in new fair value added from $484 million of new commitments in FY24.
- Pricing at materially improved levels, up 28% for FY24 compared to FY23.
- Strong pipeline going into FY25, with agreed term sheets outstanding for an estimated $148 million in new commitments.
- Cash and receivables of $121 million at 30 June 2024.
- Full transition from expected portfolio value to fair value model has been completed with $0.8 billion of fair value in potential completions over the next 12 months.
- Good progress on cost management and strategic initiatives.

Omni Bridgeway stands apart from the rest, with our global platform and access to capital through our fund structure. Our growth in FY24 and an improved level of pricing both demonstrate this difference.

## Leaders in an evolving industry

The global economy is contending with persistent inflation and other economic and geostrategic challenges. Such challenging conditions typically give rise to increasing insolvencies, disputes and other situations that present opportunities for the legal financing industry.

Compounding this, there are a range of macro factors that are driving a steady rise in multi-jurisdictional disputes and more complex diversified litigation strategies. These include cross-border investment, data breaches and cybercrime, and environmental events. The trend is likely to continue for the foreseeable future.

Thus, we are operating in a space that presents enormous opportunities for growth. On top of this opportunity, the global legal financing industry remains under penetrated. Against an estimated global addressable market of approximately $220 billion, only $10 billion is allocated to the market through current leading industry players, including Omni Bridgeway.

But this market opportunity is not freely available to anyone. Legal financing is a risky business, in which a unique skill set is required to succeed. This was demonstrated in FY24, as the global legal financing market continued to consolidate.

We have seen a number of newer players withdraw or go into runoff over the past year, which speaks to the vital importance of experience, track record and access to capital in an industry that is arcane by its very nature.

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In this respect, Omni Bridgeway stands apart from the rest, with our global platform and access to capital through our fund structure. Our growth in FY24 and an improved level of pricing both demonstrate this difference.

## Strengthening our position

As the industry consolidates, Omni Bridgeway has maintained its long term position as a leading player with a strong track record of success. We have a unique competitive position that allows us to protect our long-term market standing, supported by the following differentiators:

- A truly global footprint
- Diverse and supportive capital providers
- Access to insurance markets to manage downside risk
- Access to secondary markets to manage cash flow
- A proven investment committee process and track record over many years.

At the same time, we acknowledge the concerns expressed by our shareholders about our cost coverage, and in particular the delay in returns. While this is, in part, attributable to the material impact of COVID on court systems in most jurisdictions around the world, we have also been acting decisively throughout FY24. Furthermore, we are committed to ongoing action, as we take meaningful steps to increase the cost coverage in our funds, while also reducing the overall cost of the platform.

Pleasingly, the combination of a record number of new deals in FY24 and higher interest rates have enabled a 28% increase in pricing, without any impact on sales or investments. This demonstrates Omni Bridgeway's strong market position and reputation.

We have also taken significant steps to moderate our expense load, including improving the terms in the funds for cost coverage for expenses. We will continue to work diligently on better matching cost coverage with expenditure throughout the year ahead.

## Transition to global fund management platform

With some good completions in FY24, particularly in the second half, we have made material progress in our transition from an Australia-focused balance sheet funder, to a global fund management platform for legal assets. With due consideration of the inherent vagaries in the legal system, we are working assiduously to accelerate this process.

We thank our shareholders for your patience during this transition period, which has been extended by COVID, and assure you that we have a single-minded focus on the acceleration of returns.

As you will see on the following pages, we have achieved many milestones in our clearly stated vision of developing into the leading global fund management platform for legal assets.

We are now in our third-generation funds with $3.3 billion in cumulative capital, with leading and loyal institutional fund investors. Our current book is well-diversified, which provides far greater resilience in our investments. The focus must now shift to ensuring our strong operational position is reflected consistently in the Omni Bridgeway share price, and consequent value to our shareholders.

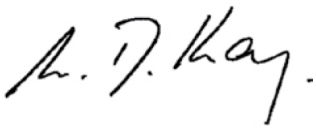
We believe the introduction of fair value reporting methodology across our portfolio will allow simplified and consistent disclosures based on a robust framework. Fair value will allow our investors greater visibility into the value of the portfolio and potential future cash flows.

## Conclusion

On behalf of the Board, I would like to thank both staff and my fellow directors for their efforts in a very busy year. I also want to acknowledge our new CEO Raymond van Hulst, who has risen to the challenge in his first year and proven himself to be a calm, thoughtful and very competent leader.

It has been an outstanding effort throughout FY24 by the team as we lay solid foundations for the future. We have built the leading fund management platform for legal assets, and we have generated a valuable investment portfolio.

With those foundations now in place, we are well placed to deliver superior investment returns that drive ongoing value to our shareholders in the years to come.



**Michael Kay**
Chairman

# Managing Director's report

Based on excellent fundamentals, Omni Bridgeway is a company in transition, operating in an industry that is changing rapidly. Tangible progress has been made in our transformation to a more cost-efficient fund management company.

**Raymond van Hulst**
Managing Director & Chief Executive Officer

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**Investment income and fee revenue**
$277.0m

**FY24 MOIC achieved**
2.7x

**Value conversion**
118%

**New value added**
$631.2m

**Cash opex reduction**
8% YoY

**Cost coverage**
+11%
From 17% to 28%

## A year of strategic refocus

At the Omni Bridgeway 2023 Annual General Meeting (AGM), as incoming CEO I committed to prioritising the transformation of the company towards accelerating shareholder returns. At our annual Investor Day in March, I outlined the strategic focus areas to deliver on this commitment, which all relate to completing the transformation to a capital light fund management model.

These areas of strategic focus – in summary – are:

- Improving cost coverage through improved fund terms and cost management.
- Improving and simplifying our reporting and metrics to better represent the performance accruing to shareholders, the embedded value of the company, and to facilitate benchmarking with our peers.
- Improving capital efficiency towards a capital light asset management model.

This transition is happening against the backdrop of an industry that is maturing rapidly, triggered by significant changes in global capital markets. While we have already achieved many elements of our plans in a relatively short time, we still have further to go.

## Reporting

A cornerstone of the reporting changes has been the transition from our bespoke historical EPV and IEV framework to fair value on a non-IFRS basis. This is the key measure to show and benchmark the company's embedded value and value generation from investments.

We outlined in detail our framework for this at the March 2024 Investor Day and presented the resulting gross portfolio value and Omni Bridgeway-only value of our portfolio.

In addition, we have added Omni Bridgeway-only reporting, both on a cash and pro-forma fair value basis to further facilitate the interpretation of our performance.

The transition to a fair value framework has also allowed us to commence net asset value reporting to fund investors on an audited fair value basis. This has been well received by our existing fund investors and supports our current and future fund capital raising efforts.

In line with our peers and the industry, we have discontinued granular duration related projections. Duration is beyond our control and the resulting fluctuations and deviations have caused too much unhelpful noise around our investment performance. Ultimately, the combination of long term MOIC and IRR are the core metrics for investment performance.

We will continue to simplify and enhance our statutory and other reporting to bring us further in line with alternative asset management industry standards, and to enable easier evaluation of company performance and value.

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## Investment and operational performance

Our company has strong fundamentals, evidenced by our unrivalled 30-year track record of realising superior, uncorrelated investment returns from legal assets.

Our class leading performance was confirmed in FY24. We finished the year with a record 77 full and partial investment completions, which achieved an overall MOIC of 2.7x, well in excess of our long-term track record of 2.2x.

This reflects an acceleration of completions when compared to FY23. Based on the overall maturity of the book and the stages of the individual investments, we anticipate this acceleration to continue, notwithstanding our inability to control the duration of individual investments.

Our investment performance metrics are calculated net of a number of losses and write-offs. Losses are inherent to litigation funding. Even with our high overall success rate, a controlled level of investment losses is to be expected. This risk of loss is factored into our pricing of investments in a way that is analogous to the insurance industry. Indeed, it is that risk of loss that allows us to justify our funding terms to potential funded counterparties.

Also inherent to litigation funding is the fact that investments may be successful or unsuccessful at an initial legal stage yet be reversed in an appeal. During the year, we have had multiple successful and unsuccessful initial decisions that are now subject to appeal, and we have had multiple investments this year that were successfully reversed on appeal.

This is all reflected in our long-term investment track record, which filters out the noise of single initial or intermediate outcomes. Our statutory accounting standards are conservative - we impair investments upon adverse initial or intermediate decisions, notwithstanding the appeal reversal possibility underpinned in many jurisdictions by judicial statistics. Meanwhile, we do not recognise positive initial or intermediate decisions if subject to appeal.

On an operational level, we achieved our strategic ambition to strengthen our position in the critical UK market. The global expansion stage of our platform is now complete, and we will transition to focussing on optimising and leveraging this platform.

The leading position and reputation of our platform was acknowledged by our clients and peers, when we were ranked as the leading funder or band 1 company by the research firm Chambers and Partners, across most markets and disciplines. Legal assets are one of the few alternative asset classes with real barriers to entry; the survey results and fund-raising achievements show the market acknowledges the value we have built.

## Financial performance

Our operating expenses for the year were $89.7 million, well below our target of $95 million. This reflects an 8% year-on year reduction, in the face of approximately 5% cost inflation across our core markets. This result reflects our increased internal focus on cost effectiveness and efficiency.

Despite the persistent high-inflation environment, we anticipate a further reduction of our operating expenses in FY25 to $85 million. This will mostly come from measures already implemented but not fully reflected in this year's operating expenses, and a further focus on reducing the costs of our office infrastructure.

Our fee income increased to $24.8 million which exceeded our target set for the year and updated at the investor day. As a result, our cost coverage ratio (cash opex / fee income only) increased to 28%, exceeding our target for the year.

Based on the anticipated growth of investments and deployments, together with the improved cost coverage terms for funds 4/5 series II and fund 8, we anticipate that fee income will continue to grow. In combination with the operational expense reduction initiatives, this is anticipated to accelerate the improvement of our cost coverage ratio. We have set ourselves a FY28 aspirational target of 70% for cost coverage from fees only.

Pleasingly, we achieved our target of $625 million in fair value from new investment commitments for the year. This was driven by exceeding our target of improving risk adjusted pricing, which is assessed as the fair value added per new dollar of commitment. This increased by 28% for the year, demonstrating our ability to increase capital efficiency by making each dollar work harder.

With the transition to fair value as our investment and portfolio value metric, validating the fair value framework and portfolio value through completions and secondary capital market transactions will be the next focus. The first 34 full completions, including as income yet to be recognised (IYTBR), had a provisional 118% fair value conversion. This is initial evidence of the robustness of our fair value framework, as well of the embedded value of the company's portfolio.

We only transitioned to our fair value framework fully at 31 December 2023 and therefore are not able to provide a pro-forma fair value profit and loss for the full year. However, for 2H24 total fair value profit attributable to OBL amounted to $113.9 million - pre-tax and interest but net of platform costs. This includes the realised and unrealised gains and is reflective of the strong underlying value-generation capacity of our platform.

Omni Bridgeway has strong fundamentals, evidenced by our unrivalled 30-year track record of realising superior, uncorrelated investment returns from legal assets. Our class leading performance was confirmed in FY24.

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We have delivered consistent and superior risk-adjusted returns from a highly diversified global portfolio over multiple decades and economic cycles.

## Market developments

After more than a decade of rapid expansion, with a steady growth of new funds focusing on legal assets, the global legal finance industry has clearly entered a stage of consolidation. Over the past 24 months, multiple funders have discontinued new investment activities altogether, whereas others have significantly reduced their geographic scope. This process is expected to continue for some time, leading to an industry with a few global and regional participants.

This is natural and represents a healthy maturing of the industry. The growth was fuelled by a prolonged period of low interest rates and excess liquidity in the capital markets, and the specific risks of our asset class – including duration – were not always correctly priced in by all providers.

Capital markets have now transitioned into a less benign environment, requiring alternative asset managers to evidence the ability to generate appropriate, risk-adjusted returns through consistent investment performance from a diversified pool of assets. This is a significant driver of the current consolidation.

These same drivers also support an increasing demand for our services and funding. In the current environment, non-recourse funding against risky litigation assets has become relatively more attractive versus utilising higher cost self-funding.

These market developments underline the value we have built with our global platform, as evidenced by our unique track record. We have delivered consistent and superior risk-adjusted returns from a highly diversified global portfolio over multiple decades and economic cycles. Combined with the unique demands of originating, pricing and managing legal assets, legal asset finance is one of a few alternative asset classes with real barriers to entry.

Supported by our platform and track record, we successfully launched the first tranche of our innovative fund 8 and completed the first closing of our funds 4/5 series II. All initial commitments came from existing and prior fund investors who are among the leading alternative and legal assets investors globally. We have subsequently added new investors to our client base – a process that will continue. This fund-raising performance, in arguably the most difficult year in capital markets in the last decade, again underlines the value of our platform and unique track record

## ESG and regulation

Access to justice is a fundamental pillar of a functioning society. However, access is constrained for many prospective litigants. It requires capital, may take a long time and carries significant financial risks. Unfortunately, that causes asymmetry in access to justice based on the differences in financial capacity between plaintiffs and defendants, whether sovereigns, corporates or consumers.

The asymmetry is even more pronounced in class actions, group claims and other collective redress proceedings. In these instances, many smaller claim holders – often consumers – have been wronged as a group with substantial collective damage, but their individual claims are too small to reasonably justify carrying the financial risks and burden of litigation. These collective proceedings often relate to matters in which significant environmental, social and governance (ESG) breaches are addressed. Environmental pollution matters, cartel behavior and large-scale data breaches are three timely examples of underlying intentional and egregious conduct.

Legal finance and litigation funding addresses this asymmetry and actively supports access to justice, whilst contributing to ESG causes. Our team is proud to support the matters we fund and the ESG impacts they have.

However, this financial 'levelling of the playing field' is rarely welcomed by those who benefit from the financial asymmetry. Initiated and sponsored by large corporate interests such as the US Chamber of Commerce, there are regular global attempts to reverse the progressive tide that has enabled legal finance. This typically takes the form of sponsored political initiatives aimed at regulating and restricting legal finance, but the ultimate aim is always to limit access to justice for wronged plaintiffs. These redress stifling initiatives are generally characterised by three broad allegations: litigation funding causes an increase in frivolous claims; litigation funding lacks transparency; and litigation funding fees are excessive and require capping.

Our long track record of successful outcomes contradicts the frivolous claims allegation. Defendants do not settle frivolous claims and will have such matters assessed by Courts. Courts do not support non-meritorious claims and do not like the court systems to be abused. Such claims will be rejected – with costs – and no business would be viable if based on funding such claims.

Omni Bridgeway has been listed on the ASX for over 20 years with the associated high transparency requirements in sources and uses of capital. We are arguably more transparent than the majority of the defendants in the matters we support.

The costs of legal finance are a direct function of the costs of running the legal proceedings. Unfortunately, these costs are driven largely by the legal strategy of the defendants to make costs not proportional to claim size. Delay and cost-increasing strategies are regularly used to create litigation fatigue and drive claimants to their financial limits. In that context, it is rather cynical for a defendants' lobby to argue for fee capping, if that would again allow them to outspend the claimants or make smaller claims unviable.

A more recent criticism of litigation funding is that it is a driver of 'social inflation', referring to the increasing insurance costs resulting from legal claims. This is a gross misconception – in fact, the reverse applies. Social inflation is not caused by litigation funding. Rather, it is the result of the damage caused to society by unchecked cartel behaviour and other antitrust offences; by breaches of environmental and governance regulations; and the long-term negative impact on innovation by infringements of patents. A proper functional legal system, with legal finance allowing access to justice independent of the litigants' financial means, provides for an effective mechanism to both address damage caused and deter future damage.

So far, common sense has prevailed globally. Regulation discussions have generally resulted in proportionate regulation, or regulatory confirmation of the added value of the industry. Given the interests at stake, further calls for regulation will certainly follow. It is important to carefully review the motives and interests of those initiating and driving such calls.

I encourage those interested in the topic to read about the UK Post Office Scandal (not funded by Omni Bridgeway) on the intentional cost increasing defence strategies used, the role of legal funding and the dynamics around regulation in the aftermath.

## Strategic objectives

Our board and management believe strongly that the current share price is not reflective of the embedded fair value of OBL's assets, nor of the value of our leading global fund management platform for legal assets.

The company is developing and pursuing options to reverse this valuation gap, through accelerated validation and release of the embedded fair value through the secondary capital markets.

Through these means, the company also aims to align its balance sheet towards a more capital light fund management model, including reducing net debt and the associated interest charges.

## Board developments

Alongside the company, our Board is also in a transition phase. Following November's 2024 AGM, Michael Kay will have completed an impressive 10-year tenure as our Chair. In line with governance guidelines, he will not stand for re-election and will retire as Chair and board member.

The Board has resolved to elect Michael Green as the incoming Chair at the AGM. Michael brings with him more than 20 years of experience in the global investment industry, including as a global CEO renowned for developing and growing two successful international fund and asset management businesses.

The Board will continue with three non-executive directors and the managing director. In early calendar year 2025, we will evaluate the possible addition of a non-executive director.

## Acknowledgements

I would like to thank all my colleagues globally for their contribution to our successes and achievements and for their dedication to the changes of the past year, as we move towards even greater success. Their hard work is reflected in this year's investment results, as well as the market leadership of our platform.

I extend my thanks to our Board, particularly our outgoing Chair, Michael Kay. I have greatly valued his experience and support over the past years.

I am also grateful to our fund investors for their ongoing loyalty and commitment to our investment platform.

Finally, to our valued shareholders – I thank you for your support and repeat our singular commitment to accelerating shareholder returns.

**Raymond van Hulst**
Managing Director &
Chief Executive Officer

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# ESG and corporate social responsibility

We are committed to good stewardship of investor funds and believe that making a positive impact on the societies in which we operate is an integral part of delivering long term value for our stakeholders.

## Environmental

Notwithstanding that our business has a comparatively limited environmental impact, we are focused on reducing our environmental footprint relating to travel, building premises and energy consumption.

Omni Bridgeway has adopted a local 'boots-on-the-ground' approach to business development, jurisdictional know-how, and origination of investment opportunities with our employees working from 24 global locations as opposed to a 'fly in, fly out' strategy. This is achieved through a combination of fully remote and hybrid in-office roles, allowing us to attract and retain top talent, be the largest global funder by headcount and geographic coverage but reduce our reliance on global travel, resulting in a lower carbon footprint.

During FY24, we have continued our end-to-end carbon offsetting travel solution for our Australian and North American teams to help us reduce our carbon footprint. This program delivers a set of tools for making sustainable travel decisions.

Across our business, we encourage our employees to adopt work practices that promote environmental sustainability, including providing recycling programs, digital filing and electronic invoicing systems, and use of water and energy savings devices.

In future years, we will look to provide quantitative data, where available, in line with evolving regulatory requirements.

## Social

### Diversity & inclusion

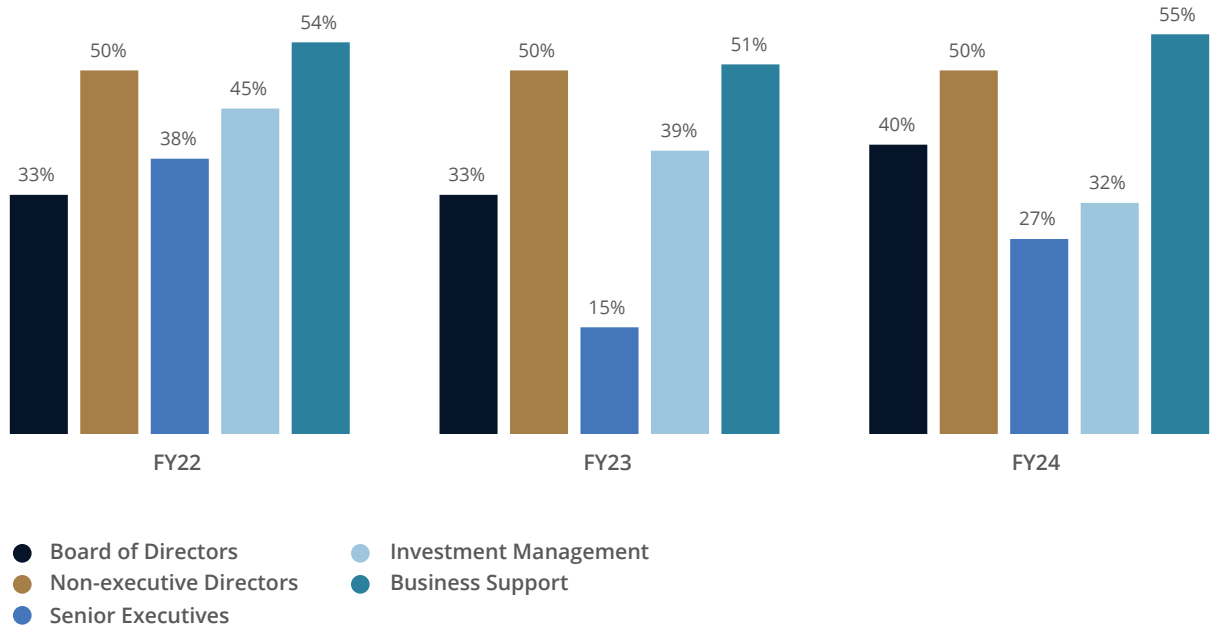
#### Gender representation

Omni Bridgeway supports female representation at senior leadership and Board levels. We have set a measurable objective of having 30% or more of our directors identifying as female.

#### Racial and ethnic representation

Omni Bridgeway does not currently ask all employees to self- report race and ethnicity data. However, the US region does collect this information for compliance with the US Equal Employment Opportunity Commission (EEOC) requirements. To comply with the SASB reporting framework, this information is reported for US employees in FY24.

**Female representation over time**



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## Governance

### Approach to the incorporation of ESG factors

Omni Bridgeway is dedicated to responsibly managing investor funds and recognises that contributing to the communities where we operate is essential for creating sustainable value for our employees, investors, and stakeholders. We integrate ESG practices across our business to enhance value creation, ensuring they are tailored to the scope and scale of our operations.

As per previous years, this ESG statement has been prepared according to the globally recognised reporting standard provided by the Sustainability Accounting Standards Board (SASB) and its guidance for companies in the Asset Management & Custody Activities sector. As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards. Omni Bridgeway is aware of the recently announced mandatory climate disclosures based on the ISSB climate standard, IFRS S2 and has commenced taking steps to seek appropriate advice on governance, risk management, strategy, transition planning and determining appropriate metrics and targets.

#### Amount of Fair Value (FV) that considers ESG factors

Omni Bridgeway provides funding to claimants across a broad spectrum of industries and circumstances. Our work in the area of class actions is the most visible example of an ESG investment, given that the benefits arising from a successful judgment or settlement can positively affect large numbers of people. Funded Class Actions (including conditional and Investment Committee (IC) approved investments) represented 28% of global portfolio FV as at 30 June 2024.

The investment criteria for Fund 6 includes screening to prohibit the financing of investments that have negative ESG characteristics. Inclusive of conditionally approved and IC approved investments, Fund 6 investments represented 17% of global portfolio FV as at 30 June 2024

### Transparent information & fair advice to clients

#### Communication with stakeholders

Omni Bridgeway is an ASX-listed company committed to open and transparent communication with its shareholders, regulators and other stakeholders. This includes regular engagement with investors in its funds. Investors receive comprehensive portfolio reports on a quarterly basis, and for some earlier funds, monthly.

We adhere to a Continuous Disclosure Policy, available on our website, which outlines the procedures in place to ensure that financial markets are properly informed of matters that may materially impact the trading price of our securities.

Beyond periodic market-sensitive announcements throughout the year, Omni Bridgeway regularly engages with the market to communicate its financial results and fund performance updates. Following financial disclosures in February and August, the Managing Director & CEO and Global CFO engage directly with shareholders, sell-side analysts, and institutional investors through one-on-one and group meetings, both virtual and in-person, often hosted by brokers. They also present at broker-hosted conferences and participate in ad-hoc roadshows throughout the year.

Omni Bridgeway maintains a dedicated investor section on its website, providing access to all ASX announcements and documents released to the ASX as part of its market communication strategy.

#### Proxy voting and investor engagement

Shareholders are encouraged to ask questions of their directors at the Annual General Meeting and other shareholder meetings called by the Company, or to contact the Company Secretary to discuss matters related to corporate governance or any other issues. The external auditor also attends each Annual General Meeting and is available to answer questions from security holders.

From time to time the Company engages third-party service providers to assist with developing communication strategies, engaging proxy advisory firms, and identifying our largest institutional investors. We ensure that all stakeholders receive the information they need in a timely and transparent manner.

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## Governance policies

Omni Bridgeway is committed to the highest standards of conduct and responsible corporate citizenship. It is crucial for us to lead by example with a robust corporate governance framework, which is essential for effective compliance and risk management. To achieve this, we maintain clear and effective governance policies and procedures, which are regularly updated and detailed in our Corporate Governance Manual. The Board is dedicated to embedding these policies and principles into the culture of our global organisation.

Omni Bridgeway has adopted a Code of Conduct that identifies the standard of ethical conduct expected of all Omni Bridgeway directors, employees, consultants, secondees and contractors (Personnel). The Code of Conduct describes the Company's objectives, values and standards of behaviour that Personnel must apply to all business practices and is reinforced by policies such as our Whistleblower Policy, Anti-Bribery and Corruption Policy, and Securities Trading Policy. In line with these policies, Omni Bridgeway does not knowingly participate in or promote the avoidance or evasion of tax by a third party.

As part of our commitment to maintaining high standards of conduct and ethical behaviour, Omni Bridgeway has adopted a Whistleblower Policy, accessible on our website. This policy encourages employees and other stakeholders to report any 'reportable conduct,' including misconduct, corporate corruption, bribery, and fraud, to designated management.

All reports are treated confidentially in accordance with the policy. Currently, we do not manage tip-offs through a third party. All employees receive initial and periodic training on the Whistleblower Policy. The policy undergoes an annual review, and any changes are communicated to all staff.

The Company confirms that it did not incur any monetary losses during FY24 due to legal proceeding associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.

Our Compliance Program encompasses regulatory identification and change management, regulatory relationship management, new risk assessments, monitoring and testing, breach and incident identification, analysis, regular and periodic employee training, and reporting.

The Board, supported by the Audit and Risk Committee, sets Omni Bridgeway's risk appetite and oversees the approval of risk management strategies, policies, and internal compliance and controls. Management is responsible for executing risk management, assessing internal compliance and control procedures and provides regular reports to the Board and Audit and Risk Committee on the effectiveness of the Company's risk management practices. The Company considers the AS/NZS ISO 31000:2018: Risk Management – Guidelines and the latest edition of the ASX Corporate Governance Principles and Recommendations when developing its risk management processes and practices.

We have consistently invested in cyber resilience and adopted a comprehensive IT and Cybersecurity Risk Management Policy outlining our policies and procedures. Our organisation leverages the NIST Cybersecurity Framework to guide decision-making and aims to achieve a tier 3 rating across all areas. This approach integrates industry standards and best practices to effectively manage cybersecurity risks. In addition, we assess our employees' susceptibility to phishing attacks through simulated campaigns, strengthening our security culture to reduce the risk of successful phishing attacks with our comprehensive reporting and targeted training.

### Grievance policy

Omni Bridgeway places great importance on ensuring a fair and equitable workplace. Employees have the right to a work environment free from bullying, discrimination, and harassment. Our Complaints Resolution Process allows employees to raise concerns without fear of retribution and facilitates corrective action when necessary. Additionally, we have dedicated Positive Workplace Contact Officers who provide support to employees outside of HR or their management line.

# Directors' report
## Board of Directors

### Michael Kay
**Non-Executive Chairman**

**Appointed** July 2015

**Committee membership** A C N

Bachelor of Laws
(University of Sydney, Australia)

Michael Kay has been the Non-Executive Chairman since July 2015. He brings a wealth of commercial experience, with a sound track-record of building successful businesses.

In his last executive role, he was Chief Executive Officer and Managing Director of salary packaging company McMillan Shakespeare Limited. He was previously Chief Executive Officer of national insurer AAMI and before that spent 12 years in private legal practice.

**Directorships of other listed entities within the past three years**

- Chairman and Non-Executive Director of City Chic Collective Limited (ASX: CCX) (appointed October 2018)

### Raymond van Hulst
**Managing Director and Chief Executive Officer**

**Appointed** April 2020

**Committee membership** n/a

Masters of Business Administration (INSEAD)
Masters in Management (University of Groningen, The Netherlands)

Raymond van Hulst was appointed as Executive Director in 2020 and Managing Director and CEO in October 2023.

Mr van Hulst has over 20 years' experience within Omni Bridgeway in structuring and managing innovative solutions for complex and high value legal finance and enforcement matters. In prior roles he has acted as CIO for EMEA, headed Omni Bridgeway's Investment Committee for several funds, and was an executive director on the board.

Mr van Hulst has established and raised multiple institutionally backed funds aimed at funding legal disputes and enforcement matters, including in joint venture with the International Finance Corporation, part of the World Bank for the Distressed Asset Recovery Program.

Mr van Hulst also led Omni Bridgeway's acquisition of its German funding business, Roland ProzessFinanz, in 2017, and the merger between IMF Bentham and Omni Bridgeway in 2019.

Mr van Hulst was previously with ABN AMRO Bank Structured Finance, based out of India and Europe.

**Directorships of other listed entities within the past three years**

Nil

### Karen Phin
**Non-Executive Director**

**Appointed** August 2017

**Committee membership** A C N

Bachelor of Arts and Bachelor of Laws (Honours) (University of Sydney, Australia)
Graduate Australian Institute of Company Directors

Karen Phin has over 25 years' experience advising Australian listed companies on capital management, capital raisings and mergers and acquisitions. Until 2014, Ms Phin was a Managing Director and Head of Capital Advisory at Citigroup in Australia and New Zealand. Prior to joining Citigroup, she spent 12 months at ASIC as a Senior Specialist in the Corporations group. From 1996 to 2009, Ms Phin was a Managing Director at UBS AG, where she established and led the Capital Management Group.

**Directorships of other listed entities within the past three years**

- Non-Executive Director of ARB Corporation Limited (ASX: ARB) (appointed June 2019)
- Non-Executive Director of Magellan Financial Group Limited (ASX: MFG) (retired September 2022)
- Member of the Takeovers Panel (since 2015)

### Christine Feldmanis
**Non-Executive Director**

**Appointed** November 2018

**Committee membership** A C N

Bachelor of Commerce
(University of Wollongong, Australia)
Master of Applied Finance
(Macquarie University, Australia)
Fellow of the Australian Institute of Company Directors
Trustee Fellow of the Association of Superannuation Funds of Australia
Senior Fellow of the Financial Services Institute of Australasia
Certified Practising Accountant

Christine Feldmanis is a qualified accountant, investment, governance, and risk management specialist with over 30 years' experience in the finance and investment industry. Ms Feldmanis was previously Managing Director of an ASX-listed boutique funds management incubator business and Chief Finance Officer of the NSW Treasury Corporation.

**Directorships of other listed entities within the past three years**

- Non-Executive Director of United Malt Limited (ASX: UMG) (appointed January 2023-November 2023)
- Non-Executive Director of Bell Financial Group Ltd (ASX: BFG) (appointed February 2020)

### Committee membership

- A Audit and Risk Committee
- C Corporate Governance Committee
- R Nomination and Remuneration Committee

Chair of Committee
Member of Committee

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## Michael Green

**Non-Executive Director**

**Appointed** April 2023

**Committee membership** A C N

Bachelor of Arts (honours) Economics (University of Exeter, UK)

Michael Green has over 20 years' experience in the global investment industry. Mr Green was International CEO for both Morgan Stanley Investment Management and for American Century Investments where he was a member of their respective Executive Management Committees and was a board member for a number of local entities and global fund structures. From 2020 to 2023, Mr Green became a co-opted non-executive member of the Investment Oversight Committee for the London CIV, the local government pension fund asset pooling company.

**Directorships of other listed entities within the past three years**

- Chairman, Non-Executive Director, Independent Trustee and Head of the Investment Committee of Lloyd's of London Pension Scheme (LON: LLOY) (appointed May 2007)

# Officers

## Guillaume Leger

**Global Chief Financial Officer**

**Appointed** August 2022

Graduate Diploma Public Accounting (HEC Montréal)
Bachelor Accounting Sciences (Université du Québec à Montréal)

Guillaume Leger oversees the company's global financial operations including investor relations, capital raising, financial planning, treasury, corporate development and financial reporting.

Mr Leger was formerly the Group Controller for Circle K – Alimentation Couche-Tard, Inc., a publicly traded Fortune 200 company. Mr Leger also previously served as CFO at Citigroup in Hong Kong after holding a range of senior positions across Citigroup's business in North America, Asia, New Zealand, Australia and Brazil.

His early career included progressive roles within PwC and Deloitte, starting in 1996. He is a CFA Charterholder and a Canadian CPA.

## Jeremy Sambrook

**Global General Counsel and Company Secretary**

**Appointed** January 2016

Bachelor of Laws (University of Bristol, United Kingdom)

Jeremy Sambrook is an experienced corporate lawyer with a broad in-house legal and private practice background, having practised in the UK, Hong Kong, the Channel Islands and Australia.

Mr Sambrook was appointed as General Counsel and Company Secretary in 2016 and has built out the global legal, compliance and risk function, in line with the international growth of the business, to a team of legal and compliance specialists across APAC, North America and EMEA.

## Industry recognition

Omni Bridgeway's industry accolades continued to grow in FY24. We received the most recognition of any litigation funder by Chambers and Partners, a third-party market research report based solely on client, market, and peer feedback.

**200+** People

**15** Countries

**24** Locations

**35+** Years

**35+** Languages

## Operating and financial review

### Principal activities

The Group's principal activities were:

- the investment into, and management of, Funds (or Fund-like structures) that are focused on investing into litigation, dispute resolution and enforcement matters globally; and
- the continued holding of direct investments into similar litigation, dispute resolution, and enforcement matters.

The Group invests by entering into funding agreements with claimants, liquidators, banks, creditors, or law firms to provide funding, recovery, enforcement and associated services; or purchasing awards, claims or rights to action, non-performing loans and distressed debt.

Overlaying the principal activities is the Funds management aspect of the Group that:

- provides services to external third party capital;
- generates recurring management and service fees; and
- provides the opportunity for further return through performance fees depending on a Fund's performance.

There were no significant changes to the principal activities of the Group during the year.

### Nature of operations

The Group is an alternative asset manager investing in legal risk assets which are typically non-cyclical and uncorrelated to underlying economic conditions.

Since 2017, investment activities are undertaken through its Funds management platform extending to the Americas, APAC and EMEA regions:

- **Funds 1, 2&3** – First Generation Funds – were established by the Group in 2017 with a European distribution waterfall and a preferred return to external Fund investors. Fund 1 was deconsolidated on 31 May 2023 following the sale of a participation in Fund 1 assets and is now recognised as an investment in associates. Funds 2&3 are consolidated within the Group Consolidated Financial Statements with distributions to OBL including a management fee and a residual profit share that eliminate upon consolidation, whilst the NCI component will vary depending upon the status of the NCI distribution waterfall.
- **Fund 4 and Fund 5** – Second Generation Funds – were established by the Group in 2019 with an American distribution waterfall, periodic management fees and transactional performance fees. Fund 4 investments are consolidated into the Group, with external investors' share shown as NCI. Fund 4 management and performance fees are charged to the investors of Fund 4 and therefore appear in the Consolidated Statement of Comprehensive Income. Fund 5 is brought in at the Group's attributable 20% share of income, assets and liabilities with no associated NCI. Fund 5 management and performance fees are included in the Consolidated Statement of Comprehensive Income.
- **Fund 6 and Fund 7** – purchased by the Group in 2019 through the acquisition of OBE - have a hybrid deal-by-deal and Fund level waterfall together with management fees.
- **Fund 8** – is an insured leveraged structure focused on global enforcement.

The waterfalls and fee structures in the various Funds in part determine the attribution of profits, net assets and distributions between the Group's equity holders and non-controlling interests.

Whilst the Group manages the Funds' investment activity, diversification and opportunities using third party capital, it is a committed litigation investment funder in its own right, holding a meaningful capital interest (5%-25%) in each Fund, with the exception of Fund 1 where the Group holds an entitlement to distributions on completed investments as per its waterfall.

Whether by direct investment or via a Fund structure, the objective is to successfully complete (e.g. by settlement, court judgement, arbitral award or enforcement recovery) litigation investments. The successful completion of an investment and the timing of that completion is, in many respects, beyond the Group's control and it may take several years between making an initial investment and finalising a completion.

The Group is also able to sell a partial or full interest in litigation investments into the secondary market rather than continuing to hold the entirety of the investment through to completion. Secondary sales improve the liquidity, mitigate completion and duration risk of these investments while also accelerating realisations and retaining most of the upside potential.

If the underlying litigation, arbitration, recovery or enforcement action is successful, the Group earns a return from the resolution sum obtained.

Where the Group has purchased the award, claim or right to action, non-performing loan or distressed debt the return will be the resolution sum less any legal or professional fees and any residual success fee component to the vendor. Otherwise, the resolution sum is shared with the funded client(s) in accordance with the contracted funding terms. The share to the Group will generally be the amount invested plus a return defined as either:

- a multiple of the amount invested; or
- a percentage of the realised amount; or
- a combination of the above.

In some instances (e.g. Australian class action litigation) the presiding court or tribunal of the underlying litigation may be involved to approve a settlement and that involvement can extend to consideration of the litigation funding terms.

Generally, the multiple or percentage return to the Group increases as the duration of an investment extends. If the underlying litigation, arbitration, recovery or enforcement is unsuccessful the Group generally does not generate any financial return.

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## Operating and financial review (continued)

In certain jurisdictions, the investment terms may require the Group to pay an amount of adverse costs to the litigation counterparty. In certain circumstances, the Group can obtain insurance to protect any of deployed capital, commission and adverse costs exposure.

### Employees

At 30 June 2024, the Group employed 202 permanent staff (2023: 224).

### Operating results for the financial year

The Group made a profit after tax (before NCI) for the year of $30.5 million (2023: $0.9 million) and a loss attributed to equity holders of $87.5 million (2023: $31.7 million). This is reflective of the variability of returns from investments with binary outcomes and non-linear periods for completions.

The total gross proceeds and investment revenue in FY24 was $220.0 million. This reflects the Group's consolidated share of Fund 5 at 20%, at 100% the value was $248.3 million[1].

The Group's geographic and asset diversification assists in mitigating the risk of any increased competition or regulatory intervention arising in any one region. New commitments are the investment into future income streams and enable the Group to achieve economies of scale to diversify risk and provide superior risk adjusted returns in this asset class.

The year ending 30 June 2024 includes $631.2 million in new commitments or equivalent value, prioritising value over volume to reflect potential for improved pricing on new commitments. This includes $11 million of external non-Funds capital for new investments originated and managed by OBL. OBL will be entitled to separately agreed management and performance fees on such external non-Funds capital.

Commitments reflected an approximately 28% higher pricing compared to FY23, based on the NPV of loss-adjusted probability-weighted investment cashflows per dollar of new commitments for the total portfolio.

Costs in the year were consistent with targets. Employee expenses decreased 14% on the prior year, the change predominately relates to headcount rationalisation to 202 people from 224 at 30 June 2023. Corporate overheads reflect resumed levels of pre-COVID-19 expenditure for certain categories, new operating locations and investment in marketing efforts.

*Excerpts from Consolidated Statement of Comprehensive Income for the year ended 30 June 2024*

| | 2024 $'000 | 2023 $'000 | Change % |
|---|---|---|---|
| Gross proceeds and investment revenue[1] | **219,988** | **231,552** | (5%) |
| Costs of derecognition or disposal of litigation investments | **(32,186)** | **(129,541)** | (75%) |
| Other revenue and income | **17,606** | **14,799** | 19% |
| **Total income** | **205,408** | **116,810** | **76%** |
| Other expenses, fair value adjustments and tax | **(174,921)** | **(115,948)** | 51% |
| **Profit after tax** | **30,487** | **862** | **3437%** |

1. Gross proceeds and investment revenue is calculated as the sum of proceeds on derecognition of litigation investments – intangible assets, proceeds on derecognition of litigation investments – purchased claims, revenue from litigation investments – claims portfolio and gross proceeds from litigation investment in associates for the consolidated group. It is categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, issued in December 2011. The $219.9 million reflects the Group's 20% interest in Fund 5. If the 80% attributable to external investors of $28.4 million had been included, the total would be $248.3 million.

Refer to Appendix for more detail on non-IFRS disclosures.

### Non-controlling interest (NCI)

The loss attributable to the Group's equity holders in FY24 was $87.5 million with a profit of $118.0 million attributable to NCI. This disproportionate attribution is primarily due to the status of the First Generation Funds' distribution waterfalls which prioritised the return to NCI during the period. For Funds 2&3, the NCI portion is dependent on the status of the waterfall which progresses from initially 100% going to NCI, and then 100% to OBL and finally a back end profit share.

### Consolidated Statement of Financial Position

*Litigation investments*

At 30 June 2024, the carrying value of litigation investments was $679.9 million (2023: $596.7 million) with more than 300 active litigation investments. This reflects the Group's consolidated share of Fund 5 at 20%. At 100%, the value was $896.3 million (2023: $741.8 million).

All investments are generally carried at cost, except for litigation investments - investment in associates, which was recognised at fair value at date of deconsolidation of Fund 1 and partial sale of Fund 4 assets. There is typically a lag between investment commitment and capital deployment.

*Working capital*

| | 2024 $'000 | 2023 $'000 | Change % |
|---|---|---|---|
| Current assets | **267,235** | 266,725 | —% |
| Current liabilities (excluding debt)[1] | **129,086** | 103,727 | 24% |
| **Net working capital** | **138,149** | **162,998** | **(15%)** |
| Working capital ratio | **2.1:1** | 2.6:1 | (19%) |

1. Current liabilities exclude debt for the purposes of calculating the working capital. There was no debt due within 12 months as at 30 June 2024 or 30 June 2023.

## Operating and financial review (continued)

### *Profile of interest-bearing debt*

The profile of the Group's interest-bearing debt at 30 June 2024 is summarised in the table below.

| | 2024 $'000 | 2023 $'000 | Change % |
|---|---|---|---|
| Leases | **3,870** | 2,933 | 32% |
| Current | **3,870** | **2,933** | **32%** |
| Borrowings | **254,813** | 181,639 | 100% |
| Leases | **13,112** | 15,008 | (13%) |
| Non-current | **267,925** | **196,647** | **36%** |
| **Total interest-bearing debt** | **271,795** | **199,580** | **36%** |

### *Debt*

The Group's debt facility was fully drawn down during the period utilising the availability period optimising its medium term capital management. The $250 million facility is provided by Northleaf Capital Partners and Pacific Equity Partners.

The facility terms include a variable rate of interest based on the BBSW Bid rate plus a fixed margin of 7.00% per annum, a maturity date of 1 July 2027, a security interest over all present and after-acquired property of OBL and guarantees and security provided by certain wholly owned subsidiaries.

As at 30 June 2024, the drawn components of the combined facility are classified as non-current borrowings.

### Consolidated Statement of Cash Flows

The consolidated Statement of Cash Flows illustrates that there was an increase in cash and cash equivalents for the year ended 30 June 2024 of $18.9 million (2023: decrease of $42.0 million).

In relation to the movement in cash:

- Operating activities: $87.9 million net cash outflows (2023: $130.4 million)
- Investing activities: $62.1 million net cash inflows (2023: $30.6 million)

Across both operating and investing activities per IFRS classifications, the aggregate cash flows include:

- Proceeds from litigation investments: $221.5 million
- Management and performance fee proceeds: $18.7 million
- Payments for litigation investments: $175.8 million

Financing activities $47.5 million net cash inflows (2023: net cash inflows $57.8 million) include:

- Contributions from NCI: $110.2 million
- Distributions to NCI: ($128.9) million

## Investment activity

### FY24 overview

Commitments and completions are the key drivers of our business and they continued to grow in FY24, demonstrated by a particularly strong last half year. Key metrics and highlights included:

- Generated investment income in FY24 of $389.2 million, reflecting Fund 5 at 100%, (from income recognised, income yet to be recognised (IYTBR) and secondary market transactions), with $65.0 million provisionally attributable to OBL. The gross proceeds and investment revenue of $220.0 million in the Consolidated Financial Statements reflects the Group's consolidated share of Fund 5 at 20%.
- During the year, new commitments of $483.9 million were made to 67 new matters as well as to a number of matters with increased investment opportunities. This includes $12.0 million of external co-fundings for new investments originated and managed by OBL. OBL will be entitled to separately agreed management fees and performance fees on such external co-funding.
- Pricing at materially improved levels, up 28% for FY24 compared to FY23.
- OBL cash and receivables of $121.4 million at 30 June 2024.
- Full transition from EPV to fair value has been completed.
- For the full year, 38 full completions, 25 partial completions and one secondary market sale were fully recognised, and 9 full completions and 4 partial completions were recorded as IYTBR, resulting in total proceeds of $358.8 million for the year, with $62.0 million provisionally attributable to OBL (excluding management and performance fees).
- The overall MOIC on these 77 full and partial completions during the year (including IYTBR and the secondary market sale) was 2.7x, considerably above our long-term average of 2.1x.

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## Investment activity (continued)

### Secondary market sales

The Group continues to utilise secondary market sales as a risk management strategy to reduce duration and completion risks, while enhancing liquidity and internal rates of return. During the year, we completed the sale of a 25% interest in a portfolio of 15 intellectual property (IP) investments (Investments) in Fund 4 for initial cash proceeds of US$21.5 million, representing a multiple on invested capital (MOIC) of 2.0x of the apportioned aggregated deployments to date. The purchaser will receive a preferred return on its deployments alongside OBL, beyond which OBL retains further profit rights on the 25% interest.

Upon completion of the sale, each of the investments were treated as partial completions in our fund and performance reporting. The Fund 4 IP portfolio was deconsolidated and resulted in a net gain before non-controlling interests (NCI) of approximately US$51.0 million EBITDA (after NCI of approximately US$4.6 million EBITDA) before management and performance fees. The residual interest in the Investments is recognised as "Litigation Investments - investment in associates" within the Group Consolidated Financial Statements.

### Fund summary and distribution profiles

The majority of our 310 investments (including conditional and IC approved investments) reside within a Fund, with less than 2% of total investments remaining on the Group's Consolidated Statement of Financial Position with a minimal carrying value of $12.8 million.

The Funds 2&3 structure provide OBL shareholders with a back-end return of our capital and a substantial profit share, which we will attribute to OBL in future periods.

Our Second Generation Funds, Fund 4 and Fund 5, are demonstrating good progress and will generate returns and fees when the funds are more mature, further completions occur and performance crystallises the outcome from the waterfall.

#### *Fund 1*

OBL's residual interest in Fund 1 is recognised as an investment in associate within the Group Consolidated Financial Statements. Fund 1 operational metrics, effective from 1 June 2023 are not disclosed.

#### *Funds 2&3*

Funds 2&3 is fully committed and in harvest mode.

There is $117 million capital and returns outstanding to the Fund NCI at 30 June 2024.

#### *Fund 4 and Fund 5*

Fund 4 Series I's commitment period ended on July 18 and we are now allocating to Series II exclusively for US matters.

Fund 5 continues to deploy to the Series I investments and we are now starting to allocate investments to Series II whilst continuing our capital raising initiatives.

#### *Fund 6*

Fund 6 is in harvest mode.

#### *Fund 7*

Fund 7 has been restructured and discontinued.

#### *Fund 8*

Fund 8 completed its €135 million first tranche of debt capital raising in September 2023 and is currently in its commitment period.

#### *Fund distribution profiles*

The following is a Fund summary and distribution profile at 30 June 2024:

| | | | Fund Breakdown | | | | | | | Outstanding amounts yet to be attributable to | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| At 30-Jun-24 | Committed | Fund size | Recycling | Capital Deployed | Capital Committed - Undeployed | Capital uncommitted | Other Costs | Total capital called | Total distributions (capital and returns) | NCI (A$) | OBL (A$) |
| Funds 2&3[1] | 100% | A$189m | – | A$150m | A$21m | (A$5m) | A$23m | A$180m | (A$92m) | A$117m | A$44m |
| Fund 4 | 80%[7] | US$500m | US$77m | US$279m | US$184m | US$19m | US$18m | US$302m | (US$154m) | A$172m | A$45m |
| Fund 5[2] | 84%[7] | US$500m | US$32m | US$205m | US$244m | US$12m | US$39m | US$241m | (US$54m) | A$227m | A$54m |
| Fund 4 & 5 series II[3] | – | US$507m | – | – | – | – | – | – | – | – | – |
| Fund 6[4,5] | 100% | €188m | €57m | €120m | €33m | €36m | €56m | €98m | – | A$150m | A$8m |
| Fund 8[6] | 19% | €150m | – | €2m | €18m | €122m | €8m | €9m | – | A$16m | A$1m |
| **Funds total** | | | | | | | | | | A$682m | A$152m |

1. Fund 2&3 capital uncommitted represents the residual amount of the over commitment allowance.
2. Fund 5 is not consolidated within the Group Consolidated Financial Statements; here it is presented at 100%.
3. Inclusive of OBL's co-funding. 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).
4. Data for Fund 6 is current at 30 June 2024.
5. Fund size is €150m plus an over commitment allowance of 25%.
6. The principal protection insurance extends the indemnity to €270 million which facilitates a second series or an upsize of series I.
7. Other costs can be offset against investment profits, which has resulted in an increase in remaining fund capacity.

## Investment activity (continued)

### Fund performance

The following table demonstrates MOIC and IRR for full and partial investment completions.

| | Current funded investments[1] | | Completed investments[7,8] | | | | |
|---|---|---|---|---|---|---|---|
| | # of ongoing investments | Average duration | # of completed investments | Average duration | Success rate $ weighted average | MOIC | IRR |
| Fund 1[2] | – | – | 35 | 3.5 yrs | 69 % | 1.35 x | 17 % |
| Funds 2&3 | 21 | 5.2yrs | 19 | 1.9 yrs | 56 % | 2.16 x | 81 % |
| Fund 4[3] | 42 | 2.0yrs | 19 | 1.5 yrs | 68 % | 1.34 x | 16 % |
| Fund 5[4] | 86 | 1.8yrs | 16 | 2.0 yrs | 70 % | 2.02 x | 50 % |
| Fund 6[5] | 125 | 8.7yrs | 252 | 3.4 yrs | 71 % | 3.25 x | 177 % |
| Fund 8 | 7 | 0.7yrs | 1 | 0.9 yrs | 100 % | 26.75 x | >500 % |
| Balance sheet[6] | 4 | 11.3yrs | 197 | 3.0 yrs | 78 % | 2.71 x | 80 % |
| **Total** | **285** | **5.2yrs** | | | | | |

1. Includes current unconditional investments and those disclosed as income yet to be recognised.
2. Fund 1 was deconsolidated on 31 May 2023. The residual interest in Fund 1 is recognised as an investment in associate within the Group Consolidated Financial Statements. The completion metrics do not include partial completions.
3. Following the sale of a participation in Fund 4 investments which completed in December 2023, the Fund 4 IP portfolio has been derecognised within the Group Consolidated Financial Statements.
4. Fund 5 is not consolidated within the Group Consolidated Financial Statements, here it is presented at 100%.
5. Fund 6 completions metrics are calculated in fund currency and exclude partial completions.
6. IRR information prior to FY12 is not available due to the limitation of the legacy systems.
7. Reflects completions in Funds 1 to 6 and OBL balance sheet since inception. Fund 1 includes metrics up to 31 May 2023, the date of its deconsolidation.
8. Includes partially completed investments and secondary market sales.

| Reconciliation to Consolidated Statement of Comprehensive Income | 2024 A$m | 2023 A$m |
|---|---|---|
| Consolidated Group | | |
| Litigation investments proceeds | 216.8 | 235.7 |
| Proceeds from secondary market transaction | 31.5 | 47.7 |
| **Litigation income proceeds (grossed up to include all Funds at 100%)** | **248.3** | **283.4** |
| Management fees | 24.8 | 16.5 |
| Interest revenue and other | 3.9 | 7.2 |
| Total gross income and revenue | **277.0** | **307.1** |
| Third party income from sale of investment vehicle | – | 86.6 |
| Less third party interest of Fund 5 | (28.4) | (51.8) |
| Management fee - non statutory cash income | (11.0) | (9.0) |
| **Total income and revenue** | **237.6** | **332.9** |
| Litigation investments costs derecognised (non-cash) | (73.8) | (106.7) |
| Derecognition of subsidiary and recognition of residual interest | 41.6 | (20.5) |
| Reclassification to share of income from associates | – | (2.3) |
| Third party share of sale of investment vehicle | – | (86.6) |
| **Total income (reflecting Consolidated Group)** | **205.4** | **116.8** |
| Litigation investments – impairment and adverse costs | (66.9) | (13.1) |
| Amortisation of litigation investments – claims portfolio | (11.1) | (4.0) |
| Employee expenses | (63.3) | (74.0) |
| Other expenses | (55.6) | (32.1) |
| Fair value adjustments of financial assets and liabilities | 1.0 | 2.6 |
| **Profit / (loss) before tax** | **9.5** | **(3.8)** |
| Income tax benefit / (expense) | 21.0 | 4.7 |
| **Profit / (loss) after tax** | **30.5** | **0.9** |

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## Shareholders

### Dividends

The Company considers its capital management options in light of the cash position and performance of the Group at the time as well as the likely demand for cash over the ensuing 12-month period. In determining the appropriate mechanism to deliver returns to shareholders, the Board will consider both semi-annual dividends and share buy-backs. Relevant considerations include the source and nature of income and the prevailing share price relative to the intrinsic value and the franking credit balance.

Based on the FY24 profit result and expected capital requirements, the Directors have not declared an interim or final dividend for the year (2023: Nil).

### Shareholder returns

The following summary of operating results reflects the Group's performance for the year ended 30 June 2024:

| | 2024 | 2023 |
|---|---|---|
| Basic loss per share (cents per share) | **(31.15)** | (11.50) |
| Diluted loss per share (cents per share) | **(31.15)** | (11.50) |
| Return on assets (NPAT/average assets) | **2.6%** | 0.1% |
| Return on equity (NPAT/average equity) | **3.9%** | 0.1% |
| Net debt/equity ratio %[1] | **15.0%** | 8.2% |

1. As cash and short term deposits are greater than total debt, net debt (cash and short term deposits less total debt) is positive as at 30 June 2024.

### Shares issued during the year

On 29 January 2024, the Company issued 2,074,453 shares to the vendors of OBE relating to the 2019 acquisition in satisfaction of the fourth tranche of variable deferred consideration.

On 4 September 2023, the Company issued 1,781,442 shares relating to the FY21 LTIP vesting.

### Share options – unissued shares

As at 30 June 2024 there were 15,786,422 share performance rights on issue (2023: 15,421,416).

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## Risk management

### Risk management framework

Omni Bridgeway's risk management framework is overseen by the Board and includes our Risk Policy, Risk Strategy and Risk Appetite Statement setting out the arrangements for identification, assessment, monitoring, management and reporting of risks. Our Risk Policy describes our approach to risk management and as a key corporate governance policy is available on the OBL website. The Policy is supported by our Risk Appetite Statement which is set by the Board to be aligned with our business strategy.

Our Audit and Risk Committee receives at least quarterly reporting on risks measured against our risk appetite and ensures that we maintain our robust processes and systems for management of our identified current and anticipated risks. The Board requests and receives additional reporting on risk culture across the Group, including the results of risk culture surveys.

In FY24, we continue to evolve our risk management focus to respond to new and emerging risks whilst remaining focused on the quality of our investment management processes. The below 'Key risks and responses' table sets out some of our material risks and risk treatment responses.

### Key risks and responses

| Risk | Description | Risk response |
|---|---|---|
| **Investment governance and sourcing** | Our biggest risk is our ability to maintain a high standard of investment decision making which has underpinned our historical success. | Risk management policies and procedures are designed to ensure the continued high quality of investment decisions as well as diversity and reduced concentration risk. The role of the investment committees is a key pillar of our investment risk management process. |
| **Investment duration** | The timing of the completion of our investments is uncertain and generally entirely outside of our control. If a material number of investments are delayed this can produce a high level of earnings volatility. | Pricing structures which increases our return with duration, portfolio diversification and active use of the secondary markets are the primary ways in which we have sought to navigate duration risk. |
| **Competition** | Increased competition in any market may result in a potential reduction in market share or, at the least, an on-going challenge to convert a larger portion of the addressable market in order to maintain growth. | We manage competition through diversity of products and operating markets and ownership of investments while relying on our sourcing and underwriting expertise. As an established market leader we will continue to maintain adequate risk adjusted pricing. |
| **Capital raising** | The rate of growth of the business in terms of investment commitments requires us to have the ability to raise capital, enabling us to be competitive in the markets in which we operate. The global increase in interest rates has increased the competition for third party capital. | We seek to maintain our excellent track record through continued focus on risk management across all facets of the business and have a continuous engagement program with private capital markets. |
| **Cybersecurity** | A major systems and/or data breach may have material adverse consequences for the business and its reputation. The business holds a high level of sensitive case material surrounding its investments, a data breach could result in the loss of privilege in such material and a breach of confidentiality obligations. | The Board has oversight of our Cybersecurity Risk Management Framework and receives regular reporting on cybersecurity matters. Our cybersecurity risk management framework is supported by our cybersecurity, electronic communications, privacy, data breach management and other cyber related policies that set out requirements for ensuring the security of the confidential and personal information maintained in our systems and mechanisms for escalating and resolving breaches. Our employees are a critical line of defence in cybersecurity risk detection and we employ regular cybersecurity training, friendly phishing exercises as well as simulated cyber threat scenario workshops to reinforce cyber awareness.<br><br>We invest in security hardware, software and systems and regularly submit to external IT audits to prevent attacks and detect (and learn from) new attack tools, methodologies and targets.<br><br>As part of our continuous focus on cybersecurity and in response to an increased focus globally on cybersecurity risks, we have undertaken an assessment and review of our cybersecurity risk management practices to benchmark against the NIST framework and ensure that we are meeting global best practices and standards in cybersecurity. |
| **Regulatory, compliance and conduct** | We are subject to global regulatory requirements. A material failure in compliance may result in a liability for damages, regulatory fines and reputational damage. | The group has developed an effective compliance risk management framework to ensure that we meet our global regulatory requirements.<br><br>The Global Head of Risk and Compliance leads the risk and compliance function and ensures that the compliance framework is supported by global policies as well as a robust compliance monitoring, Board reporting and training program to instill best practice across our international network. Our global policies include internal breach reporting procedures as well as a Whistleblower Policy to enable policy violations and misconduct to be reported, escalated and managed using a transparent process. |

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## Significant events after reporting date

Apart from that disclosed in this report, no other circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect the consolidated entities' operations, the results of those operations, or the consolidated entities state of affairs in the future financial years.

## Likely Developments in the company's operations

The Group does not provide forecasts considering the difficulty in estimating the timing of the finalisation of its investments but provides an indication of its views of future value of completions and estimated new commitments in the quarterly portfolio reports.

The Group expects demand for its funding to continue in each of its markets. Litigation funding is considered non-cyclical or uncorrelated to underlying economic conditions.

## Environmental regulation and performance

The Consolidated Entity's operations are not presently subject to significant environmental regulation under the laws of the Commonwealth and the States of Australia.

## Indemnification and insurance of directors and officers

During the financial year, the Company has paid premiums in respect of an insurance contract insuring all the directors and officers of the Group against any legal costs incurred in defending proceedings for conduct other than, amongst others:

(a) willful breach of duty; or

(b) contravention of sections 182 or 183 of the Corporations Act 2001, as may be permitted by section 199B of the Corporations Act 2001.

The total amount of premiums paid under the insurance contract referred to above was $2.3 million during the current financial year (2023: $2.3 million).

## Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

## Directors' meetings

The number of meetings of directors held during the period under review, and the number of meetings attended by each director, were as follows:

| | Board Meetings | Project Sub Committee Meetings | Audit and Risk Committee | Remuneration Committee | Nomination Committee | Corporate Governance Committee |
|---|---|---|---|---|---|---|
| **Total number of meetings held:** | 8 | 8 | 5 | 3 | 3 | 1 |
| **Meetings attended:** | | | | | | |
| M Kay | 8 | 8 | 5 | 3 | 3 | 1 |
| A Saker[1] | 3 | 3 | 2* | 1* | 1* | 1* |
| R van Hulst | 8 | 8 | 4* | 2* | 2* | 0 |
| K Phin | 8 | 8 | 5 | 3 | 3 | 1 |
| C Feldmanis | 8 | 8 | 5 | 3 | 3 | 1 |
| M Green | 8 | 8 | 5 | 3 | 3 | 1 |

* Attended by invitation

1. Retired October 2023

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## Letter from the Chair of the Nomination and Remuneration Committee

Dear Shareholder

On behalf of the Board of Directors (**Board**), I present the FY24 Remuneration Report which outlines our remuneration framework and practices during the fiscal year.

The 2024 financial year has been a period of transition for OBL. Raymond van Hulst was appointed CEO and Managing Director of the Group in October 2023 and since then he has been implementing a range of initiatives designed to improve operational efficiency, cost control, market disclosures and shareholder returns. The benefit of these initiatives is yet to be reflected in OBL's share price and this has significantly influenced remuneration outcomes for executives.

As our qualitative investment business is characterised by an average three-year investment cycle, we believe it is important that our remuneration framework aligns with this investment cycle and with the overarching goals of our long-term business strategy while providing an effective mechanism to attract, motivate and retain high calibre employees with a similar long-term outlook.

The remuneration structure for KMP, senior executives and investment managers is comprised of both fixed and "at risk" components. The fixed remuneration component is benchmarked against market standards in our various operating regions. The "at risk" element for FY24 was structured as:

- a Short-Term Incentive Plan (**STIP**) providing for an annual cash payment upon the achievement of key financial and non-financial performance objectives; and
- an equity based Long-Term Incentive Plan (**LTIP**) providing an annual grant of performance rights with a three-year vesting cycle tested against the Company's relative Total Shareholder Return (**TSR**) for 80% of the rights and the Compound Annual Growth Rate (**CAGR**) of the investment portfolio for the remaining 20%.

The foundations of the STIP and LTIP have remained constant, whilst the performance hurdles and other elements have evolved with the business to ensure executive reward and shareholder value remain closely aligned. This is reflected in the vesting determination at the conclusion of FY24:

- The 80% of LTIP performance rights tested against TSR have not vested;
- The 20% of LTIP performance rights tested against CAGR of the investment portfolio; and
- in light of the statutory loss in FY24, there have been no STIP payments awarded to senior employees.

With the transitioning of OBL to an asset management model, the Board is actively investigating a planned transition of the "at risk" remuneration component for investment professionals to a "carried interest" model which would more directly align compensation with investment outcomes and is typical in the asset management industry. The Board values the insights and perspectives of shareholders and will continue to focus on incentivising, rewarding and aligning our exceptional team in the optimal manner for all stakeholders.

Yours faithfully

**Karen Phin**

Chair of the Nomination and Remuneration Committee

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## Remuneration Report (Audited)

This Remuneration Report outlines the director and Key Management Personnel (**KMP**) remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth) and its Regulations. For the purposes of this report, KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of Omni Bridgeway Limited (OBL).

### Key management personnel

Details of OBL's KMP for the 2024 financial year are:

#### (i) Directors

| | |
|---|---|
| **Michael Kay** | Non-Executive Director and Chairman |
| **Andrew Saker** | Managing Director & CEO and Chief Strategy Officer – US (left the Group on 26 October 2023) |
| **Raymond van Hulst** | Chief Executive Officer and Managing Director |
| **Karen Phin** | Non-Executive Director |
| **Christine Feldmanis** | Non-Executive Director |
| **Michael Green** | Non-Executive Director |

#### (ii) Executives

| | |
|---|---|
| **Jeremy Sambrook** | Group General Counsel and Company Secretary |
| **Guillaume Leger** | Global Chief Financial Officer |

There were no other changes to OBL's KMP after the reporting date and before the financial report was authorised for issue.

### Remuneration Committee

The Remuneration Committee determines and reviews the remuneration arrangements for the Board and KMP. This involves an assessment of the appropriateness of the nature and amount of the emoluments on a periodic basis by reference to relevant employment market conditions.

Mercer Consulting (Australia) Pty Ltd was engaged in 2021 to review our remuneration structure. The review led to some adjustment in the STIP and LTIP. The Board is satisfied that the review was free from undue influence by eligible participants, KMP or other LTIP participants.

### Remuneration philosophy

The performance of the Group is heavily dependent upon the quality of its directors, KMP and staff generally. Accordingly, the Company must attract, motivate, and retain high calibre directors and personnel.

The Group embodies the following principles in its remuneration framework:

- determination of appropriate market rates for the fixed remuneration component recognising that the majority of investment professionals are most comparable to partners in private practice professional services businesses; and
- establishment of appropriate performance hurdles for the variable at-risk remuneration component.

### Remuneration structure

The structure of non-executive director and executive or KMP remuneration structures are separate and distinct.

### Non-executive director remuneration structure

All non-executive directors enter into service agreements with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the non-executive directors.

Non-executive directors' fees and payments totalled $636,765 (including superannuation), as disclosed in the following tables in this report.

At the 2023 Annual General Meeting, shareholders approved payments up to $950,000 per annum to non-executive directors.

There are no retirement allowances for non-executive directors, nor do they have a variable at-risk remuneration component. Non-executive directors may elect to have a portion of their remuneration paid into their personal superannuation plans.

## Remuneration Report (Audited) (continued)

### Executive & KMP remuneration structures

*Objective*

The Group aims to reward executives, KMP and other staff with a level and mix of compensation elements commensurate with their position and responsibilities, within the following framework:

- reward for Group and individual performance against targets set to appropriate benchmarks;
- align the interests with shareholders;
- link rewards with the internal strategic goals of the Group; and
- ensure total compensation is competitive by market standards.

*Structure*

All executives and KMP have employment contracts. Details of these contracts are provided below in the following Executive & KMP Employment Contracts table.

Remuneration consists of two key elements: (i) fixed component, consisting of base salary, retirement contributions, and benefits; and (ii) variable at-risk component, consisting of (i) short-term incentive plan (STIP) and (ii) long-term incentive plan (LTIP).

### Fixed remuneration component

The levels of fixed remuneration are reflective of employment conditions in respective locations and consider skills, experience, and responsibility. Reference is generally to the private practice professional services market within which the Company competes for talent. Investment managers are invariably at or around the partner level of legal practices prior to joining the Group.

Fixed compensation is reviewed annually by the Nomination and Remuneration Committee. The process consists of a review of Group and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

### Variable at-risk remuneration component (short & long-term)

*Objective*

The objective of the variable compensation component is to reward executives in a manner aligned with the objectives and internal key performance indicators of the Group. The total potential incentive available is set at a level to provide sufficient incentivisation to achieve the operational and strategic targets at a reasonable cost.

*Structure*

There is a STIP based on one-year performance and a LTIP tied to three-year performance. The STIP & LTIP are products of and subject to external remuneration review and are reflective of industry standards.

### Short-Term Incentive Plan

The purpose of STIP is to provide an annual 'at-risk' incentive to participants linked to the achievement of specific financial and non-financial performance goals. The STIP performance measures reflect the core drivers of short-term performance and also provide a framework for delivering sustainable value to the Group, its shareholders and other stakeholders.

### Long-Term Incentive Plan

The LTIP is tied to the Group's long-term performance. It encourages equity ownership and directly aligns shareholders' and participants' interests, whilst also not being a cash drain.

There are 2 tranches of LTIP. The relative proportion between each can be changed by the Remuneration Committee each year.

**Key Features of Variable Remuneration Component**

| | STIP | | LTIP | |
|---|---|---|---|---|
| **Participants** | Executive directors & KMP<br>(participant may substitute their allocation with rights equivalent to LTIP rights)<br>Senior employees | | All executive directors & KMP<br>Senior employees | |
| **Participation % of TFR** | ***Pre-1 July 2021 employees:*** | | ***Pre-1 July 2021 employees:*** | |
| | – LTIP Executive | – | – Executive | max 100% |
| | – Other | max 40% | – Other | max 60% |
| | ***Post-1 July 2021 employees:*** | | ***Post-1 July 2021 employees:*** | |
| | – Level 1 participant | max 40% | – Executive | max 100% |
| | – Level 2 participant | max 35% | – Senior participant | max 60% |
| | – Level 3 participant | max 30% | – Junior participant | max 30% |
| | – Level 4 participant | max 20% | | |

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## Remuneration Report (Audited) (continued)

| Key Features of Variable Remuneration Component | STIP | LTIP |
|---|---|---|
| **Payment frequency and type** | Annual in cash | Annual grant of performance rights with 3-year vesting<br>Each right over OBL ordinary shares is issued for no consideration or exercise price<br>The number of rights issued at the beginning of each service period is determined by reference to individual's TFR and the Company's VWAP at either (i) 30 June of the preceding Financial Year; or 31 December of the preceding Half Financial Year, depending on when a participant became eligible to participate in the LTIP<br><br>Tranche 1 – Total Shareholder Return (TSR) = 80%<br>OBL's TSR compared to a peer group comprising entities from the ASX diversified financials industry group with a market capitalisation of < $1bn<br><br>Tranche 2 – Capital deployed = 20%<br>The amount of capital deployed to litigation investments |
| **Performance criteria** | (i) Group's financial<br>Positive consolidated net profit before tax for the year, as a gating requirement.<br>(ii) Individual<br>Key performance indicators (KPIs) are targeted to the individual's role and their ability to influence the strategic and commercial objectives of the Group incorporated in the approved business plan and budget, risk and compliance policies and procedures, and cultural, leadership and behavioural expectations | Tranche 1 – (TSR) = 80%<br>Vesting depends on Company's Percentile ranking over the vesting period compared to the peer group:<br><br>Tranche 2 – Capital deployed = 20%<br>Vesting depends on the CAGR of Capital deployed over the vesting period |
| **Other** | | – Good leaver/bad leaver provisions in respect to unvested rights<br>– Malus event provisions in respect to fraud, dishonest behaviour, or gross misconduct<br>– 12-month clawback provisions |

| Percentile rank | % tranche 1 – TSR vesting |
|---|---|
| less than 50th | nil |
| equal to 50th | 50% |
| between 50-75% | 50-100% determined on a straight line basis |
| 75th or above | 100% |

| CAGR | % tranche 2 – Funds deployed |
|---|---|
| less than 5% | nil |
| equal to 5% | 50% |
| between 5 -7% | 50-100% determined on a straight line basis |
| 7% or above | 100% |

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## Remuneration Report (Audited) (continued)

### Executive & KMP Employment Contracts

| **Andrew Saker** Managing Director & CEO and Chief Strategy Officer – US (Left the group on 26 Oct 2023) | |
|---|---|
| Contract commenced | 5 January 2015 |
| Gross annual salary package | $1,250,000 (excluding super) + a USA cost-of-living allowance |
| Salary review | By the Board from time to time |
| Notice period | 6 months by the Group or 12 months by the employee |
| Termination payment arrangements | As approved at the 21 November 2018 AGM (i) notice period (ii) 12 months' salary, (iii) statutory entitlements, and (iv) If termination occurs due to the provision of notice by OBL, or due to the provision of notice by Mr Saker following a material breach by the Company of the executive services agreement or a material diminution of Mr Saker's role or due to redundancy or Mr Saker's ill health, then, in addition to the above, Mr Saker shall be entitled to receive a potential further amount calculated by reference to the number of shares Mr Saker would have received had he retained the good leaver proportion of his unvested performance rights. Any such payment is contingent on the level of satisfaction of the performance conditions associated with the referenced performance rights and shall be calculated by reference to the 5-day-VWAP calculated at the time such performance rights would have vested if they had been held for the full performance period. |
| STIP / LTIP Participation level | Pre-1 July 2021 employee – "Executive" |
| **Raymond van Hulst** Chief Executive Officer and Managing Director | |
| Contract commenced | 21 April 2020 |
| Gross annual salary package | CHF700,000 |
| Salary review | Annually |
| Notice period | 12 months by either the Group or employee |
| Termination payment arrangements | Statutory entitlements, notice period, and subject to good or bad leaver status unvested LTIP |
| STIP / LTIP Participation level | Pre-1 July 2021 employee – "Executive" |

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## Remuneration Report (Audited) (continued)

### Executive & KMP Employment Contracts

| **Jeremy Sambrook** Group General Counsel and Company Secretary | |
|---|---|
| Contract commenced | 18 January 2016 |
| Gross annual salary package | $500,000 (including super) |
| Salary review | Annually |
| Notice period | 6 months by either the Group or employee |
| Termination payment arrangements | Statutory entitlements, notice period, and subject to good or bad leaver status unvested LTIP |
| STIP / LTIP Participation level | Pre-1 July 2021 employee – "Executive" |

| **Guillaume Leger** Global Chief Financial Officer (handover from S. Mitchell effective 1 September 2022) | |
|---|---|
| Contract commencement | 12 August 2022 |
| Gross annual salary package | USD500,000 plus safe harbour |
| Salary review | Annually |
| Notice period | 3 months by either the Group or employee |
| Termination payment arrangements | Statutory entitlements, notice period, and subject to good or bad leaver status unvested LTIP |
| STIP / LTIP Participation level | Post-1 July 2021 employee – Level 1 Executive Participant |
| Appointment performance rights | Rights with personal KPI & continuity of service hurdles:<br>– 140,752 rights; for period 1 September 2022 – 30 June 2023<br>– 60,307 rights; for period 1 September 2022 – 30 June 2024 |

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## Remuneration Report (Audited) (continued)

### Remuneration of Key Management Personnel

| | Fixed Remuneration | | | | Variable Remuneration | | | |
|---|---|---|---|---|---|---|---|---|
| | Short-term benefits | | Post-employment | Long-term benefits | Share based payments | | | |
| 2024 | Salary & fees $ | Cash bonus accrued $ | Super-annuation / pension $ | Employee entitlements $ | Share performance rights $ | Termination payments $ | Total remuneration $ | Performance related % |
| *Directors* | | | | | | | | |
| M. Kay | 202,609 | – | 22,287 | – | – | – | 224,896 | – % |
| A. Saker[1] | 587,019 | – | 13,699 | – | 296,444 | 296,761 | 1,193,923 | 25 % |
| R. van Hulst | 1,109,645 | – | 55,689 | (6,413) | 123,556 | – | 1,282,477 | 10 % |
| K. Phin | 121,622 | – | 13,378 | – | – | – | 135,000 | – % |
| C. Feldmanis | 135,000 | – | – | – | – | – | 135,000 | – % |
| M. Green | 141,869 | – | – | – | – | – | 141,869 | – % |
| *Executives* | | | | | | | | |
| J. Sambrook | 478,601 | – | 27,399 | 16,751 | 303,339 | – | 826,090 | 37 % |
| G. Leger | 769,091 | – | 16,665 | (10,784) | 806,027 | – | 1,580,999 | 51 % |
| **Total** | **3,545,456** | **–** | **149,117** | **(446)** | **1,529,366** | **296,761** | **5,520,254** | |

1. Andrew Saker left the Group on 26 October 2023.

| | Fixed Remuneration | | | | Variable Remuneration | | | |
|---|---|---|---|---|---|---|---|---|
| | Short-term benefits | | Post-employment | Long-term benefits | Share based payments | | | |
| 2023 | Salary & fees $ | Cash bonus accrued $ | Super-annuation / pension $ | Employee entitlements $ | Share performance rights $ | Termination payments $ | Total remuneration $ | Performance related % |
| *Directors* | | | | | | | | |
| M. Kay | 203,526 | – | 21,370 | – | – | – | 224,896 | – |
| A. Saker | 1,974,251 | – | 25,292 | (1,566) | 622,391 | – | 2,620,368 | 24% |
| R. van Hulst | 1,044,057 | – | 49,759 | 8,830 | 183,260 | – | 1,285,906 | 14% |
| M. Bowen[1] | 37,707 | – | 3,959 | – | – | – | 41,666 | –% |
| K. Phin | 135,747 | – | 14,253 | – | – | – | 150,000 | – |
| C. Feldmanis | 150,000 | – | – | – | – | – | 150,000 | – |
| M. Green | 34,539 | – | – | – | – | – | 34,539 | – |
| *Executives* | | | | | | | | |
| S. Mitchell[2] | 108,037 | – | 6,323 | (100,704) | 167,618 | 87,749 | 269,023 | 62% |
| J. Sambrook | 480,231 | – | 25,292 | 27,603 | 248,321 | – | 781,447 | 32% |
| G. Leger | 686,111 | | 7,478 | 51,602 | 802,616 | | 1,547,807 | 52% |
| **Total** | **4,854,206** | **–** | **153,726** | **(14,235)** | **2,024,206** | **87,749** | **7,105,652** | |

1. Michael Bowen retired on 30 November 2022.
2. Stuart Mitchell left the Group on 31 August 2022. The negative employee entitlements reflects the payments of his accrued entitlements

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## Remuneration Report (Audited) (continued)

### Share performance rights – Granted and vested during the year – Key Management Personnel

| | | | | Granted during the year | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Tranche 1 | | Tranche 2 | | Total | | | |
| | Grant date | Vesting date | Expiry Date | Awarded during the year | Fair value per rights at grant date[1] | Awarded during the year | Fair value per rights at grant date[1] | Awarded during the year | Value granted during the year | Vested during the years | Value remaining to be expensed to profit & loss |
| 2024 | | | | Number | $ | Number | $ | Number | $ | Number | $ |
| *Executive Directors* | | | | | | | | | | | |
| A. Saker | 01-July-23 | 30-June-26 | 01-July-38 | – | – | – | – | – | – | 52,989 | – |
| R. van Hulst | 01-July-23 | 30-June-26 | 01-July-38 | – | – | – | – | – | – | 14,806 | 80,471 |
| *Executives* | | | | | | | | | | | |
| J. Sambrook | 01-July-23 | 30-June-26 | 01-July-38 | 155,695 | 1.58 | 38,924 | 2.62 | 194,619 | 347,979 | 23,364 | 336,934 |
| G. Leger | 01-July-23 | 30-June-26 | 01-July-38 | 234,834 | 1.58 | 58,709 | 2.62 | 293,543 | 524,855 | 60,307 | 502,244 |
| **Total** | | | | **390,529** | | **97,633** | | **488,162** | **872,834** | **151,466** | **919,649** |

| | | | | Granted during the year | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Tranche 1 | | Tranche 2 | | Total | | | |
| | Grant date | Vesting date | Expiry Date | Awarded during the year | Fair value per rights at grant date[1] | Awarded during the year | Fair value per rights at grant date[1] | Awarded during the year | Value granted during the year | Vested during the years | Value remaining to be expensed to profit & loss |
| 2023 | | | | Number | $ | Number | $ | Number | $ | Number | $ |
| *Executive Directors* | | | | | | | | | | | |
| A. Saker | 01-July-22 | 30-June-25 | 01-July-37 | 129,431 | 1.85 | 32,358 | 3.32 | 161,789 | 346,876 | 131,949 | 146,582 |
| R. van Hulst | 01-July-22 | 30-June-25 | 01-July-37 | 90,080 | 1.85 | 22,520 | 3.32 | 112,600 | 241,414 | 30,353 | 204,027 |
| *Executives* | | | | | | | | | | | |
| S. Mitchell | 01-July-22 | 30-June-25 | 01-July-37 | – | 1.85 | – | 3.32 | – | – | 21,031 | – |
| J. Sambrook | 01-July-22 | 30-June-25 | 01-July-37 | 117,479 | 1.85 | 29,370 | 3.32 | 146,849 | 314,844 | 26,147 | 292,295 |
| G. Leger | 01-July-22 | 30-June-25 | 01-July-37 | 170,531 | 1.85 | 42,633 | 3.32 | 213,164 | 457,024 | – | 304,682 |
| G. Leger Bonus T1[2] | 14-July-22 | 30-June-23 | 14-July-37 | 140,752 | 3.85 | – | – | 140,752 | 541,895 | 140,752 | – |
| G. Leger Bonus T2[2] | 14-July-22 | 30-June-24 | 14-July-37 | – | – | 60,307 | 3.78 | 60,307 | 227,659 | – | 108,379 |
| **Total** | | | | **648,273** | | **187,188** | | **835,461** | **2,129,712** | **350,232** | **1,055,965** |

1. The performance rights vested in current year is subject to fx adjustment, which has been estimated for the year end reporting purpose.
2. Guillaume Leger's T1 and T2 Bonus is included in addition to performance rights.

Non-executives (M. Kay, K. Phin, C. Feldmanis, M. Green) did not participate in LTIP. They have not been included in the table.

The fair value of performance rights is determined at the time of grant as prescribed in AASB 2. For details on the valuation of performance rights, including models and assumptions used, refer to Note 32.

### Share performance right holdings of Key Management Personnel

| | Balance 1 July 2023 Number | Movement for the year | | | | Balance 30 June 2024 Number | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Granted as remuneration | Exercised | Lapsed[1] | | Total | Vested[1] | Unvested |
| 2024 | Number | Number | Number | Number | | Number | Number | Number |
| *Executive Directors* | | | | | | | | |
| A. Saker | 2,760,970 | – | – | (211,310) | | 2,549,660 | 2,387,537 | 162,123 |
| R. van Hulst | 216,981 | – | (30,353) | (59,222) | | 127,406 | 14,806 | 112,600 |
| *Executives* | | | | | | | | |
| J. Sambrook | 432,376 | 194,619 | – | (93,458) | | 533,537 | 192,069 | 341,468 |
| G. Leger | 414,223 | 293,543 | (70,306) | (70,446) | | 567,014 | 60,307 | 506,707 |
| **Total** | **3,824,550** | **488,162** | **(100,659)** | **(434,436)** | | **3,777,617** | **2,654,719** | **1,122,898** |

1. As of 30 June 2024, the aggregated balance of performance rights held by KMP reflects the 20% vesting under the FY22 Long Term Incentive Plan, with the remaining performance rights set to lapse.

## Remuneration Report (Audited) (continued)

| 2023 | Balance 1 July 2022 Total Number | Movement for the year Granted as remuneration Number | Exercised Number | Lapsed Number | Balance 30 June 2023 Total Number | Vested Number | Unvested Number |
|---|---|---|---|---|---|---|---|
| *Directors* | | | | | | | |
| A. Saker | 2,808,524 | 367,122 | – | (414,676) | 2,760,970 | 2,334,547 | 426,423 |
| R. van Hulst | 162,068 | 112,600 | (16,725) | (40,962) | 216,981 | 30,353 | 186,628 |
| *Executives* | | | | | | | |
| S. Mitchell | 262,152 | – | – | (77,274) | 184,878 | 154,643 | 30,235 |
| J. Sambrook | 311,674 | 146,849 | – | (26,147) | 432,376 | 168,705 | 263,671 |
| G. Leger | – | 414,223 | – | – | 414,223 | 140,752 | 273,471 |
| **Total** | **3,544,418** | **1,040,794** | **(16,725)** | **(559,059)** | **4,009,428** | **2,829,000** | **1,180,428** |

Non-executives (M. Kay, K. Phin, C. Feldmanis, M. Green) did not participate in LTIP. They have not been included in the table.

### Interests of Key Management Personnel

| 2024 | Shares Balance 1 July 2023 Number | Received as remuneration Number | Share performance rights exercised Number | Net change other[1] Number | Balance 30 June 2024 Number | Bonds Number | Notes Number |
|---|---|---|---|---|---|---|---|
| *Directors* | | | | | | | |
| M. Kay | 570,000 | – | – | 130,000 | 700,000 | – | – |
| A. Saker | 182,068 | – | – | (132,949) | 49,119 | – | – |
| R. van Hulst | 4,731,283 | – | 30,353 | 287,129 | 5,048,765 | – | – |
| K. Phin | 27,266 | – | – | 75,000 | 102,266 | – | – |
| C. Feldmanis | 60,656 | – | – | 24,344 | 85,000 | – | – |
| M. Green | – | – | – | 72,212 | 72,212 | | |
| *Executives* | | | | | | | |
| J. Sambrook | 8,446 | – | – | – | 8,446 | – | – |
| G. Leger | – | – | 70,306 | 19,751 | 90,057 | – | – |
| **Total** | **5,579,719** | **—** | **100,659** | **475,487** | **6,155,865** | **—** | **—** |

| 2023 | Shares Balance 1 July 2022 Number | Received as remuneration Number | Share performance rights exercised Number | Net change other[1] Number | Balance 30 June 2023 Number | Bonds Number | Notes Number |
|---|---|---|---|---|---|---|---|
| *Directors* | | | | | | | |
| M. Kay | 570,000 | – | – | – | 570,000 | – | – |
| A. Saker | 182,068 | – | – | – | 182,068 | – | – |
| R. van Hulst | 3,045,379 | – | 16,725 | 1,669,179 | 4,731,283 | – | – |
| M. Bowen | 1,114,620 | – | – | – | 1,114,620 | – | – |
| K. Phin | 27,266 | – | – | – | 27,266 | – | – |
| C. Feldmanis | 60,656 | – | – | – | 60,656 | – | – |
| *Executives* | | | | | | | |
| S. Mitchell | 134,941 | – | – | – | 134,941 | – | – |
| J. Sambrook | 8,446 | – | – | – | 8,446 | – | – |
| G. Leger | – | – | – | – | – | – | – |
| **Total** | **5,143,376** | **–** | **16,725** | **1,669,179** | **6,829,280** | **–** | **–** |

1. Net change other relates to shares bought or sold on market.

Shares above are held nominally by the Directors or the other key management personnel.

### Loans to Key Management Personnel

There have been no loans provided to KMP in 2024 (2023: nil).

### Transactions with Key Management Personnel

There have been no transactions with KMP in 2024 (2023: $55,012).

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# Auditor's Independence Declaration

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
**www.bdo.com.au**

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF OMNI BRIDGEWAY LIMITED**

As lead auditor of Omni Bridgeway Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Omni Bridgeway Limited and the entities it controlled during the period.

**Glyn O'Brien**

**Director**

**BDO Audit Pty Ltd**

Perth

28 August 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2024

| | Note | Consolidated 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue from contracts with customers | 2 | **71,047** | 11,469 |
| Interest revenue | 3 | **11,707** | 9,009 |
| Net gain on derecognition of litigation investments - intangible assets | 4 | **48,957** | 44,666 |
| Net gain on disposal of litigation investments - purchased claims | 12 | **101** | 1,019 |
| Net gain on disposal of subsidiaries | 34 | **73,149** | 46,078 |
| Other income | 5 | **447** | 4,569 |
| **Total income** | | **205,408** | 116,810 |
| | | | |
| Finance costs | 6(a) | **1,037** | 2,688 |
| Amortisation of litigation investments - claims portfolio | 6(b) | **11,107** | 4,042 |
| Depreciation expense | 6(c) | **4,521** | 3,917 |
| Employee benefits expenses | 6(d) | **63,345** | 73,992 |
| Corporate and office expenses | 6(e) | **17,261** | 18,146 |
| Other expenses | 6(f) | **3,527** | 5,063 |
| Impairment expense and adverse costs - litigation investments | 6(g) | **66,885** | 13,102 |
| Net foreign exchange loss | 6(h) | **3,236** | – |
| Expected credit loss allowance | 6(i) | **4,164** | 1,727 |
| Share of loss in associates | 35 | **21,808** | 555 |
| Profit/ (loss) before tax and fair value adjustments | | **8,517** | (6,422) |
| Fair value adjustment of financial assets and liabilities | | **993** | 2,610 |
| **Profit/ (loss) before tax** | | **9,510** | (3,812) |
| Income tax benefit | 7 | **(20,977)** | (4,674) |
| **Profit for the year** | | **30,487** | 862 |
| | | | |
| **Attributable to:** | | | |
| Equity holders of the Parent | 8 | **(87,524)** | (31,659) |
| Non-controlling interests | 34 | **118,011** | 32,521 |
| | | | |
| **Other comprehensive income** | | | |
| Items that may be subsequently reclassified to profit or loss: | | | |
| Movement in foreign currency translation reserve | | **(14,786)** | 6,340 |
| Items that will not be subsequently reclassified to profit or loss: | | | |
| Movement in foreign currency translation reserve attributed to non-controlling interests | 34 | **6,183** | 6,291 |
| Other comprehensive income net of tax | | **(8,603)** | 12,631 |
| **Total comprehensive income for the year** | | **21,884** | 13,493 |
| | | | |
| **Attributable to:** | | | |
| Equity holders of the Parent | | **(102,310)** | (25,319) |
| Non-controlling interests | | **124,194** | 38,812 |
| | | | |
| **Loss per share attributable to the equity holders of the Company (cents per share)** | | | |
| Basic loss per share (cents per share) | 8 | **(31.15)** | (11.50) |
| Diluted loss per share (cents per share) | 8 | **(31.15)** | (11.50) |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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# Consolidated Statement of Financial Position

as at 30 June 2024

| | Note | Consolidated 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 18 | **135,880** | 117,016 |
| Trade and other receivables | 22 | **119,421** | 140,770 |
| Contract costs | 23 | **939** | 939 |
| Other assets | 24 | **9,826** | 8,000 |
| Income tax receivable | | **1,169** | – |
| **Total current assets** | | **267,235** | 266,725 |
| **Non-current assets** | | | |
| Trade and other receivables | 22 | **48,228** | 45,661 |
| Litigation investments - claims portfolio | 11 | **127,307** | 125,775 |
| Litigation investments - purchased claims | 12 | **53,101** | 37,423 |
| Litigation investments - intangible assets | 13 | **334,276** | 370,085 |
| Litigation investments - financial assets | 14 | **13,638** | 7,078 |
| Litigation investments - investment in associates | 35 | **151,572** | 56,336 |
| Goodwill | 16 | **100,885** | 103,304 |
| Right of use assets and other plant and equipment | 25 | **16,646** | 18,446 |
| Investment in associates | 35 | **9,155** | 6,981 |
| Contract costs | 23 | **705** | 1,644 |
| Other assets | 24 | **12,380** | 17,788 |
| Deferred tax assets | 7 | **101,769** | 77,589 |
| **Total non-current assets** | | **969,662** | 868,110 |
| **Total assets** | | **1,236,897** | 1,134,835 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 26 | **64,445** | 50,110 |
| Income tax payable | | **–** | 8,007 |
| Provisions | 27 | **45,912** | 31,238 |
| Lease liabilities | 28 | **3,870** | 2,933 |
| Litigation investments - deferred consideration | 15 | **7,209** | 3,342 |
| Other financial liabilities | 29 | **7,650** | 8,097 |
| **Total current liabilities** | | **129,086** | 103,727 |
| **Non-current liabilities** | | | |
| Provisions | 27 | **1,154** | 1,291 |
| Lease liabilities | 28 | **13,112** | 15,008 |
| Borrowings | 19 | **254,813** | 181,639 |
| Litigation investments - deferred consideration | 15 | **1,088** | 4,325 |
| Other financial liabilities | 29 | **2,151** | 10,750 |
| Deferred tax liabilities | 7 | **34,444** | 30,879 |
| Other liabilities | | **6,120** | 2,930 |
| **Total non-current liabilities** | | **312,882** | 246,822 |
| **Total liabilities** | | **441,968** | 350,549 |
| **Net assets** | | **794,929** | 784,286 |
| **Equity** | | | |
| Contributed equity | 20 | **460,716** | 449,854 |
| Reserves | 21(a) | **(3,331)** | 18,488 |
| Accumulated losses | 21 | **(206,663)** | (119,491) |
| **Equity attributable to equity holders of the parent** | | **250,722** | 348,851 |
| Non-controlling interests | 34 | **544,207** | 435,435 |
| **Total equity** | | **794,929** | 784,286 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2024

| | Note | Consolidated 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Proceeds from litigation investments - claims portfolio | | **25,720** | 4,822 |
| Payments for litigation investments - claims portfolio | | **(19,838)** | (16,792) |
| Proceeds from management and performance fees | | **18,675** | 8,773 |
| Payments to suppliers and employees | | **(76,028)** | (106,014) |
| Interest received | | **3,070** | 1,775 |
| Interest paid | | **(23,899)** | (19,428) |
| Income tax paid | | **(15,575)** | (3,564) |
| **Net cash flows used in operating activities** | 10 | **(87,875)** | (130,428) |
| | | | |
| **Cash flows from investing activities** | | | |
| Proceeds from litigation investments - purchased claims | | **1,188** | 662 |
| Payments for litigation investments - purchased claims | | **(12,470)** | – |
| Proceeds from litigation investments - intangible assets | | **194,617** | 121,824 |
| Payments for litigation investments - intangible assets | | **(143,455)** | (157,725) |
| Payments for litigation investments - capitalised overheads and employee costs | | **(9,689)** | (7,786) |
| Payments for plant and equipment | | **(88)** | (730) |
| Loans to related parties | | **249** | (1,443) |
| Proceeds from disposal of subsidiaries | 34 | **31,708** | 75,757 |
| **Net cash flows from investing activities** | | **62,060** | 30,559 |
| | | | |
| **Cash flows from financing activities** | | | |
| Payments of borrowing costs | | **(4,360)** | (9,436) |
| Repayment of debt | | **–** | (149,440) |
| Proceeds from issue of borrowings | 19 | **75,085** | 190,000 |
| Payments of lease liabilities | | **(4,503)** | (4,335) |
| Contributions from non-controlling interests | 34 | **110,158** | 135,854 |
| Distributions to non-controlling interests | 34 | **(128,912)** | (93,166) |
| Payments for debt insurance | | **–** | (9,998) |
| Payments of share buy-back scheme | | **–** | (1,660) |
| **Net cash flows from financing activities** | | **47,468** | 57,819 |
| | | | |
| Net increase/(decrease) in cash and cash equivalents held | | **21,653** | (42,050) |
| Net foreign exchange difference | | **(2,789)** | 100 |
| Cash and cash equivalents at beginning of year | | **117,016** | 158,966 |
| **Cash and cash equivalents at end of year** | 18 | **135,880** | 117,016 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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# Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

| | Notes | Issued capital $'000 | Share based payment reserve $'000 | Foreign currency translation reserve $'000 | Option premium reserve $'000 | Convertible note reserve $'000 | Fund equity reserve $'000 | Accumulated losses $'000 | Total $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **At 1 July 2023** | | **449,854** | **22,742** | **(5,913)** | **3,404** | **3,832** | **(5,577)** | **(119,491)** | **348,851** | **435,435** | **784,286** |
| Profit/(loss) for the year | | – | – | – | – | – | – | (87,524) | (87,524) | 118,011 | 30,487 |
| Other comprehensive income/(loss) | | – | – | (14,786) | – | – | – | – | (14,786) | 6,183 | (8,603) |
| **Total comprehensive income/(loss) for the year** | | **–** | **–** | **(14,786)** | **–** | **–** | **–** | **(87,524)** | **(102,310)** | **124,194** | **21,884** |
| **Equity Transactions:** | | | | | | | | | | | |
| Shares issued | | 8,144 | (12,657) | – | – | – | – | 4,513 | – | – | – |
| Share based payments, net of tax | | – | 8,036 | – | – | – | – | – | 8,036 | – | 8,036 |
| Shares issued to settle deferred and variable deferred consideration | | 2,718 | – | – | – | – | – | – | 2,718 | – | 2,718 |
| Contributions from non-controlling interests | | – | – | – | – | – | – | – | – | 110,158 | 110,158 |
| Distributions to non-controlling interests | | – | – | – | – | – | – | – | – | (128,912) | (128,912) |
| Share Buy-back Scheme | | – | – | – | – | – | – | – | – | – | – |
| Deconsolidation of Subsidiary | | – | – | – | – | – | – | – | – | – | – |
| Changes in the proportion of equity held by non-controlling interests | | – | – | 6,183 | – | – | (8,595) | (4,161) | (6,573) | 3,332 | (3,241) |
| **At 30 June 2024** | 20, 21, 34 | **460,716** | **18,121** | **(14,516)** | **3,404** | **3,832** | **(14,172)** | **(206,663)** | **250,722** | **544,207** | **794,929** |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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# Consolidated Statement of Changes in Equity

continued

| | Notes | Issued capital $'000 | Share based payment reserve $'000 | Foreign currency translation reserve $'000 | Option premium reserve $'000 | Convertible note reserve $'000 | Fund equity reserve $'000 | Accumulated losses $'000 | Total $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **At 1 July 2022** | | **406,963** | **32,273** | **(19,806)** | **3,404** | **3,832** | **(9,944)** | **(87,832)** | **328,890** | **410,609** | **739,499** |
| Profit/(loss) for the year | | – | – | – | – | – | – | (31,659) | (31,659) | 32,521 | 862 |
| Other comprehensive income | | – | – | 6,340 | – | – | – | – | 6,340 | 6,291 | 12,631 |
| **Total comprehensive income/(loss) for the year** | | **–** | **–** | **6,340** | **–** | **–** | **–** | **(31,659)** | **(25,319)** | **38,812** | **13,493** |
| **Equity Transactions:** | | | | | | | | | | | |
| Shares issued | | 13,839 | (19,399) | – | – | – | – | – | (5,560) | – | (5,560) |
| Share based payments, net of tax | | – | 9,868 | – | – | – | – | – | 9,868 | – | 9,868 |
| Shares issued to settle deferred and variable deferred consideration | | 30,712 | – | – | – | – | – | – | 30,712 | – | 30,712 |
| Contributions from non-controlling interests | | – | – | – | – | – | – | – | – | 135,854 | 135,854 |
| Distributions to non-controlling interests | | – | – | – | – | – | – | – | – | (93,166) | (93,166) |
| Share Buy-back Scheme | | (1,660) | – | – | – | – | – | – | (1,660) | – | (1,660) |
| Deconsolidation of Subsidiary | | – | – | 7,553 | – | – | (2,789) | – | 4,764 | (49,518) | (44,754) |
| Changes in the proportion of equity held by non-controlling interests | | – | – | – | – | – | 7,156 | – | 7,156 | (7,156) | – |
| **At 30 June 2023** | 20, 21, 34 | **449,854** | **22,742** | **(5,913)** | **3,404** | **3,832** | **(5,577)** | **(119,491)** | **348,851** | **435,435** | **784,286** |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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# Notes to the Financial Statements

**for the year ended 30 June 2024**

## About this Report

The financial report of Omni Bridgeway Limited (**OBL, Company, Parent**) and its subsidiaries (**Group, Consolidated Entity**) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 28 August 2024. The principal activities of the entities within the consolidated group are:

i. the investment into and management of Funds (or Fund-like structures) that are focused on investing into litigation and dispute resolution matters globally; and

ii. the continued holding of direct investments into similar litigation and dispute resolution matters.

Omni Bridgeway Limited (ABN 45 067 298 088) is a for profit company incorporated and domiciled in Australia and limited by shares that are publicly traded on the Australian Securities Exchange (ASX code: OBL).

This section sets out the basis upon which the Group's Financial Statements are prepared. Specific accounting policies are described in the respective notes to the Financial Statements. This section also shows information on new or amended accounting standards and interpretations and their impact on the financial position and performance of the Group.

### a. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for the financial assets and liabilities that have been measured at fair value.

The amounts contained within this report have been rounded to the nearest $1,000 or $100,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

### b. Compliance with IFRS

The financial report also complies with International Financial Reporting Standards (**IFRS**), as issued by the International Accounting Standards Board.

### c. Basis of consolidation

The consolidated financial statements comprise the financial statements of Omni Bridgeway Limited and its subsidiaries at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group includes Fund collective investment vehicles over which Omni Bridgeway Limited has the right to direct the relevant activities of the Fund under contractual arrangements and has exposure to variable returns from the Fund collective investment vehicles. See Note 34.

The financial results of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full.

#### *Foreign currency*

The Group's consolidated financial statements are presented in Australian dollars, which is also the Parent's functional currency. The Group determines the functional currency of each entity in the Group. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are converted at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or conversion of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

#### *Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

## About this Report (continued)

### d. New and amended accounting standards and interpretations adopted during the year

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023. The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- Amendments to IAS 1, IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### e. New and amended accounting standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements that the Group reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below.

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments.
- IFRS 18 Presentation and Disclosure in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.
- IFRS S1, 'General requirements for disclosure of sustainability-related financial information.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Of the other standards and interpretations that are issued, but not yet effective, as these are not expected to impact the Group, they have not been listed.

### f. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements.

#### *Key judgements*

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### *Consolidation of entities in which the Group holds less than a majority voting right (de facto control)*

The Group has assessed the entities in which it has an interest to determine whether or not control exists and the entity is, therefore, consolidated into the Group. These entities are listed in Notes 33 and 34. For those entities consolidated with an interest less than 51%, the Group uses judgement to determine that it has power to direct the relevant activities of the investee under contractual arrangements and sufficient exposure to variable returns.

#### *Taxation*

The Group's accounting policy for taxation requires management's judgement in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Statement of Financial Position. Deferred tax assets, including those arising from tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows as contained in the Group's yearly budget. These depend on estimates of future income, operating costs, capital expenditure, dividends and other capital management transactions.

Judgements and assumptions are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Comprehensive Income.

#### *Litigation investments*

Classification of litigation investments as either claims portfolio, purchased claims, intangible Assets, financial Assets or investment in associates requires judgement on the circumstances and contracts attached to the investment. Refer to Notes 11 - 14 on the accounting policies for litigation investments.

#### *Significant estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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## About this Report (continued)

### *Impairment of financial and non-financial assets*

The Group assesses impairment of all required financial and non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group primarily relies on value in use calculations based on Discounted Cash Flows (**DCF**) models. The cash flows are derived from either the Group's budget or from estimates made by investment managers. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles recognised by the Group. Refer to individual notes for further information around impairment of financial and non- financial assets.

### *Fair value measurement of financial liabilities through profit or loss*

When deferred and variable deferred consideration meets the definition of a financial liability at fair value through profit or loss, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on option pricing methodology. The key inputs are detailed in the Notes 17 and 29.

### *Provision for adverse costs*

The Group raises a provision for adverse costs upon an underlying litigation receiving a losing judgement in certain jurisdictions that require adverse costs to be paid to the litigations' counter party. If an appeal is lodged, the Group still raises a provision. The provision raised is the Group's best estimate of the amount of adverse costs it will have to remit. Typically, this estimate is between nil to 80% of the amount spent by the plaintiff, on the basis that there is only one defendant per the litigation. Refer to Notes 27 and 30 for further details on adverse costs.

### *Share-based payments*

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the performance rights, volatility, dividend yield and risk-free rate and making assumptions about them. For the measurement of the fair value of performance rights at the grant date, the Group uses a Monte-Carlo simulation model and Black-Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

### *Measurement of non-controlling interests (NCI)*

Profits and losses are attributed to non-controlling interests in line with the allocation of profit distributions under the terms of the respective agreements with non-controlling investors. Therefore, at the end of each reporting period, the non-controlling interests represent the non-controlling shareholders' share of net assets, as would be distributed under the relevant shareholders or investors agreements at the balance date.

### *Revenue recognition – estimating variable consideration on management and performance fees*

The Group estimates variable considerations to be included in the transaction price for management and performance fees. Management fees are based on the level of external investors' net deployed capital per quarter and any uncertainty is resolved at the end of the same quarter. Therefore, management fee revenues are recognised quarterly in arrears, corresponding with the delivery of performance obligations. The calculation of performance fees is subject to individual investment and overall portfolio returns with some uncertainties. Accordingly, performance fee revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

### *Net gain/loss on derecognition of Litigation investments – intangible assets*

The Group recognises proceeds and derecognises carrying costs on disposal in accordance with the investments' funding terms. In some instances, the calculation requires certain estimates and assumptions to be made. Refer to Note 13 for further information.

### *Fair value of residual interest held in a former subsidiary*

For all subsidiaries where there is more than 50% ownership interest and voting rights, the Group's power to direct the relevant activities of the investee is subject to a without-cause kick-out right exercisable by a third party, the Group is considered to be acting as an agent and thus has no control. The Group's retained power is able to significantly influence the financial and operating activities of the investee. The retained interest is equity accounted for as an investment in associates and initially recognised at the fair value. The Group uses Investment Managers' best estimate to calculate the present value of probability-weighted cashflows from litigation investments held in the associate which represents the fair value of the retained non-controlling interest held by the Group. Refer to Note 35 for further information.

### *Litigation investments – purchased claims*

The Group initially recognises litigation investments – purchased claims at fair value. These are subsequently measured at amortised cost by applying the credit-adjusted effective interest rate based on estimated cash flows. Refer to Note 12 for further information.

### *Litigation investments – financial assets*

The Group initially recognises litigation investments – financial assets at fair value. These are subsequently measured at fair value through the profit & loss. Refer to Note 14 for further information.

### *Expected credit losses (ECLs) of receivables*

The Group uses Investment Managers' best estimate to calculate ECLs for receivables. The provision is based on assessment of customer segments that have similar loss patterns. Refer to Note 22 for further information.

# A. RESULTS FOR THE YEAR

## Note 1: Segment information

The Group operates in one industry, being funding and provision of services in relation to legal dispute resolution. For management purposes, the Group is organised into operating segments comprising the OBL Group's corporate operations and Group's business across geographic locations:

- Americas - the Group's investment management business operating in America, Canada and Latin America
- APAC - the Group's investment management business operating in Australia, Asia and New Zealand; and
- EMEA - the Group's investment management business operating in Europe, Middle East and Africa

Operating segments have been reported in a manner consistent with internal management reporting provided to the chief operating decision-maker (CODM) for assessing performance and determining resource allocation. The CODM consists of the Group Chief Executive Officer and other members of the Investment Committee.

Previously, the Group's Fund structures were considered operating segments, including Funds 2&3, Fund 4, Fund 5, Fund 6 and Fund 8. Prior year comparatives have been restated to reflect the business performance of the three operating segments.

Total assets and liabilities are reviewed at a consolidated OBL Group level, and the CODM does not regularly review segment assets and liabilities.

The tables below set forth the components of the profit/(loss) by segment for the periods indicated.

| | Americas | | APAC | | EMEA | | Corporate | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| **A$ million** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Revenue | **50** | 2 | **4** | 35 | **68** | 27 | **8** | 4 | **130** | 68 |
| Inter-segment income[1] | **2** | 14 | **22** | 6 | **42** | 7 | **5** | 9 | **71** | 36 |
| Other income[2] | **75** | 52 | **—** | — | **—** | — | **2** | (4) | **77** | 48 |
| **Total Segment Income** | **127** | **68** | **26** | **41** | **110** | **34** | **15** | **9** | **278** | **152** |
| Operating expenses | **(54)** | (35) | **(14)** | (10) | **(12)** | (18) | **(31)** | (38) | **(111)** | (101) |
| Inter-segment expenses[1] | **(7)** | — | **(9)** | (24) | **(41)** | (4) | **(14)** | (8) | **(71)** | (36) |
| Other expenses | **(44)** | 4 | **(14)** | (9) | **(3)** | (3) | **(9)** | 1 | **(70)** | (7) |
| **EBITDA** | **22** | **37** | **(11)** | **(2)** | **54** | **9** | **(39)** | **(36)** | **26** | **8** |
| Amortisation and depreciation | **(2)** | (2) | **(1)** | — | **(12)** | (4) | **(1)** | (3) | **(16)** | (9) |
| **EBIT** | **20** | **35** | **(12)** | **(2)** | **42** | **5** | **(40)** | **(39)** | **10** | **(1)** |
| Interest expenses | **(1)** | (1) | **—** | — | **—** | (1) | **—** | (1) | **(1)** | (3) |
| **Profit/(Loss) before tax** | **19** | **34** | **(12)** | **(2)** | **42** | **4** | **(40)** | **(40)** | **9** | **(4)** |
| Tax expenses / (income)[3] | **—** | — | **—** | — | **—** | — | **(21)** | (5) | **(21)** | (5) |
| **Profit/(Loss) after tax** | **19** | 34 | **(12)** | (2) | **42** | 4 | **(19)** | (35) | **30** | 1 |

1. Inter-segment revenue/expenses comprise interest revenue/expenses on intercompany loans, advisory fees and other charges, which are eliminated on consolidation.
2. Other income comprises the income generated from secondary market sales and management services.
3. The tax effect accounting is managed on a Group basis and not allocated to the individual segments.

## Note 2: Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the service is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

### (i) Litigation investments – claims portfolio

*The nature of services*

Revenue is generated from providing enforcement, collection, monetisation and recovery services to customers with judgements, awards or contractual debts and receivables.

*Performance obligations*

At investment inception, the Group assesses the services promised in its contracts with customers and identifies the performance obligation involved in each promise to transfer funds received to the customer. Performance obligations are satisfied at a point in time, upon the recovery of each dollar.

*Transaction price*

Almost all revenues from litigation investments – claims portfolio are based on a no success, no fee basis. The transaction price contains various components, with each component being either fixed or variable. The Group includes variable consideration (a portion or all) in the transaction price only when it is highly probable that the recognised revenue will not incur a significant revenue reversal. The revenue is based on a percentage that is recovered so the uncertainty is typically removed when the money is received or settlement agreement has been signed and where applicable, court approval obtained as, at that point, the revenue formula can be applied to the amount collected.

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## Note 2: Revenue from contracts with customers (continued)

### (ii) Management, service fees and revenues from the claims portfolio

The management and service fee revenue earned during the year was derived from Investment Management Agreements with the investors in Fund 4, Fund 5 and Fund 6. The services provided are for the administration of the investor accounts and fund structures. For Fund 4 and Fund 5 the consideration is considered to be variable consideration and is determined with reference to the net invested capital attributable to the Investor's accounts. The revenue is recognised over the period in which there is net invested capital in the Fund as the Group transfers control of the services over this period and, therefore, satisfies its performance obligations over time. Variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The management and service fees are calculated and recognised at the end of each quarter when the net invested capital is known.

| | | Americas $'000 | APAC $'000 | EMEA $'000 | Corporate $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| 2024 | | | | | | |
| **Type of service** | **Timing of revenue recognition** | | | | | |
| (i) Litigation investments – claims portfolio | Services transferred at a point in time | **—** | **—** | **57,318** | **—** | **57,318** |
| (ii) Management and service fees | Services transferred over time | **5,785** | **1,112** | **1,152** | **5,680** | **13,729** |
| | | **5,785** | **1,112** | **58,470** | **5,680** | **71,047** |
| 2023 | | | | | | |
| **Type of service** | **Timing of revenue recognition** | | | | | |
| (i) Litigation investments – claims portfolio | Services transferred at a point in time | — | — | 4,002 | — | 4,002 |
| (ii) Management and service fees | Services transferred over time | 3,212 | 737 | 2,117 | 1,401 | 7,467 |
| | | 3,212 | 737 | 6,119 | 1,401 | 11,469 |

Prior year comparatives have been restated to reflect the operating segments of revenue generated for the period.

During the year, the Group received performance fees of $9.848 million (2023: $4.236 million) relating to Fund 4 and Fund 5 that have not yet satisfied IFRS income recognition requirements and are thus not recognised as revenue. The cumulative amount of unrecognised performance fee is held as unearned revenue in trade and other payables on the Consolidated Statement of Financial Position. Refer to Note 26.

## Note 3: Interest revenue

Interest revenue is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

The Group earned 42% (2023: 97%) of its interest revenue on cash and deposits in Australia. Interest revenue on receivables relates to the EMEA, Americas and APAC regions. The purchased claims revenue relates to the EMEA and Americas geographical market.

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| **Interest revenue** | | |
| Interest revenue on cash and deposits | **3,646** | 1,784 |
| Interest revenue on receivables | **861** | 2,103 |
| Interest revenue on litigation investments - purchased claims | **7,200** | 5,122 |
| | **11,707** | 9,009 |

## Note 4: Net gain on derecognition of litigation investments - intangibles assets

Net gain on derecognition of litigation investments – intangibles assets is derived from the disposal through sale or completion (partial or full) of the underlying litigation that the Group invested in. The accounting policy for litigation investments - intangibles assets is outlined in Note 13.

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| **Net gain on derecognition of litigation investments - intangible assets** | | |
| Proceeds | **122,688** | 141,640 |
| Derecognition of carrying cost | **(73,731)** | (96,974) |
| | **48,957** | 44,666 |

Net gain on derecognition of litigation investments – intangible assets can be represented geographically as follows:

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| Americas | **39,611** | (4,499) |
| APAC | **2,523** | 33,450 |
| EMEA | **6,823** | 15,715 |
| | **48,957** | 44,666 |

## Note 5: Other income

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| **Other income** | | |
| Net foreign exchange gain | **—** | 3,748 |
| Other income | **447** | 821 |
| | **447** | 4,569 |

## Note 6: Expenses

### Finance costs

Borrowing costs directly attributable to the acquisition and development of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Detailed information is provided in Note 19.

### Amortisation of litigation investments – claims portfolio

Amortisation of litigation investments – claims portfolio represents the amortisation of the capitalised contract costs due to completion of the underlying enforcement or recovery action. Detailed information is provided in Note 11.

### Depreciation

The depreciation policy is disclosed in Note 25.

### Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include salaries and wages, annual leave, long service leave and bonuses. Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the periods in which the employees render the related services are recognised as long-term employee benefits. These liabilities are measured at the present value of the estimated future cash outflow to be made to the employees using the projected unit credit method. Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are classified as short-term benefits and are measured at the amount due to be paid. The corresponding movements are expensed together with those incurred during the year.

### Share based payments

The policy for share based payments is disclosed in Note 32.

### Impairment expense – litigation investments

The policy for impairment expense – litigation investments is disclosed in Notes 11-14 according to asset classes litigation investments – claims portfolio, litigation investments – purchased claims, litigation investments – intangible assets and litigation investments – financial assets.

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## Note 6: Expenses (continued)

### Adverse costs – litigation investments

The expense raised is the Group's best estimate of the amount of adverse costs it will have to remit where the underlying litigation has received an unfavourable judgement. Refer to Notes 27 and 30 for further details on adverse costs.

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| **(a) Finance costs** | | |
| Interest on lease liabilities (Note 28) | **1,046** | 1,091 |
| Other finance charges | **(9)** | 1,597 |
| | **1,037** | 2,688 |
| **(b) Amortisation of litigation investments - claims portfolio** | | |
| Amortisation of litigation investments - claims portfolio (Note 11) | **11,107** | 4,042 |
| **(c) Depreciation expense** | | |
| Depreciation (Note 25) | **4,521** | 3,917 |
| **(d) Employee benefits expenses** | | |
| Wages and salaries | **49,565** | 59,225 |
| Superannuation expense | **2,630** | 2,383 |
| Directors' fees | **483** | 527 |
| Payroll tax | **3,633** | 2,986 |
| Share based payments (Note 32) | **7,034** | 8,871 |
| | **63,345** | 73,992 |
| **(e) Corporate and office expenses** | | |
| Insurance expense | **5,215** | 3,868 |
| Network expense | **2,172** | 2,539 |
| Marketing expense | **1,370** | 1,736 |
| Occupancy expense | **811** | 656 |
| Professional fees expense | **5,838** | 5,241 |
| Recruitment expense | **352** | 1,593 |
| Travel expense | **1,503** | 2,513 |
| | **17,261** | 18,146 |
| **(f) Other expenses** | | |
| General expenses | **2,466** | 3,117 |
| Amortisation of contract costs | **939** | 939 |
| Staff training, development and conferences | **122** | 1,007 |
| | **3,527** | 5,063 |
| **(g) Impairment expense and adverse costs - litigation investments** | | |
| Adverse costs - litigation investments (Note 27) | **4,470** | 7,699 |
| Net impairment loss - litigation investments (Notes 11 - 14) | **62,415** | 5,403 |
| | **66,885** | 13,102 |
| **(h) Net foreign exchange loss** | | |
| Net foreign exchange loss | **3,236** | – |
| | **3,236** | – |
| **(i) Expected credit loss allowance** | | |
| Expected credit loss allowance (Note 22) | **4,164** | 1,727 |
| | **4,164** | 1,727 |

## Note 7: Income tax

### Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided for using the full liability balance sheet method.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in other comprehensive income are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

#### *Australian tax consolidated group*

The Parent and its Australian resident wholly owned subsidiaries have formed an income tax consolidated group. The Parent has entered into tax funding arrangements with its Australian resident wholly owned subsidiaries, pursuant to which each subsidiary has agreed to pay or receive a tax equivalent amount based on the net taxable amount or loss of the subsidiary at the current tax rate. The tax consolidated group has applied the separate taxpayer approach in determining the appropriate amount of current taxes to allocate to each entity.

#### *Other taxes*

Revenues, expenses and assets are recognised net of the amount of GST, except (i) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and (ii) receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of cash flows from operating activities.

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## Note 7: Income tax (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| **Consolidated Statement of Comprehensive Income** | | |
| The major components of income tax benefit are: | | |
| *Current income tax* | | |
| Current income tax charge | **(791)** | (13,973) |
| Current year losses moved to deferred tax asset | **7,216** | 17,991 |
| Current year utilisation of carried forward tax losses | **(1,353)** | — |
| Adjustment in respect of current income tax expense of previous year | **(3,899)** | (249) |
| Refund of foreign state-based taxes | **—** | (58) |
| Other | **383** | 1,309 |
| *Deferred income tax:* | | |
| Relating to origination and reversal of temporary differences | **(19,590)** | 4,906 |
| Adjustment in respect of deferred income tax of previous year | **2,956** | 1,516 |
| Change in tax rate | **(36)** | — |
| Reduction in deferred tax asset for loss utilisation | **1,353** | — |
| Current year losses moved to deferred tax asset | **(7,216)** | (17,991) |
| Other | **—** | 1,875 |
| **Income tax benefit reported in the Consolidated Statement of Comprehensive Income** | **(20,977)** | (4,674) |
| **Other comprehensive income** | | |
| *Deferred income tax related to items charged or credited directly to equity* | | |
| Deferred tax associated with share-based payments | **106** | 96 |
| **Income tax expense reported in equity** | **106** | 96 |

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## Note 7: Income tax (continued)

A reconciliation between income tax benefit and the product of accounting loss before income multiplied by the Group's applicable income tax rate is as follows:

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| Accounting profit (loss) before tax | **9,510** | (3,812) |
| At the Group's statutory income tax rate of 30% (2023: 30%) | **2,853** | (1,143) |
| Adjustment in respect of income and deferred tax of previous years | **3,404** | 1,210 |
| Expenditure not allowable for income tax purposes | **1,790** | 749 |
| Non-assessable income | **(28,190)** | (683) |
| Foreign tax rate adjustment | **(1,599)** | (611) |
| State/Provincial income tax | **919** | 49 |
| Relating to deductible temporary differences not previously recognised | **–** | (2,710) |
| Change in tax rate | **(36)** | – |
| Other | **(118)** | (1,535) |
| **Income tax benefit reported in the Consolidated Statement of Comprehensive Income** | **(20,977)** | (4,674) |

| | Consolidated | | | |
|---|---|---|---|---|
| | Statement of Financial Position | | Statement of Comprehensive Income | |
| | 2024 $'000 | 2023 $'000 | 2024 $'000 | 2023 $'000 |
| Deferred income tax at 30 June relates to the following: | | | | |
| *Deferred income tax liabilities* | | | | |
| Litigation investments – intangible assets | **31,979** | 29,085 | **(2,893)** | 602 |
| Right of use assets and other plant and equipment | **1,548** | 876 | **(672)** | 295 |
| Other | **4,653** | 5,101 | **448** | (5,139) |
| Gross deferred tax liabilities | **38,180** | 35,062 | **(3,117)** | (4,242) |
| *Offsetting deferred tax assets* | | | | |
| Net operating losses | **2,618** | 2,473 | **146** | 2,118 |
| Share based payments | **141** | 217 | **(76)** | 14 |
| Leases | **609** | 767 | **(159)** | 545 |
| Expenditure deductible for income tax over time | **368** | 726 | **(351)** | 1,057 |
| Gross deferred tax assets | **3,736** | 4,183 | **(440)** | 3,734 |
| **Net deferred tax liabilities** | **34,444** | 30,879 | | |

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## Note 7: Income tax (continued)

| | Consolidated | | | |
|---|---|---|---|---|
| | Statement of Financial Income | | Statement of Comprehensive Income | |
| | 2024 | 2023 | 2024 | 2023 |
| | $'000 | $'000 | $'000 | $'000 |
| *Deferred tax assets* | | | | |
| Accruals and provisions | **8,732** | 9,189 | **(457)** | 503 |
| Intangibles | **784** | — | **784** | — |
| Intercompany | **2,232** | 3,492 | **(1,261)** | 2,712 |
| Expenditure deductible for income tax over time | **15,878** | 1,626 | **14,245** | (2,668) |
| Share based payments | **1,682** | 3,656 | **(1,868)** | (3,210) |
| Leases | **1,392** | 274 | **1,118** | (844) |
| Deferred tax assets - Foreign net operating losses | **71,069** | 59,352 | **11,719** | 17,294 |
| **Deferred tax assets** | **101,769** | 77,589 | **24,280** | 13,787 |

| | | |
|---|---|---|
| **Net deferred income tax** | **20,723** | 13,279 |
| Movements in foreign exchange | **1,811** | (3,584) |
| **Deferred tax expense** | **22,534** | 9,695 |

### Unrecognised temporary differences and tax losses

At 30 June 2024, the Group had $4.776 million (2023: $2.466 million) of unrecognised deferred tax assets relating to temporary differences and tax losses in its Canadian subsidiaries.

### Deferred tax assets relating to Australian operations

The deferred tax assets balance includes $34.240 million (2023: $34.336 million) of assets relating to carried forward tax losses of the Omni Bridgeway Limited (OBL) tax consolidated group at 30 June 2024.

It is probable that the OBL tax consolidated group will earn sufficient taxable incomes to utilise the losses as the Australian business has significant investments on balance sheet and through Fund 5 participation, which have a combined fair value of $309.696 million. In addition, OBL is expected to receive distributions from Fund 2&3 and intra-group income from the wider group.

### Deferred tax assets relating to USA operations

The deferred tax assets balance includes $33.934 million (2023: $24.731 million) of assets relating to carried forward tax losses of Omni Bridgeway Holdings (USA) Inc. Under existing tax regulations, the losses incurred prior to financial year ended 30 June 2019 can be carried forward for 20 years and losses incurred thereafter can be carried forward indefinitely. The US business had a history of incurring tax losses before the year ended 30 June 2024. The losses have arisen primarily from the implementation of the expansion of the operating base in the United States to support strategic growth initiatives that are, according to plan, yet to realise their full value. OBL has considered the utilisation of these tax losses within the expanded US business and has determined that, based on approved budgets and existing investments, it is probable that the US tax group will earn sufficient taxable income to utilise the losses. Further, in assessing the utilisation of the tax losses, OBL considers there to be convincing other evidence to support the recoverability of these tax losses including:

(i) The US business has been in an expansion and infrastructure growth phase. Additional costs have been incurred in the business related to the expansion of activity, changes in operations to a Fund management structure and establishment of a scalable platform. Investments in people, systems and infrastructure have been made ahead of the expected investment activity of the Funds. Fund 4 started in 2019 for an approved portfolio of commitment up to US$500 million (of which the US business has a 20% interest). With an average investment life of circa 3-4 years, a significant portion of the expected income is in the future. This income generation will be by way of both investment returns and fee revenues.

(ii) The US business has raised substantial external capital over the past 4 years via its Fund structures. Fund 4 investors committed US$500 million (80% external commitments). The external capital raised is the foundation of the investing activity that enables the US business to grow and generate returns to realise future taxable income. Fund 4 Series II is currently being considered by institutional investors and will be launched in the near future.

(iii) The incremental fair value of the US-based investments as at 30 June 2024 is $178 million which is reflective of the increased business activity within the region, leading to further profit generation and recovery of deferred tax assets in the future.

(iv) There are 55 US investments as at 30 June 2024. It has been determined that the income generated by these investments, when realised, will exceed the tax losses within the US business.

### Deferred tax assets relating to Funds 2 & 3

Omni Bridgeway (Fund 2) Pty Limited and Omni Bridgeway (Fund 3) Pty Limited carried combined total deferred tax assets balances of $2.657 million at 30 June 2024 (2023: $0.070 million), the deferred tax assets balances were predominantly related to the loss of APAC investments during this reporting period. The Funds are 100% committed with litigation investment that are expected to generate significant taxable income in their respective tax jurisdictions in the future.

## Note 8: Loss per share

Basic loss per share is calculated as net loss attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the Parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after-tax effect of interest dividends associated with dilutive potential ordinary shares that have been recognised; and
- Other non-discretionary changes in revenue or expenses during the period that would result from dilution of potential ordinary shares;
- Divided by the weighted average number of shares and dilutive shares, adjusted for any bonus element.

At 30 June 2024, 15,786,422 performance rights (2023: 15,421,416) were on issue as detailed in Note 32. Upon meeting certain performance and service conditions, the vesting of each right will result in the issue of 1 ordinary share. The performance shares are contingently issuable and are not considered dilutive.

The following reflects the income and share data used in the basic loss per share computation:

### a. Loss used in calculating loss per share

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **For basic and diluted loss per share** | | |
| Total net loss attributable to equity holders of the Parent | **(87,524)** | (31,659) |

### b. Weighted average number of shares

| | 2024 | 2023 |
|---|---|---|
| | 000 | 000 |
| Weighted average number of ordinary shares outstanding | **280,933** | 275,182 |
| Effect of dilution: | | |
| Performance rights | **–** | – |
| Variable deferred consideration - business combination shares | **–** | – |
| Weighted average number of ordinary shares | **280,933** | 275,182 |

Variable deferred consideration – business combination may be settled by the issue of fully paid ordinary shares in Omni Bridgeway Limited. Refer to Note 29 for details.

These shares have not been included for the following reasons:

- Variable deferred consideration – business combination shares have not been included as their performance milestones for future tranches have yet to be met.
- In addition to the above, the inclusion of any of these shares would be considered anti-dilutive.

The weighted average number of ordinary shares outstanding includes performance rights granted under the Long-Term Incentive Plan which are only included in dilutive earnings per ordinary share where the performance hurdles are met as at period end and they do not have an anti-dilutive effect.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

## Note 9: Dividends paid and proposed by Omni Bridgeway Limited (the parent entity)

### (a) Cash dividends on ordinary shares declared and paid

There were no dividends declared or paid for the year ended 30 June 2024 (2023: nil cents per share). Omni Bridgeway Limited's accumulated losses and reserves are disclosed in Note 21.

The Company considers all its capital management options in light of the cash position and performance of the Group at the time of as well as the likely demand for cash over the ensuing 12-month period. In determining the appropriate mechanism to deliver returns to shareholders, the board will consider both semi-annual dividends and share buy-backs. Relevant considerations include the source and nature of income and the prevailing share price relative to the intrinsic value and the franking credit balance.

The Company has a dividend reinvestment plan (**DRP**) that shareholders may elect to participate in. On appropriate occasions, the Company may arrange DRP underwriting to reduce the impact a particular dividend might otherwise have on the Group's cash resources. The Company's share buy-back program ended on 14 September 2023.

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## Note 9: Dividends paid and proposed by Omni Bridgeway Limited (the parent entity) (continued)

### (b) Franking credit balance

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| The amount of franking credits for the subsequent financial year are: | | |
| Franking account balance at the end of previous financial year at 30% | **5,905** | 5,905 |
| Franking debits | **–** | – |
| Balance at 30 June | **5,905** | 5,905 |

### (c) Tax rates

The tax rate at which paid dividends have been franked is 30% (2023: 30%).

## Note 10: Statement of cash flows reconciliation

### Reconciliation of net profit for the year to net cash flows used in operations:

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| **Net profit for the year** | **30,487** | 862 |
| *Adjustments for:* | | |
| Net impact of the reclassification of litigation investments - intangible assets related to cash flows from investing activities | **(178,730)** | (110,976) |
| Fair value adjustments to litigation investments - deferred consideration | **(87)** | (906) |
| Fair value adjustments to financial liabilities | **(993)** | (2,610) |
| Amortisation of litigation investments - claims portfolio | **11,107** | 4,042 |
| Amortisation of contract costs | **939** | 939 |
| Depreciation | **4,521** | 3,917 |
| Share based payments | **8,375** | 10,616 |
| Unrealised foreign exchange gain | **—** | (3,748) |
| *Changes in assets and liabilities* | | |
| Decrease/(Increase) in receivables | **18,782** | (22,039) |
| Decrease/(Increase) in other assets and contract cost | **4,521** | (6,674) |
| Decrease in litigation investments - intangible assets | **35,809** | 24,599 |
| Increase in litigation investments - claims portfolio | **(1,532)** | (19,652) |
| Decrease/(Increase) in litigation investments - purchased claims | **(15,678)** | 9,617 |
| Decrease/(Increase) in net deferred tax assets | **(20,615)** | (13,183) |
| Decrease in other liabilities | **(5,856)** | (24,107) |
| (Decrease)/Increase in lease liabilities | **(959)** | 4,013 |
| Increase in trade and other payables | **14,335** | 8,157 |
| Increase in provisions | **14,537** | 6,162 |
| (Increase)/decrease in current income tax receivable/payable | **(6,838)** | 543 |
| Net cash used in operating activities | **(87,875)** | (130,428) |

### Disclosure of financing facilities

Refer to Notes 18, 19 and 28.

### Changes in liabilities arising from financing activities

Refer to Notes 19 and 28.

## B. LITIGATION INVESTMENTS AND GOODWILL

### Note 11: Litigation investments - claims portfolio

#### (a) Recognition and measurement

Litigation investments - claims portfolio assets consist of the capitalised costs incurred to purchase, obtain or fulfil a contract with a customer. These contracts with customers involve a vendor-customer relationship established in the contract. They comprise the litigation enforcement and recovery investment contracts and certain merits-based funding contracts.

Costs incurred to obtain a contract are only capitalised to the investment when it is expected that a contract will be executed, and where those costs will be recoverable. The Group recognises an asset for costs incurred to fulfil a contract if those costs relate directly to the contract, the costs generate or enhance resources of the Group to satisfy performance obligations in the future and the costs are expected to be recovered. All capitalised contract costs are amortised to the profit or loss on a systematic basis that follows delivery of performance obligations to the customer. The delivery of performance obligations to the customer on the contracts are aligned with each individual dollar of recovery to the customer.

The carrying value of the litigation investments - claims portfolio is measured at cost less amortisation and any impairment. At each reporting date an assessment is made on an individual investment by investment basis to determine if the carrying amount of a contract exceeds its recoverable amount. In order to determine the recoverable amount a probabilistic cashflow model is used which includes forecast revenues and expenses, together with an estimate of directly attributable overheads to complete the contract. If the carrying value exceeds the recoverable amount the difference is recognised as an impairment expense in the profit or loss.

#### Reconciliation of carrying amounts

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July[1] | **125,775** | 106,123 |
| Additions | **22,264** | 20,969 |
| Amortisation of carrying costs[2] (Note 6(b)) | **(11,107)** | (4,042) |
| Impairment expense | **(6,656)** | (719) |
| Foreign currency adjustment | **(2,969)** | 3,444 |
| Balance at 30 June[3] | **127,307** | 125,775 |

1. Includes $63.151 million (2023: $59.558 million) of fair value adjustments from business combination in FY20.
2. Includes $2.468 million (2023: $1.180 million) of fair value adjustments from business combination in FY20.
3. Includes $59.301 million (2023: $63.151 million) of fair value adjustments from business combination in FY20.

### Note 12: Litigation investments - purchased claims

#### (a) Recognition and measurement

Litigation investments – purchased claims are litigation actions which have been acquired by the Group (except by business combination). They are classified as purchased credit-impaired financial assets which are initially recognised at fair value.

The credit-adjusted effective interest rate on these financial assets is calculated taking into account the initial lifetime expected credit loss in the estimated cash flows. In determining the lifetime expected credit losses for these financial assets, the Group has taken into account the financial position of the counterparties, the legal environment in which the enforcement occurs, historical default experience and considering various external sources of actual and forecast information, as appropriate.

Purchased claims are subsequently measured at amortised cost by applying the credit-adjusted effective interest rate. The Group recognises:

i. Interest income through the application of the credit-adjusted effective interest rate to the amortised cost of the purchased claims; and

ii. Impairment losses and gains, when material, due to the changes in estimated lifetime expected credit losses. At each reporting period, the Group reviews the estimated cash flows from purchased claims on an investment by investment basis, estimating the expected recovery, its timing and any other cashflows that may be attributable to the counterparties. The net present value of the cashflows are then determined using the credit-adjusted effective interest rate and the value compared to the carrying value. Where there is a material gain, this gain is recognised by adjusting the gross carrying amount of the receivable. Where there is a material loss, it is recognised as an impairment provision.

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## Note 12: Litigation investments - purchased claims (continued)

### Reconciliation of carrying amounts

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July[1] | **37,423** | 47,040 |
| Interest revenue | **7,200** | 5,122 |
| Addition[4] | **13,473** | — |
| Increase/(Decrease) in carrying value reflected in deferred consideration (Note 15) | **896** | (16,387) |
| Carrying value disposed[2] | **(106)** | (651) |
| Impairment loss | **(3,744)** | (1,546) |
| Foreign currency adjustment | **(2,042)** | 3,845 |
| Balance at 30 June[3] | **53,101** | 37,423 |

At 30 June 2024, the fair value of the litigation investments - purchased claims amounted to $53.101 million (2023: $37.423 million) and the gross contractual amount was $114.30 million (2023: $169.008 million).

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Net gain on disposal of litigation investments - purchased claims** | | |
| Proceeds | **207** | 1,670 |
| Carrying value disposed[2] | **(106)** | (651) |
| | **101** | 1,019 |

1. Includes $0.861 million (2023: $0.586 million) of fair value adjustments from the business combination in FY20.
2. Includes $— million (2023: $(0.228) million) of fair value adjustments from the business combination in FY20.
3. Includes $0.841 million (2023: $0.861 million) of fair value adjustments from the business combination in FY20.
4. Includes $13.473 million of additions relating to the acquisition of a portfolio of purchased claims, administered by a separate Moroccan securitisation special purpose vehicle.

## Note 13: Litigation investments - intangible assets

### (a) Recognition and measurement

Litigation investments involve funding provided to pursue an underlying litigation dispute that are not classified as purchased investments, claims portfolio or financial assets. They are recognised as intangible assets in the financial statements of the Group when they represent future economic benefits controlled by the Group. The Group is able to control the expected future economic benefit as the investment may be exchanged or sold. The litigation funding contract does not give rise to an unconditional right to receive cash. Rather, it provides the Group with a right to a share of litigation proceeds which may be in the form of cash or other non-financial assets.

These litigation contracts are not considered contracts with customers as they are collaborative arrangements and there is no vendor-customer relationship established in the contract.

Litigation investments – intangible assets are measured at cost on initial recognition. They are not amortised as the assets are not available for use until the determination of a judgement or settlement, withdrawal or sale, at which point the assets are realised through disposal.

Gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time and are recognised in the profit or loss when the asset is derecognised.

The following specific asset recognition and derecognition rules have been applied to litigation investments – intangible assets:

#### *(i) Ongoing litigation*

When the underlying litigation action is ongoing and pending a determination, the investments are carried at cost (subject to any provision for impairment). Initial and subsequent ongoing expenditure is capitalised when it meets all the following criteria:

(a) the Group is able to demonstrate its ability to complete the litigation so that the asset will be available for use and the benefits embodied in the asset will be realised;

(b) the Group retains control of the asset;

(c) the Group can demonstrate that it intends to complete the litigation;

(d) the Group is able demonstrate the availability of adequate technical, financial and other resources to complete the litigation; and

(e) the Group can measure reliably the expenditure attributable to the intangible asset during the life of the litigation investments – intangible assets.

## Note 13: Litigation investments - intangible assets (continued)

Impairment is considered in line with the policy described in (b) below:

### *(ii) Completion*

Where the underlying litigation has been finally determined or a settlement has been agreed, such that there is not considered to be a significant risk of reversal, this constitutes a disposal transaction, the carrying cost is derecognised and a gain or loss on disposal of the intangible asset is recognised in the Consolidated Statement of Comprehensive Income. Control of the intangible asset is considered to be transferred as follows:

- For judgements, typically after a judgement has been determined and the relevant appeal periods have expired;
- For settlements, typically when settlement agreement is reached and if relevant, court approval is obtained; and
- For sales, typically when a binding agreement is executed.

### *(iii) Partial completion*

Where litigation investments have been subject to a partial sale transaction, consideration has been agreed, such that there is not considered to be a significant risk of reversal and it is evident the litigation investment can be assessed at the respective percentage of interest level, this constitutes a disposal transaction and a gain or loss on disposal is recognised in the statement of comprehensive income.

Control of the partial intangible asset is considered to be transferred as follows:

- When the partial sale agreement is executed. Upon this date, the purchaser is considered to be able to direct the use of the interest and assume substantially all the remaining benefits of the interest.

### *(iv) Appeal/enforcement*

If a funded client obtains an unsuccessful decision from the court, arbitration or tribunal and appeals against the judgement, where the investment and funding was undertaken by the Group with that as a central thesis, the investment may be considered to be ongoing with deployment capitalised to the investment. Where there was no such thesis, the investment is derecognised and future costs incurred in relation to the appeal are expensed as incurred.

If a funded client obtains a successful decision from the court, arbitration or tribunal and has to subsequently undertake enforcement activities, where the investment and funding was undertaken with that as a central thesis, the investment may be considered to be ongoing with a delivery of a partial service obligation requiring partial derecognition of the investment and income recognition. Where there was not such a thesis, the investment is derecognised, with a receivable recognised and any future costs incurred in relation to the enforcement appeal are expensed as incurred.

### *(v) Portfolio investments*

Upon completion of an underlying litigation within a portfolio, a corresponding portion of the intangibles carrying value is derecognised. The difference between the disposal proceeds received and the derecognised carrying value is recognised as a net gain or loss in the profit or loss. The remainder of the portfolio continues to be carried at cost (subject to usual impairment considerations) until the earlier of either the full return to the Group is obtained or each case within the portfolio has completed.

### Reconciliation of carrying amounts

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **370,085** | 394,684 |
| Additions - external funding costs | **109,170** | 157,201 |
| Additions - capitalised overheads | **38,882** | 28,772 |
| Derecognition - external expenditure | **(56,996)** | (61,352) |
| Derecognition - capitalised overheads | **(16,059)** | (35,284) |
| Net derecognition of purchase price adjustment arising from business combination | **(489)** | (339) |
| Impairment expense | **(45,891)** | (3,138) |
| Deconsolidation - carrying amount in former subsidiaries | **(62,908)** | (123,420) |
| Effect of movement in foreign currency | **(1,518)** | 12,961 |
| Balance at 30 June | **334,276** | 370,085 |

The carrying value includes external costs such as solicitors' fees, counsels' fees and experts' fees funded by the Group, the capitalisation of certain directly attributable internal costs of managing the litigation funding investment, such as certain direct salaries and wages, occupancy costs, other out of pocket expenses and the capitalisation of borrowing costs as described below. The capitalised salaries and wages in 2024 equated to approximately 16.1% of the Group's total salary and wages expense (2023: 13.0%). The other internal capitalised expenses equated to approximately 35.8% of related overhead costs (2023: 49.9%).

The Group has determined that litigation investments – intangible assets meet the definition of qualifying assets and that all borrowing costs are eligible for capitalisation. The weighted average cost of borrowing was 10.9% (2023: 6.9%).

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## Note 13: Litigation investments - intangible assets (continued)

The carrying value of litigation investments – intangible assets can be summarised as follows:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| External funding costs | **322,324** | 337,167 |
| Capitalised overheads | **70,149** | 49,143 |
| Gross carrying amount at cost | **392,473** | 386,310 |
| Accumulated impairment - Investments in progress | **(58,197)** | (16,225) |
| Balance at 30 June | **334,276** | 370,085 |

### (b) Impairment testing of litigation investments – intangible assets

Except for specific litigation investments – intangible assets that are subject to an unfavourable judgement or award, the recoverable amount of each of the litigation investments – intangible assets is determined based on a value in use calculation using probabilistic cash flow models based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of litigation investments – intangible assets:

- The estimated cost to complete is budgeted based on estimates provided by the external legal advisors handling the litigation.
- The value of the litigation is estimated based on a successful completion and the fees due to the Group under the litigation funding contract.
- The discount rate applied to the cash flow projections is based on the Group's weighted average cost of capital and other factors relevant to the particular investment including country risk. The discount rate applied ranged between 10.9% and 12.6% for this reporting period (2023: between 12.8% and 13.7%).

At 30 June 2024, 27 investments (2023: 18) across the portfolio recognized impairments, 5 of which totalled $52.630 million.

For new or increased impairments, during the impairment review, management have determined that either a successful outcome for the investment was no longer likely to occur or that the likely outcome would not recover the current carrying value of the investment. The discount rate used in the impairment assessment of these assets was 12.0%. After taking into account the impairment, at 30 June 2024, the 27 investments have a combined carrying value of $15.238 million. This amount reflects the net recoverable amount expected to be received from the investments.

## Note 14: Litigation investments - financial assets

### (a) Recognition and measurement

Litigation investments - financial assets that were previously classed as Managed Investment Schemes (**MISs**) have had three investments re-classed to Intangibles within the financial year.

These investments continue to be held within Fund 5 where the Group participates in these investments via its 20% participation and are not consolidated with the Group.

The investments are classified as financial assets at fair value through the profit or loss. The investments are initially recognised at fair value plus any attributable transaction costs and are subsequently measured at fair value at each reporting date. The determination of the fair value is designated as level 3 in the fair value hierarchy. Management judgement is required when calculating the fair value of the investments. Level 3 inputs are used in the fair value calculation and estimation of fair value is inherently uncertain.

Typically the fair value of investments are equivalent to the Group's deployed capital on the investment, being the Group's share of funded costs of the litigation plus any associated costs until there is some material objective positive or negative event in the underlying litigation that would cause a change in value.

## Note 14: Litigation investments - financial assets (continued)

### (b) Reconciliation of carrying amounts

The following table reconciles the movements in recurring fair value measurements categorised within level 3 of the fair value hierarchy:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **7,078** | 3,071 |
| Additions | **7,706** | 4,007 |
| Re-class | **(959)** | – |
| Disposals | **(187)** | – |
| Balance at 30 June | **13,638** | 7,078 |

## Note 15: Litigation investments – deferred consideration

### (a) Recognition and measurement

Variable consideration relating to litigation investments - purchased claims is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. The determination of the fair value is designated as level 3 in the fair value hierarchy.

### (b) Reconciliation of carrying amounts

The following table reconciles the movements in recurring fair value measurements categorised within level 3 of the fair value hierarchy:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **7,667** | 21,872 |
| Increase/(Decrease) in carrying value (Note 12) | **896** | (16,387) |
| Interest expense | **–** | 490 |
| Valuation remeasurement recognised through profit or loss | **(87)** | (906) |
| Effect of movement in foreign currency | **(179)** | 2,598 |
| Balance at 30 June | **8,297** | 7,667 |
| Current | **7,209** | 3,342 |
| Non-current | **1,088** | 4,325 |
| | **8,297** | 7,667 |

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## Note 16: Goodwill

### (a) Recognition and measurement

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the fair value of the net identifiable assets acquired and liabilities assumed). Goodwill is subsequently measured at cost less any impairment.

Goodwill arose on the acquisition of Omni Bridgeway Holding B.V. and its subsidiaries (collectively known as the OBE Group) accounted for as a business combination. For impairment purposes, goodwill has been solely allocated to the OBE Group, its related enforcement business and income generated by the OBE Group. The Group performs its annual impairment test on the goodwill associated with the OBE Group at 30 June each year.

The impairment test performed on the OBE Group goodwill is done via a value-in-use calculation using the following inputs:

i. Cashflows generated over a 5-year period from the OBE Group's annual budget. The annual budget includes an estimation for all cashflows from operations of the OBE Group, including returns from investments and payments of overheads. The budget cashflows are sensitive to the timing and amount of investment completions. The investment completions refer to income earned from claims portfolio, purchased claims and intangible assets – litigation contracts in progress. The timing of completion and amount of investment income are based on the relevant investment manager's best estimates during the Group's annual budget process and are reviewed internally by management. The cashflows from investment completions have a compound annual growth rate of 36.9% (2023: 25.4%) over the cash flow period. This is reflective of the management's estimate of the OBE Group's expected future growth in business activity.

ii. Discount rate of 13.7% (2023: 14.9%). The discount rate represents the current assessment of the risks specific to OBE Group cash-generating unit (**CGU**), taking into consideration the time value of money and individual risks of the underlying OBE Group investment that have not been incorporated in the cash flow estimates. The discount rate was arrived using the OBL's weighted average cost of capital (**WACC**) as a starting base.

No reasonable possible change in key assumption would result in the carrying amount of the CGU exceeding its recoverable amount.

### (b) Reconciliation of carrying amounts

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **103,304** | 95,567 |
| Effect of movement in foreign currency | **(2,419)** | 7,737 |
| Balance at 30 June | **100,885** | 103,304 |

## C. CAPITAL STRUCTURE

### Note 17: Financial risk management

The Group's principal financial instruments comprise cash and short-term deposits, purchased claims, receivables, payables, debt securities, borrowings, lease liabilities and deferred consideration.

The Group manages its exposure to key financial risks, including interest rate risk and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting its future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and currencies and assessments of market forecasts for interest rates and foreign currencies. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

#### Risk exposures and responses

*Interest rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to:

- The Group's cash holdings with a floating interest rate; and
- The Group has a $250 million variable rate debt facility outstanding including fixed capitalised costs of issuing debt as at 30 June 2024. The debt facility requires that the Group make a quarterly interest payment based on the Bank Bill Swap Bid Rate plus a fixed margin of 7% per annum.

At reporting date the Group had the following financial instruments exposed mainly to Australian variable interest rate risk:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Financial instruments** | | |
| Cash and cash equivalents | **135,880** | 117,016 |
| Borrowings | **(250,000)** | (190,000) |
| Net exposure | **(114,120)** | (72,984) |

The Group regularly analyses its interest rate exposure. Within this analysis, consideration is given to expected interest rate movements and the Group's future cash requirements, potential renewals of existing positions, alternative financing available, and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2024, if interest rates had moved with all other variables held constant, post-tax profit and equity would have been affected as follows:

| | Post Tax Profit Higher/ (Lower) | | Equity Higher/(Lower) | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $'000 | $'000 | $'000 | $'000 |
| +1.00% (100 basis points) (2023: +1.00%) | **(799)** | (511) | **(799)** | (511) |
| -1.00% (100 basis points) (2023: -1.00%) | **799** | 511 | **799** | 511 |

*Credit risk*

Credit risk arises from the financial assets of the Group, which comprises cash and cash equivalents, purchased claims and receivables from litigation contracts and other. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note. Apart from ratings on cash held and litigation contract receivables, as detailed below, the remainder of the Group's receivables typically do not carry a credit risk rating from a ratings agency.

To mitigate credit risk on litigation contract receivables the Group assesses the defendants in the investments funded by the Group prior to entering into any agreement to provide funding and continues this assessment during the course of funding. Wherever possible, the Group ensures that security for settlement sums is provided, usually with the settlement funds placed into solicitors' trust accounts. As at 30 June 2024, there are no funds within solicitors' trust accounts. The Group's continual monitoring of the defendants' financial capacity mitigates this risk. At 30 June 2024, there were no litigation contract receivables that were due to be paid by the AAA rated government (2023: $nil).

To mitigate credit risk on purchased claims, the Group assesses the defendants in the investments funded by the Group prior to purchasing the claim. The Group's continual monitoring of the defendants' financial capacity mitigates this risk.

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## Note 17: Financial risk management (continued)

To mitigate credit risk on cash and cash equivalents, the Group holds over 99.8% (2023: 99.6%) of its cash with Australian, American, Canadian and Singaporean AA rated banks.

Refer to each financial asset's respective note for information on how impairment and credit loss is determined.

### *Liquidity risk*

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's expected financial commitments in a timely and cost-effective manner.

Management continually reviews the Group's liquidity position, including the preparation of cash flow forecasts, to determine the forecast liquidity position and to maintain appropriate liquidity levels. All financial liabilities of the Group, except the debt facility, consideration liabilities and non-current lease liabilities, are current and payable within 30 days.

The maturity profile of the Group's financial liabilities based on contractual maturity on an undiscounted basis are set out below.

| | < 6 months<br>$'000 | 6-12 months<br>$'000 | 1-5 years<br>$'000 | >5 years<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Financial Liabilities** | | | | | |
| Trade and other payables | **64,445** | **–** | **–** | **–** | **64,445** |
| Borrowings - principal | **–** | **–** | **250,000** | **–** | **250,000** |
| Borrowings - interest | **14,243** | **14,243** | **57,361** | **–** | **85,847** |
| Lease liabilities | **1,935** | **1,935** | **10,262** | **2,850** | **16,982** |
| Litigation investments - deferred consideration | **7,209** | **–** | **1,088** | **–** | **8,297** |
| Deferred consideration - Insurance | **920** | **–** | **2,151** | **–** | **3,071** |
| Variable deferred consideration - business combinations | **6,730** | **–** | **–** | **–** | **6,730** |
| | **95,482** | **16,178** | **320,862** | **2,850** | **435,372** |
| **2023** | | | | | |
| **Financial Liabilities** | | | | | |
| Trade and other payables | 50,110 | – | – | – | 50,110 |
| Borrowings - principal | – | – | 190,000 | – | 190,000 |
| Borrowings - interest | 10,227 | 10,227 | 61,697 | – | 82,151 |
| Lease liabilities | 1,466 | 1,467 | 10,885 | 4,123 | 17,941 |
| Litigation investments - deferred consideration | 3,342 | – | 4,325 | – | 7,667 |
| Deferred consideration - Insurance | 1,099 | – | 2,975 | – | 4,074 |
| Variable deferred consideration - business combinations | 6,998 | – | 7,775 | – | 14,773 |
| | 73,242 | 11,694 | 277,657 | 4,123 | 366,716 |

### *Equity price risk*

The fair value of the variable deferred consideration – business combination for the acquisition of the OBE Group (refer to Note 20 and 29) is exposed to changes in the Company's share price. There is no hedging or policy in place to mitigate the changes in share price. Refer to Fair Value section below for sensitivity analysis of this risk.

## Note 17: Financial risk management (continued)

### *Fair value*

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The carrying amounts of financial assets and liabilities of the Group carried at amortised cost approximate their fair values.

For the purposes of disclosure, the fair value measurements used for all assets and liabilities below are level 3.

| | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $'000 | $'000 | $'000 | $'000 |
| **Financial assets** | | | | |
| Trade and other receivables | **167,650** | 186,431 | **167,650** | 186,431 |
| Litigation investments - purchased claims | **53,101** | 37,423 | **53,101** | 37,423 |
| Litigation investments - financial assets | **13,638** | 7,078 | **13,638** | 7,078 |
| Other assets/security deposits | **3,189** | 2,925 | **3,189** | 2,925 |
| | **237,578** | 233,857 | **237,578** | 233,857 |
| **Financial liabilities** | | | | |
| Trade and other payables | **64,445** | 50,110 | **64,445** | 50,110 |
| Borrowings | **254,813** | 181,639 | **254,813** | 181,639 |
| Deferred consideration - insurance | **3,071** | 4,074 | **3,071** | 4,074 |
| Variable deferred consideration - business combination | **6,730** | 14,773 | **6,730** | 14,773 |
| Litigation investments - deferred consideration | **8,297** | 7,667 | **8,297** | 7,667 |
| | **337,356** | 258,263 | **337,356** | 258,263 |

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## Note 17: Financial risk management (continued)

### *Description of significant inputs to valuation of variable deferred consideration – business combination*

The significant inputs and assumptions used in the fair value measurements of variable deferred consideration – business combination, categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis at 30 June 2024 are shown below:

| Item | Valuation technique | Significant unobservable inputs | Range (weighted average) | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Variable deferred consideration - business combination | Black Scholes Option Pricing Model | Exercise price | **Theoretical exercise price based on the floor price of $3.407** | |
| | | Volatility | **55% at 30 June 2024** and 40% at 30 June 2023 | **At 30 June 2024:**<br>**An absolute 5% increase in the volatility would result in a $2,000 increase in the value of the liability. An absolute 5% decrease in the volatility would not result in a change in the value of the liability.**<br>At 30 June 2023:<br>An absolute 5% increase in the volatility would result in a $170,000 increase in the value of the liability; An absolute 5% decrease in the volatility would result in a $164,000 decrease in the value of the liability. |
| | | Underlying share price | **$1.11 at 30 June 2024** and $2.62 at 30 June 2023 | **At 30 June 2024:**<br>**A relative 5% increase/(decrease) in the share price would result in a $2,000 increase in the value of the liability.**<br>At 30 June 2023:<br>A relative 5% increase in the share price would result in a $176,000 increase in the value of the liability. A relative 5% decrease in the share price would result in a $153,000 decrease in the value of the liability. |
| | | Dividend yield | **At 30 June 2024:**<br>**0% for 8-Nov-24 payment**<br>At 30 June 2023:<br>0% for 08-Nov-23 payment 0% for 8-Nov-24 payment | **At 30 June 2024:**<br>**An absolute 1% increase or decrease in dividend yield would not result in a change in the value of the liability.**<br>At 30 June 2023:<br>An absolute 1% increase in dividend yield would result in a $33,000 decrease in the value of the liability. An absolute 1% decrease in dividend yield would not result in a change in the value of the liability. |
| | | Risk free rate | **At 30 June 2024:**<br>**4.40% for 8-Nov-24 payment**<br>At 30 June 2023:<br>4.36% for 08-Nov-23 payment 4.36% for 08-Nov-24 payment | **At 30 June 2024:**<br>**An absolute 0.5% increase in risk free rate would result in a $10,000 decrease in the value of the liability. An absolute 0.5% decrease in risk free rate would result in a $12,000 increase in the value of the liability.**<br>At 30 June 2023:<br>An absolute 0.5% increase in risk free rate would result in a $43,000 decrease in the value of the liability. An absolute 0.5% decrease in risk free rate would result in a $41,000 increase in the value of the liability. |
| | | FX forward rate (AUD/EUR) | **At 30 June 2024:**<br>**8-Nov-24: 1.608**<br>At 30 June 2023:<br>8-Nov-23: 1.64<br>8-Nov-24: 1.66 | **At 30 June 2024:**<br>**A relative 5% increase/(decrease) in the forward exchange rates would result in a $336,000 increase/(decrease) in the value of the liability respectively.**<br>At 30 June 2023:<br>A relative 5% increase/(decrease) in the forward exchange rates would result in a $714,000 increase/(decrease) the value of the liability. |

## Note 17: Financial risk management (continued)

### *Foreign currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency in which they are measured. The risk is monitored using sensitivity analysis and cash flow forecasting. The Group is also exposed to foreign exchange translation risk arising from its foreign operations. The Group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature. In addition, the parent entity has intercompany receivables from its subsidiaries denominated in Australian Dollars which are eliminated on consolidation. The gains or losses on re-measurement of these intercompany receivables from foreign currencies to Australian Dollars are not eliminated on consolidation as the loans are not considered to be part of the net investment in the subsidiary.

The Group's exposure to foreign currency risk at 30 June were as follows:

| 2024 | AUD $'000 | USD $'000 | GBP $'000 | EUR $'000 | SGD $'000 | CAD $'000 | HKD $'000 | CHF $'000 | AED $'000 | JPY $'000 | NZD $'000 | NOK $'000 | CNY $'000 | MAD $'000 | SEK $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 16 | 2,813 | 35 | 2,186 | 25 | 96 | 121 | 9 | 4 | 21 | – | – | 1 | 975 | – |
| Trade receivables[1] | 7 | 16,385 | 26,225 | 18,093 | – | 14,964 | – | – | – | – | – | – | – | – | – |
| Intercompany loan receivable | – | 88,233 | 1,892 | – | 2,315 | – | – | – | – | – | 658 | – | – | – | – |
| Total assets | 23 | 107,431 | 28,152 | 20,279 | 2,340 | 15,060 | 121 | 9 | 4 | 21 | 658 | – | 1 | 975 | – |
| **Financial Liabilities** | | | | | | | | | | | | | | | |
| Trade payables | 16 | 19,281 | 3,378 | 419 | 3 | 54 | 12,617 | – | – | – | – | – | – | 87 | – |
| Variable deferred consideration - business combination | 6,730 | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total liabilities | 6,746 | 19,281 | 3,378 | 419 | 3 | 54 | 12,617 | – | – | – | – | – | – | 87 | – |

| 2023 | AUD $'000 | USD $'000 | GBP $'000 | EUR $'000 | SGD $'000 | CAD $'000 | HKD $'000 | CHF $'000 | AED $'000 | JPY $'000 | NZD $'000 | NOK $'000 | CNY $'000 | MAD $'000 | SEK $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | | | | | | | | | | |
| Cash and cash equivalents | – | 665 | 132 | 372 | 1 | 101 | 1,029 | 1 | 79 | 35 | – | – | – | – | – |
| Trade receivables[1] | – | 6,434 | 6,000 | 1,103 | – | 19,808 | – | – | – | – | – | – | – | – | – |
| Intercompany loan receivable | – | 59,427 | (831) | – | (2,095) | – | – | – | – | – | 351 | – | – | – | – |
| Total assets | – | 66,526 | 5,301 | 1,475 | (2,094) | 19,909 | 1,029 | 1 | 79 | 35 | 351 | – | – | – | – |
| **Financial Liabilities** | | | | | | | | | | | | | | | |
| Trade payables | 460 | 1,836 | 512 | 282 | 1 | 375 | – | – | 115 | – | – | 202 | – | 60 | 183 |
| Variable deferred consideration - business combination | 45,729 | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total liabilities | 46,189 | 1,836 | 512 | 282 | 1 | 375 | – | – | 115 | – | – | 202 | – | 60 | 183 |

1. Receivables includes intercompany loan trade receivable and payable.

The Group's exposure to foreign currency risk on cash and cash equivalents primarily relates to foreign cash holdings within the parent entity. The USD foreign currency risk for receivables is predominately due to the Group's AUD and Euro denominated subsidiaries which have USD receivables. The AUD foreign currency risk for variable deferred consideration is due to Omni Bridgeway (Storm) Holdings BV's acquisition of the OBE Group and its requirement to deliver AUD denominated shares in the Company.

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## Note 17: Financial risk management (continued)

### *Sensitivity*

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the subsidiary's functional currency to the listed currencies, with all other variables held constant. The sensitivity is based on management's estimate of reasonable possible changes over the financial year.

| | | Impact on profit or loss before tax ($'000) | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | AUD | USD | GBP | EUR | SGD | CAD | HKD | CHF | AED | JPY | NZD | NOK | CNY | MAD | SEK |
| **30 June 2024** | **+10%** | **672** | **(13,216)** | **(4,686)** | **(3,184)** | **(258)** | **(1,639)** | **239** | **(1)** | **–** | **–** | **(60)** | **–** | **–** | **(13)** | **–** |
| | **(10%)** | **(672)** | **13,216** | **4,686** | **3,184** | **258** | **1,639** | **(239)** | **1** | **–** | **–** | **60** | **–** | **–** | **13** | **–** |
| 30 June 2023 | +10% | 1,428 | (9,773) | (913) | (196) | 233 | (2,228) | (20) | – | 1 | – | (32) | 3 | – | 1 | 3 |
| | (10%) | (1,428) | 9,773 | 913 | 196 | (233) | 2,228 | 20 | – | (1) | – | 32 | (3) | – | (1) | (3) |

## Note 18: Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows comprise cash at bank and on hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash on hand and which are subject to an insignificant risk of changes in value.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Cash at bank | **134,268** | 115,430 |
| Short-term deposits | **1,612** | 1,586 |
| | **135,880** | 117,016 |

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value. Of the cash at bank, $14,305,000 (2023: $2,226,000) is restricted as it is cash received for unearned revenue or is held within Stichting vehicles on behalf of customers. The Stichting vehicles were founded as a separate, independent foundation to ensure the cash flows related to the claims were secured.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group. At 30 June 2024, all short-term deposits are due to mature in less than 90 days from inception and earn interest at the respective short-term deposit rates.

### Bank Guarantees

Bank guarantees have been issued by the Group's bankers as security for leases over premises. At 30 June 2024, guarantees of $1,813,000 were outstanding (2023: $1,735,000). The Group has a total guarantee facility limit of $1,813,000 (2023: $1,735,000) that is secured by an offset arrangement with deposits of $1,568,000 (2023: $1,490,000).

## Note 19: Borrowings and debt securities

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

The total amount of drawn down from the existing debt facilities at 30 June 2024 was $250 million. The facility terms include a variable rate of interest based on the BBSW Bid rate plus a fixed margin of 7.00% per annum, a maturity date of 1 July 2027.

During the period, Fund 8 entered into the first tranche of its debt capital with an investment vehicle owned by funds managed by affiliates of Fortress Investment Group for €135.0 million. Capital loss in Fund 8 is insured pursuant to a principal protection insurance indemnity of an initial amount of €135.0 million. The debt facility and the insurance provide for a four-year investment period based on a commencement date of 21 August 2023. During the investment period and a subsequent four-year harvest period, all investment proceeds are applied against the outstanding debt balance. As of 30 June 2024, $15.1 million were drawn down from Fund 8 debt facility.

There were no breaches of financial covenants during the year ended 30 June 2024.

## Note 19: Borrowings and debt securities (continued)

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Non-Current** | | |
| Borrowings | **254,813** | 181,639 |
| | **254,813** | 181,639 |

Cash and non-cash movements in borrowings are shown below:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **181,639** | 148,000 |
| Repayment of Bonds and Fixed Rate Notes | **–** | (148,000) |
| Proceeds from issue of borrowings | **75,085** | 190,000 |
| Capitalised costs of borrowings | **(4,360)** | (10,378) |
| Amortisation of costs of borrowings | **2,449** | 2,017 |
| Balance at 30 June | **254,813** | 181,639 |

The application of AASB 123 Borrowing Costs (revised 2007) has resulted in the capitalisation of interest and borrowing cost amounting to $28.067 million (2023: $19.601 million) during the current financial year as part of the litigation investments which are deemed to be qualifying assets post the application date of AASB 123 (revised) on 1 July 2009 (refer to Note 13).

## Note 20: Contributed equity

### (a) Ordinary shares

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Fully paid ordinary shares carry one vote per share and the right to dividends.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| *Contributed equity* | | |
| Issued and fully paid ordinary shares | **460,716** | 449,854 |

| | Number '000 | $'000 |
|---|---|---|
| **Movement in ordinary shares** | | |
| At 1 July 2022 | 268,639 | 406,963 |
| Shares issued during the year (deferred and variable deferred consideration - business combination) (Note 29) | 7,756 | 30,712 |
| Shares issued upon exercise of performance rights (Note 32) | 2,768 | 13,839 |
| Share Buy-Back Scheme | (544) | (1,660) |
| At 30 June 2023 | **278,619** | **449,854** |
| Shares issued during the year (deferred and variable deferred consideration - business combination) (Note 29) | **2,074** | **2,718** |
| Shares issued upon exercise of performance rights (Note 32) | **1,852** | **8,144** |
| At 30 June 2024 | **282,545** | **460,716** |

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## Note 20: Contributed equity (continued)

### (b) Performance rights

At 30 June 2024, there were 15,786,422 unissued ordinary shares in respect of which share performance rights have been issued but not vested were outstanding (2023: 15,421,416). Refer to Note 32.

### (c) Variable deferred consideration shares

ASX has granted the Company a waiver from Listing Rule 7.3.4 on 31 December 2019, to permit the Company to seek Shareholder approval for the issue of the Variable Deferred Consideration Shares in respect of the Variable Deferred Consideration later than 3 months from the date of the Meeting but no later than 60 months after the date of Completion (ASX Waiver). The ASX Waiver was granted subject to the following conditions:

(i) the Annual Targets not being varied;

(ii) the maximum number of Variable Deferred Consideration Shares to be issued is calculated based upon the Minimum Deemed Issue Price and is stated in the Notice, along with adequate details regarding potential dilution;

(iii) for any annual reporting during which any of the Variable Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Variable Deferred Consideration Shares issued in that annual reporting period, the number of Variable Deferred Consideration Shares that remain to be issued and the basis on which the Variable Deferred Consideration Shares may be issued;

(iv) in any half year or quarterly report for a period during which any of the Variable Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Variable Deferred Consideration Shares issued during the reporting period, the number of Variable Deferred Consideration Shares that remain to be issued and the basis on which the Variable Deferred Consideration Shares may be issued; and

(v) the notice of shareholder meeting contains the full terms and conditions of the Variable Deferred Consideration Shares and the conditions of the Waiver.

During the year, the following number of shares were issued in settlement of this obligation:

| | 2024<br>Number<br>'000 | 2023<br>Number<br>'000 |
|---|---|---|
| Maximum approved as permissible to issue | **17,329** | 17,329 |
| Previously issued | **(11,108)** | (7,468) |
| Issued during the year | **(2,074)** | (3,640) |
| Total issued | **(13,182)** | (11,108) |
| Remaining shares to be issued | **4,147** | 6,221 |

### (d) Capital management

Capital includes debt, lease liabilities and equity attributable to the equity holders of the Parent. When managing capital, management's objective is to ensure the Group continues as a going concern while maintaining optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The Group's earnings often vary dramatically, and this is expected to continue in future. Management's policy is to pay dividends to shareholders from earnings where there is capital surplus to the needs of the business.

The Group is not subject to any externally imposed capital requirements. The Parent's accumulated losses/retained earnings are disclosed in Note 33.

## Note 21: Accumulated losses and reserves

### Movements in retained earnings/(accumulated losses) were as follows:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **(119,491)** | (87,832) |
| Net loss for the year | **(87,172)** | (31,659) |
| Balance at 30 June | **(206,663)** | (119,491) |

### (a) Movements in reserves were as follows:

| | Share based payment reserve | Foreign currency translation reserve | Option premium reserve | Convertible note reserve | Fund equity reserve | Total reserves |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Balance at 1 July 2022 | 32,273 | (19,806) | 3,404 | 3,832 | (9,944) | 9,759 |
| Movements in reserves during the year | (9,531) | 13,893 | – | – | 4,367 | 8,729 |
| Balance at 30 June 2023 | 22,742 | (5,913) | 3,404 | 3,832 | (5,577) | 18,488 |
| Movements in reserves during the year | **(4,621)** | **(8,603)** | **–** | **–** | **(8,595)** | **(21,819)** |
| Balance at 30 June 2024 | **18,121** | **(14,516)** | **3,404** | **3,832** | **(14,172)** | **(3,331)** |

### (b) Nature and purpose of reserves

*i. Share-based payment reserve*

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel as part of their remuneration. Refer to Note 32 for further details of this plan.

*ii. Foreign currency translation reserve*

This reserve is used to record differences on the translation of the assets and liabilities of foreign operations.

*iii. Option premium reserve*

This reserve is used to record the value of equity benefits provided to employees and directors, including Key Management Personnel, as part of their remuneration. This reserve relates to the previous plan for options already vested.

*iv. Convertible note reserve*

This reserve was used to record the equity portion on the convertible notes (issued on 13 December 2010), which were fully redeemed by the Company during December 2013.

*v. Fund equity reserve*

This reserve is used to record changes in the proportion of equity held by non-controlling interests within the Group.

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# D. WORKING CAPITAL, OTHER ASSETS AND OTHER LIABILITIES

## Note 22: Trade and other receivables

Receivables are recognised initially at fair value and subsequently remeasured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Receivables due from the completion of litigation investments are recognised upon various stages of completion of the underlying litigation in conjunction with the income recognition criteria of each investment. Collectability is reviewed on an ongoing basis and at each reporting period.

The Group recognises an allowance for expected credit losses (**ECLs**) for all receivables based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). At 30 June 2024, the value of the ECL allowance is $5.742 million (2023: $1.727).

Other receivables comprise interest receivable upon the maturity of the Group's short-term deposits (between 30 and 90 days), receivables from co-funders of litigation contracts in progress, short term loans and deposits receivable.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Current** | | |
| Receivables due from the completion of litigation investments | **84,925** | 101,929 |
| Other receivables | **34,496** | 38,841 |
| | **119,421** | 140,770 |
| **Non-current** | | |
| Receivables due from the completion of litigation investments | **48,222** | 43,769 |
| Other receivables | **6** | 1,892 |
| | **48,228** | 45,661 |

### (a) Fair value and credit risk

Due to the nature of these receivables, the carrying value of the current receivables approximates its fair value. The maximum exposure to credit risk is the carrying value of receivables. It is not the Group's policy to transfer (on-sell) receivables.

## Note 23: Contract costs

The Group holds management and advisory contracts in respect of Fund 4 and Fund 5. Incremental costs incurred in obtaining a contract are capitalised when the Group expects to recover the costs and are amortised on a systematic basis that is consistent with the Group's transfer of related services to the customer.

The amounts have been capitalised as shown below. The amounts are being amortised on a straight line basis over a period of seven years, being in reference to the initial four-year commitment period of the fund plus the estimated litigation funding contract life of three years.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **2,583** | 3,522 |
| Amortisation of contract costs | **(939)** | (939) |
| Balance at 30 June | **1,644** | 2,583 |
| | | |
| Current | **939** | 939 |
| Non-current | **705** | 1,644 |
| | **1,644** | 2,583 |

## Note 24: Other assets

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Current** | | |
| Prepayments | **6,637** | 5,075 |
| Security deposits | **3,189** | 2,925 |
| | **9,826** | 8,000 |
| **Non-current** | | |
| Prepayments | **11,606** | 16,988 |
| Other | **774** | 800 |
| | **12,380** | 17,788 |

## Note 25: Right of use assets and other plant and equipment

### Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing parts is incurred. All other repairs and maintenance are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The major categories of property, plant and equipment are depreciated as follows:

- Equipment 2 to 5 years;
- Furniture 2 to 6 years;
- Leasehold 2 to 11 years; and
- Right-of-use 3 to 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (ie. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised (Refer to Note 28), initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment indicator assessments.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Gross carrying amount - at cost | **31,218** | 29,066 |
| Accumulated depreciation | **(14,572)** | (10,620) |
| Net carrying amount | **16,646** | 18,446 |

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## Note 25: Right of use assets and other plant and equipment (continued)

### Reconciliation of carrying amounts at the beginning and end of the year

| | Equipment | Furniture, fixtures and fittings | Leasehold improvements | Right-of-use assets | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Gross carrying amount** | | | | | |
| Balance at 1 July 2022 | 2,433 | 1,220 | 3,008 | 20,281 | 26,942 |
| Additions | 334 | 156 | 57 | 6,399 | 6,946 |
| Disposals | (948) | (302) | (1,772) | (2,562) | (5,584) |
| Effect of movement in foreign currency | (33) | 59 | 14 | 722 | 762 |
| Balance at 30 June 2023 | 1,786 | 1,133 | 1,307 | 24,840 | 29,066 |
| Additions | **107** | **51** | **–** | **2,659** | **2,817** |
| Disposals | **(367)** | **–** | **(9)** | **–** | **(376)** |
| Effect of movement in foreign currency | **(24)** | **(19)** | **(3)** | **(243)** | **(289)** |
| Balance at 30 June 2024 | **1,502** | **1,165** | **1,295** | **27,256** | **31,218** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| Balance at 1 July 2022 | 1,929 | 892 | 2,077 | 7,175 | 12,073 |
| Depreciation charge for the year | 458 | 99 | 238 | 3,122 | 3,917 |
| Disposals | (1,292) | (302) | (1,772) | (2,562) | (5,928) |
| Adjustments | – | – | – | 183 | 183 |
| Effect of movement in foreign currency | 53 | 42 | 12 | 268 | 375 |
| Balance at 30 June 2023 | 1,148 | 731 | 555 | 8,186 | 10,620 |
| Depreciation charge for the year | **245** | **128** | **210** | **3,938** | **4,521** |
| Disposals | **(350)** | **–** | **–** | **–** | **(350)** |
| Adjustments | **–** | **–** | **–** | **97** | **97** |
| Effect of movement in foreign currency | **(17)** | **(10)** | **(5)** | **(284)** | **(316)** |
| Balance at 30 June 2024 | **1,026** | **849** | **760** | **11,937** | **14,572** |

Refer to Note 28 for further information on right-of-use assets and their associated leases.

## Note 26: Trade and other payables

Trade payables, other payables and accruals are carried at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group or liabilities to provide funding in relation to a litigation investment to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services or deployment against investment commitments. The amounts are unsecured, non-interest bearing and are usually paid within 30 days of recognition.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Trade payables | **42,828** | 36,226 |
| Unearned revenue (Refer to Note 2) | **19,440** | 11,862 |
| Wage accruals | **646** | 2,022 |
| Interest accruals | **1,531** | – |
| | **64,445** | 50,110 |

### Fair Value

Due to the nature of trade and other payables, their carrying value approximates their fair value.

## Note 27: Provisions

### General provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

The increase in the provision resulting from the passage of time is recognised in finance costs.

Refer to Notes 11 - 14 in respect to litigation investment impairment provisions.

### Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave, long service leave and bonuses.

Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the periods in which the employees render the related services are recognised as long-term employee benefits. These liabilities are measured at the present value of the estimated future cash outflow to be made to the employees using the projected unit credit method.

Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are classified as short-term benefits and are measured at the amount due to be paid.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Current** | | |
| Annual leave and vested long service leave | **4,331** | 4,483 |
| Litigation investments - adverse costs | **41,581** | 26,753 |
| Bonus | **—** | 2 |
| | **45,912** | 31,238 |
| **Non-Current** | | |
| Premises lease make good | **622** | 626 |
| Long service leave | **532** | 665 |
| | **1,154** | 1,291 |

*(a) Movement in provisions*

| | Litigation investments - adverse costs | Annual leave | Long service leave | Premises lease make good | Bonus | Total |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Balance at 1 July 2022 | 20,877 | 3,389 | 1,194 | 601 | 306 | 26,367 |
| Arising during the year | 7,583 | 4,160 | 146 | 120 | – | 12,009 |
| Utilised | (1,707) | (3,684) | (133) | (95) | (304) | (5,923) |
| Effect of movement in foreign currency | – | 76 | – | – | – | 76 |
| Balance at 30 June 2023 | 26,753 | 3,941 | 1,207 | 626 | 2 | 32,529 |
| | | | | | | |
| Arising during the year | **15,982** | **4,493** | **192** | | **–** | **20,667** |
| Utilised | **(1,150)** | **(4,745)** | **(193)** | | **(2)** | **(6,090)** |
| Effect of movement in foreign currency | **(4)** | **(32)** | **–** | **(4)** | **–** | **(40)** |
| Balance at 30 June 2024 | **41,581** | **3,657** | **1,206** | **622** | **–** | **47,066** |
| | | | | | | |
| Current 2024 | **41,581** | **3,657** | **674** | **–** | **–** | **45,912** |
| Non-current 2024 | **–** | **–** | **532** | **622** | **–** | **1,154** |
| | **41,581** | **3,657** | **1,206** | **622** | **–** | **47,066** |
| | | | | | | |
| Current 2023 | 26,753 | 3,941 | 542 | – | 2 | 31,238 |
| Non-current 2023 | – | – | 665 | 626 | – | 1,291 |
| | 26,753 | 3,941 | 1,207 | 626 | 2 | 32,529 |

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## Note 27: Provisions (continued)

### *(b) Nature and timing of provisions*

*Litigation investments – adverse costs*

The Group raises a provision for adverse costs upon receipt of a losing judgement in jurisdictions that require adverse costs to be paid to the litigations's counter party. Refer to Notes 1, 6 and 30 for further details on adverse costs.

At 30 June 2024, an adverse costs provision of $41.6 million (2023: $26.8 million) exists in relation to three investments. Of that amount, $23.2 million will be recovered from (i) ATE insurance proceeds ($22.4 million); and (ii) as part of a co-funding agreement ($0.8 million) recognised as a receivable. As a result, $4.5 million has been expensed and is included in other expenses. $13.9 million had been recognised for fund investments with $13.5 million recoverable from insurance proceeds.

*Premises lease make good*

The make good provision relates to amounts recognised for make good requirements on leases of office space.

*Bonus*

The bonus provision relates to amounts accrued based on management's best estimate to be paid to employees.

## Note 28: Lease liabilities

The Group has lease contracts for rental property. These leases generally have lease terms between 3 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as lessee

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Balance at 1 July | **17,941** | 13,929 |
| Additions | **2,659** | 6,333 |
| Accretion of interest | **1,046** | 1,091 |
| Payments | **(4,503)** | (3,877) |
| Effects of movement in foreign currency | **(161)** | 465 |
| Balance at 30 June | **16,982** | 17,941 |
| | | |
| Current | **3,870** | 2,933 |
| Non-current | **13,112** | 15,008 |
| | **16,982** | 17,941 |

## Note 28: Lease liabilities (continued)

The following are the amounts recognised in profit or loss:

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Depreciation expense on right-of-use assets | **3,938** | 3,122 |
| Interest expense on lease liabilities (included in finance costs) (Note 6(a)) | **1,046** | 1,091 |
| Expense relating to short-term leases | **99** | 227 |
| Expenses relating to leases of low-value assets (included in corporate and office expense) | **415** | 413 |
| Total amount recognised in profit or loss | **5,498** | 4,853 |

The Group had total cash outflows for leases of $5,017,065 in 2024 (2023: $4,517,636). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 30.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

## Note 29: Other financial liabilities

Deferred and variable deferred consideration is valued at fair value at the acquisition date as part of a fair value through profit or loss business combination. It is subsequently remeasured at fair value at each reporting date.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| **Current** | | |
| Deferred consideration - Insurance | **920** | 1,099 |
| Variable deferred consideration - business combination | **6,730** | 6,998 |
| | **7,650** | 8,097 |
| **Non-Current** | | |
| Deferred consideration - Insurance | **2,151** | 2,975 |
| Variable deferred consideration - business combination | **–** | 7,775 |
| | **2,151** | 10,750 |

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## Note 29: Other financial liabilities (continued)

### Variable deferred consideration – business combination

Relates to the acquisition of OBE Group. Deferred consideration in relation to the business combination was fully paid via shares issued in December 2022. The determination of the fair value is designated as level 3 in the fair value hierarchy. Refer to Note 17 for further information.

The following table reconciles the movements in recurring fair value measurements categorised within level 3 of the fair value hierarchy:

| | Variable deferred consideration - business combination<br>$'000 |
|---|---|
| **Current** | |
| Balance at 1 July 2022 | 13,670 |
| Fair value remeasurement recognised through profit or loss | (1,161) |
| Issue of shares to satisfy the liability | (14,415) |
| Reclassification from Non-Current | 8,503 |
| Effect of movement in foreign currency | 401 |
| Balance at 30 June 2023 | 6,998 |
| Fair value remeasurement recognised through profit or loss | **44** |
| Issue of shares/Payment of cash to satisfy the liability | **(6,341)** |
| Reclassification from Non-Current | **6,115** |
| Effect of movement in foreign currency | **(86)** |
| Balance at 30 June 2024 | **6,730** |
| | |
| **Non-Current** | |
| Balance at 1 July 2022 | 16,568 |
| Fair value remeasurement recognised through profit or loss | (1,617) |
| Reclassification to Current | (8,503) |
| Effect of movement in foreign currency | 1,327 |
| Balance at 30 June 2023 | 7,775 |
| Fair value remeasurement recognised through profit or loss | **(1,567)** |
| Reclassification to Current | **(6,115)** |
| Effect of movement in foreign currency | **(93)** |
| Balance at 30 June 2024 | **–** |

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## Note 30: Commitments and contingencies

### Capital commitments

Omni Bridgeway Limited has $352.730 million (2023: $420.220 million) in aggregate Investor Capital commitments to its Funds 1, 2&3, 4, 5, 6, 7 and 8 collectively, of which $146.220 million is undrawn at 30 June 2024 (2023: $195.290 million).

The Funds have made aggregate funding commitments to Investments totalling $1,933.960 million (2023: $2,115.500 million), of which $873.410 million is yet to be deployed at 30 June 2024 (2023: $931.550 million).

### Remuneration commitments

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities payable: | | |
| Within one year | **4,054** | 5,008 |
| After one year but no more than five years | **–** | – |
| | **4,054** | 5,008 |

Amounts disclosed as remuneration commitments also include commitments arising from the service contracts of, and bonuses payable to, directors and executives referred to in the Remuneration Report of the Directors' Report that are not recognised as liabilities and are not included in the compensation of Key Management Personnel.

### Contingencies

Certain litigation funding agreements entered into by a Group entity contain an undertaking to pay any adverse costs awarded should the funded party's litigation be unsuccessful. Adverse costs is the name given to the legal costs of the successful party in applicable "cost shifting" jurisdictions, which generally excludes the United States of America. Based on past experience, an award for adverse costs to a defendant will approximate 40% to 80% (depending on the jurisdiction) of the costs payable by the unsuccessful party. In cases with multiple defendants, to an amount equal to.

The Group assesses all of its investments for the probability of having to disburse adverse costs and, when deemed necessary, records the amount expected to pay out as a provision.

Certain Group entities mitigate the risk of paying adverse costs through after the event insurance ("ATE"). In addition, "top-up" ATE insurance may be obtained for single investments to reduce adverse cost concentration risk, and to provide for additional cover.

When the Group records a provision for adverse costs that is subject to ATE insurance, an insurance receivable is correspondingly recorded for the estimate of the coverage. The provisions and insurance receivable recorded are subject to estimates that take into account the portfolio effects, and in respect of the latter, the self-insured excess and the policy indemnity amount.

At 30 June 2024, the adverse cost provision is $41.6 million (with Fund 5 at 20%) (refer to Note 27). Of this provision $23.2 million is expected to be recovered from insurance or a co-funding agreement.

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# E. THE GROUP, MANAGEMENT AND RELATED PARTIES

## Note 31: Key management personnel

### Details of Key Management Personnel

As announced to the ASX on 23 February 2023, Raymond van Hulst was appointed CEO upon Andrew Saker's retirement, effective 26 October 2023.

There were no further changes to Key Management Personnel after the reporting date and before the date the financial report was authorised for issue.

### Compensation of Key Management Personnel

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Short-term employee benefits | **3,905** | 4,854 |
| Post-employment benefits | **149** | 154 |
| Long term employee benefits | **—** | (14) |
| Termination payments | **297** | 88 |
| Share based payments | **1,529** | 2,024 |
| | **5,880** | 7,106 |

## Note 32: Share-based payment plan

### Share-based payment transactions

*(i) Equity-settled transactions*

The Company's LTIP awards share performance rights to key senior employees. The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Monte Carlo or Black Scholes Model depending on the type of LTIP.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of OBL (i.e. market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in the share-based payment reserve, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Equity-settled awards granted by OBL to employees of subsidiaries are recognised in the Parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. These amounts are eliminated through consolidation. As a result, the expenses recognised by the Company in relation to equity-settled awards only represents the expense associated with grants to employees of the Parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and an expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Where outstanding rights do not have an anti-dilutive effect and are currently meeting the performance criteria, the dilutive effect, if any, is added to share dilution in the computation of diluted earnings per share.

*(ii) Cash-settled transactions*

The Group does not provide cash-settled share-based benefits to employees or senior executives.

### Long Term Incentive Plan

LTIP awards are delivered in the form of performance rights over shares which vest after a period of three years subject to meeting performance measures. The Group uses relative TSR and CAGR of Funds Deployed as the performance measures.

For the portion of the LTIP subject to the relative TSR performance measure, the fair value of share performance rights granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions upon which the share performance rights were granted. For the portion of the LTIP based on the achievement of CAGR of Funds Deployed, the Black-Scholes model is used.

## Note 32: Share-based payment plan (continued)

### Performance Rights

On 14 July 2022, 201,059 performance rights were issued to Guillaume Leger in relation to his appointment as the new Global Chief Financial Officer. The performance rights are subject to Mr. Leger meeting both service and performance conditions. On 28 June 2023, the Board has approved vesting of 140,752 performance rights, the remaining has been approved at the remuneration committee meeting held on 28 June 2024.

7,030,575 share performance rights were issued during 2024 (2023: 6,228,684). Specific assessment for performance rights issued in the period is below:

| Grant Date | 1 July 2023 |
|---|---|
| Share price at grant date | $2.620 |
| Exercise price | Nil |
| Expected Volatility (%) | 45% |
| Dividend yield (%) | 0% for FY24 and 0% for FY25 and FY26 |
| Risk-free rate (%) | 3.99% |
| Performance period | 3 years ending 30 June 2026 |
| Models used | Monte Carlo & Black Scholes |
| Tranche 1 - relative TSR (value per right $) | $1.580 |
| Tranche 2 - CAGR (value per right $) | $2.620 |
| T1 performance rights | n/a |
| T2 performance rights | n/a |

The expense recognised for share based payments during the year is shown below:

| | Consolidated | |
|---|---|---|
| | 2024 $'000 | 2023 $'000 |
| Share based payments expense (Note 6(d)) | **7,034** | 8,871 |

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share performance rights during the year:

| | 2024 Number | 2024 WAEP | 2023 Number | 2023 WAEP |
|---|---|---|---|---|
| **Movements during the year** | | | | |
| Outstanding at 1 July | **15,421,416** | **–** | 15,929,183 | – |
| Granted | **7,030,575** | **–** | 6,228,684 | – |
| Exercised | **(1,839,332)** | **–** | (4,212,468) | – |
| Forfeited | **(4,826,237)** | **–** | (2,523,983) | – |
| Outstanding at 30 June | **15,786,422** | **–** | 15,421,416 | – |
| Exercisable at 30 June | **818,554** | **–** | 1,964,822 | – |

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## Note 33: Parent entity information

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Information relating to Omni Bridgeway Limited:** | | |
| Current assets | **69,881** | 79,347 |
| Total assets | **655,407** | 589,682 |
| | | |
| Current liabilities | **(53,652)** | (33,892) |
| Total liabilities | **(311,245)** | (230,422) |
| **Net assets** | **344,162** | 359,260 |
| | | |
| Issued capital | **460,962** | 445,702 |
| Accumulated losses | **(142,169)** | (116,261) |
| Reserves | **25,368** | 29,819 |
| **Total shareholders' equity** | **344,161** | 359,260 |
| | | |
| Loss of the Parent | **(38,918)** | (49,224) |
| **Total comprehensive loss of the Parent** | **(38,918)** | (49,224) |

Details of the contractual commitments and contingent liabilities of the Parent are contained in Note 30.

The consolidated financial statements include the financial statements of OBL and the subsidiaries listed in the following table:

| | | Percentage owned | |
|---|---|---|---|
| Name | Country of Incorporation | 2024 % | 2023 % |
| **Funds 2 & 3** | | | |
| Omni Bridgeway (Fund 2) Pty Ltd | Australia | **28** | 27 |
| Omni Bridgeway (Fund 3) Pty Ltd | Australia | **28** | 27 |
| IMF Bentham ROW SPV 1 Limited | United Kingdom | **28** | 27 |
| IMF Bentham ROW SPV 2 Limited | Australia | **28** | 27 |
| | | | |
| **Fund 4** | | | |
| Omni Bridgeway (Fund 4) Invt 1 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 2 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 3 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 4 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 5 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 6 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 7 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 8 LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) Invt 9 LP | USA | **20** | 20 |
| JPV I LP | USA | **20** | 20 |
| Omni Bridgeway (Fund 4) S2 LP[1] | USA | **20** | — |
| | | | |
| **Fund 5** | | | |
| Omni Bridgeway (Fund 5) GPA Pty Ltd | Australia | **100** | 100 |

## Note 33: Parent entity information (continued)

| Name | Country of Incorporation | Percentage owned 2024 % | 2023 % |
|---|---|---|---|
| **Fund 6** | | | |
| Omni Bridgeway BV | Netherlands | **81** | 81 |
| Omni Bridgeway Legal Tech BV | Netherlands | **41** | 41 |
| Omni Bridgeway Emerging Markets BV | Netherlands | **81** | 81 |
| Omni Bridgeway Collective Redress BV | Netherlands | **81** | 81 |
| Omni Bridgeway Asia Pte Ltd | Singapore | **81** | 81 |
| Omni Bridgeway Holding (Switzerland) SA | Switzerland | **81** | 81 |
| Omni Bridgeway SA | Switzerland | **81** | 81 |
| Omni Bridgeway GmbH (formerly Omni Bridgeway AG) | Germany | **81** | 81 |
| Omni Bridgeway Finance BV | Netherlands | **81** | 81 |
| Stichting Client Accounts Omni Bridgeway[2] | Netherlands | **N/A** | N/A |
| Stichting Cartel Compensation[2] | Netherlands | **N/A** | N/A |
| Stichting Trucks Cartel Compensation[2] | Netherlands | **N/A** | N/A |
| Omni Bridgeway France SAS | France | **81** | 81 |
| Omni Bridgeway Italy S.r.L | Italy | **81** | 81 |
| FT Atlas I[3] | Morocco | **N/A** | N/A |
| Omni Bridgeway Advisory Ltd[4] | United Arab Emirates | **81** | 65 |
| Omni Bridgeway DARP Cooperatief UA[4] | United Arab Emirates | **81** | N/A |
| **Fund 8** | | | |
| Omni Bridgeway (Fund 8) Guernsey Investments Limited | Guernsey | **81** | 81 |
| Omni Bridgeway (Fund 8) Guernsey SPV Limited[5] | Guernsey | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC[6] | USA | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 1[7] | USA | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 2[7] | USA | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 3[7] | USA | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 4[8] | USA | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 5[8] | USA | **81** | — |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 6[8] | USA | **81** | — |
| **Group Subsidiaries** | | | |
| Omni Bridgeway Holdings (Fund 1) LLC | USA | **100** | 100 |
| Secruity Finance (Fund 4) LLC | USA | **100** | 100 |
| Omni Bridgeway Capital GP (Fund 4) LLC | USA | **100** | 100 |
| Omni Bridgeway (USA) LLC | USA | **100** | 100 |
| Omni Bridgeway Management (USA) LLC | USA | **100** | 100 |
| Omni Bridgeway Holdings (USA) Inc | USA | **100** | 100 |
| Security Finance LLC | USA | **100** | 100 |
| Omni Bridgeway Capital (Canada) Limited | Canada | **100** | 100 |
| Lien Finance Canada Limited | Canada | **100** | 100 |
| Omni Bridgeway (Singapore) Pte Limited | Singapore | **100** | 100 |
| Omni Bridgeway (UK) Limited | United Kingdom | **100** | 100 |
| Omni Bridgeway (Cayman) Limited | Cayman Islands | **100** | 100 |
| Omni Bridgeway (Storm) Holdings Pty Ltd | Australia | **100** | 100 |
| Omni Bridgeway (Storm) Holdings BV | Netherlands | **100** | 100 |
| Omni Bridgeway Investment Management Ltd | Australia | **100** | 100 |
| Omni Bridgeway Holding BV | Netherlands | **100** | 100 |
| Omni Bridgeway Investment BV | Netherlands | **100** | 100 |

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## Note 33: Parent entity information (continued)

| Name | Country of Incorporation | Percentage owned 2024 % | Percentage owned 2023 % |
|---|---|---|---|
| **Group Subsidiaries** | | | |
| Omni Bridgeway (NZ) Limited | New Zealand | **100** | 100 |
| Crestwood I LLC | USA | **100** | 100 |

1. Incorporated on 27 October 2023.
2. The stitching vehicles were founded as separate, independent foundations to ensure the cash flows related to the claims were secured.
3. The Moroccan securitisation special purpose vehicle was founded during the period to setup a portfolio purchased by Omni Bridgeway S.A.
4. Fund 7 is integrated in Fund 6 during the FY 24 where Omni Bridgeway BV has acquired the 100% of share in the entity.
5. Incorporated on 27 July 2023.
6. Incorporated on 21 July 2023.
7. Incorporated on 31 July 2023.
8. Incorporated on 26 March 2024.

## Note 34: Material partly-owned subsidiaries

For all subsidiaries where there is less than 51% ownership interest, the Group has power to direct the relevant activities of the investee under contractual arrangements and exposure to variable returns. Therefore the Group is considered to be acting as principal and thus has control.

The Group's subsidiaries that have material non-controlling interests (NCI) at 30 June 2024 are set out below.

| | Country of Incorporation | Percentage owned 2024 % | Percentage owned 2023 % |
|---|---|---|---|
| **Proportion of equity interest held by non-controlling interests:** | | | |
| **Funds 2 & 3** | | | |
| Omni Bridgeway (Fund 2) Pty Ltd | Australia | **72** | 73 |
| Omni Bridgeway (Fund 3) Pty Ltd | Australia | **72** | 73 |
| IMF Bentham ROW SPV 1 Limited | United Kingdom | **72** | 73 |
| IMF Bentham ROW SPV 2 Limited | Australia | **72** | 73 |
| **Fund 4** | | | |
| Omni Bridgeway (Fund 4) Invt 1 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 2 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 3 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 4 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 5 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 6 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 7 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 8 LP | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) Invt 9 LP | USA | **80** | 80 |
| JPV I LP[3] | USA | **80** | 80 |
| Omni Bridgeway (Fund 4) S2 L.P.[5] | USA | **80** | – |

## Note 34: Material partly-owned subsidiaries (continued)

| | Country of Incorporation | Percentage owned 2024 % | 2023 % |
|---|---|---|---|
| **Fund 6** | | | |
| Omni Bridgeway BV | Netherlands | **19** | 19 |
| Omni Bridgeway Legal Tech BV | Netherlands | **59** | 59 |
| Omni Bridgeway Emerging Markets BV | Netherlands | **19** | 19 |
| Omni Bridgeway Collective Redress BV | Netherlands | **19** | 19 |
| Omni Bridgeway Asia Pte Ltd | Singapore | **19** | 19 |
| Omni Bridgeway Holding (Switzerland) SA | Switzerland | **19** | 19 |
| Omni Bridgeway SA | Switzerland | **19** | 19 |
| Omni Bridgeway GmbH (formerly Omni Bridgeway AG) | Germany | **19** | 19 |
| Omni Bridgeway Finance BV | Netherlands | **19** | 19 |
| Omni Bridgeway France SAS | France | **19** | 19 |
| Omni Bridgeway Italy S.r.L | Italy | **19** | 19 |
| FT Atlas I | Morocco | **N/A** | N/A |
| Omni Bridgeway Advisory Ltd | United Arab Emirates | **19** | 35 |
| Omni Bridgeway DARP Cooperatief UA | United Arab Emirates | **19** | – |
| | | | |
| **Fund 8** | | | |
| Omni Bridgeway (Fund 8) Guernsey Investments Ltd | Guernsey | **19** | 19 |
| Omni Bridgeway (Fund 8) Delaware SPV LLC | USA | **19** | – |
| Omni Bridgeway (Fund 8) Guernsey SPV Limited | Guernsey | **19** | – |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 1 | USA | **19** | – |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 2 | USA | **19** | – |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 3 | USA | **19** | – |

Financial information of subsidiaries that have material non-controlling interests is provided below:

*(i) Accumulated balances*

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Accumulated balances of material non-controlling interest:** | | |
| Omni Bridgeway (Fund 2) Pty Ltd | **88,271** | 90,888 |
| Omni Bridgeway (Fund 3) Pty Ltd | **29,424** | 30,296 |
| Fund 4 | **227,513** | 154,326 |
| Fund 6 | **201,865** | 162,791 |
| Transaction costs, net of tax - disposal of non-controlling interest (Funds 2 & 3) | **(2,866)** | (2,866) |
| | **544,207** | 435,435 |
| **Profit allocated to material non-controlling interest:** | | |
| Omni Bridgeway (Fund 1) LLC[1] | **—** | 4,071 |
| Omni Bridgeway (Fund 2) Pty Ltd[2] | **—** | 8,562 |
| Omni Bridgeway (Fund 3) Pty Ltd[2] | **—** | 2,854 |
| Fund 4 | **87,869** | 11,870 |
| Fund 6 | **30,142** | 5,164 |
| | **118,011** | 32,521 |

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## Note 34: Material partly-owned subsidiaries (continued)

### *(ii) Movements in NCI's during the year*

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Fund 1 | Funds 2 & 3 | Fund 4 | Fund 6 | Total |
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| Balance at 1 July 2022 | 73,219 | 112,784 | 91,013 | 133,593 | 410,609 |
| Contributions | 10,548 | 15,880 | 85,390 | 24,036 | 135,854 |
| Distributions | (34,244) | (24,950) | (33,972) | — | (93,166) |
| Deconsolidation of Subsidiary | (49,518) | — | — | — | (49,518) |
| Change in share of net assets attributable to NCI | (4,076) | 2,938 | (3,662) | (2,356) | (7,156) |
| Profit | 4,071 | 11,416 | 11,870 | 5,164 | 32,521 |
| Other comprehensive income | — | 250 | 3,687 | 2,354 | 6,291 |
| Balance at 30 June 2023 | — | 118,318 | 154,326 | 162,791 | 435,435 |
| Contributions | — | 13,520 | 84,635 | 12,003 | 110,158 |
| Distributions | — | (25,604) | (99,700) | (3,608) | (128,912) |
| Change in share of net assets attributable to NCI | — | 1,616 | 1,019 | 697 | 3,332 |
| Profit | — | — | 87,869 | 30,142 | 118,011 |
| Other comprehensive income/(loss) | — | 6,980 | (637) | (160) | 6,183 |
| Balance at 30 June 2024 | **—** | **114,830** | **227,512** | **201,865** | **544,207** |

### *Funds 2 & 3*

On 13 September 2017, the Group established Omni Bridgeway (Fund 2) Pty Ltd and Omni Bridgeway (Fund 3) Pty Ltd. On 26 July 2019, the Group established IMF Bentham ROW SPV 1 Limited. On 15 March 2021, the Group established IMF Bentham ROW SPV 2 Pty Ltd. These entities are collectively "Funds 2 & 3". Given the European waterfall structure of Funds 2/3, NCI has the priority to cash proceeds in the early stage, these first generation structures will provide a substantial back-end return attribution to the Group in future periods.

### *Fund 4*

On 26 October 2018, the Group established Omni Bridgeway Capital GP (Fund 4) LLC. On 29 November 2018, the Group established Security Finance (Fund 4) LLC. On 4 December 2018, the Group established Omni Bridgeway (Fund 4) Invt 1 – 9 LP. On 7 July 2020, the Group established JPV I LP. These entities are collectively "Fund 4".

On 8 December 2023, the Group sold a 25% interest in a portfolio of 15 intellectual property (IP) investments in Fund 4 to an affiliate of GLS Capital Partners Fund II, LP for an initial amount of $31.5 million. The transaction resulted in the deconsolidation of the Fund 4 entity, Omni Bridgeway (Fund 4) Eagle SPV LLC by the Group because of the loss of control on the transaction date.

The residual interest in the portfolio of $116.7 million is recognised as an investment in associate within the Group Consolidated Financial Statements. The current period transaction resulted in a net gain on deconsolidation of subsidiaries amounted $73.1 million, including a net gain from deconsolidation of Omni Bridgeway (Fund 4) Eagle SPV LLC of $79.8 million and an adjustment on initial recognition of Omni Bridgeway (Fund 1) LLC of $6.7 million. The effect of the derecognition of related capitalised overhead costs of $5.1million was recognised into the net gain on derecognition of litigation investments - intangible assets in the profit or loss.

The table below shows the calculation of net gain on deconsolidation of Omni Bridgeway (Fund 4) Eagle SPV LLC.

| Deconsolidation of Omni Bridgeway (Fund 4) Eagle SPV LLC: | $'000 |
|---|---|
| **Carrying value of Assets and Liabilities** | |
| Cash and cash equivalent | 31,494 |
| Intangible assets | 62,989 |
| Liabilities | (31,494) |
| **Total carrying value of net assets** | **62,989** |
| Cash consideration | 31,708 |
| Fair value of residual interest | 116,997 |
| Foreign exchange | (485) |
| Director costs and expenses | (5,432) |
| **Net gain on deconsolidation of subsidiary** | **79,799** |
| **Derecognition - capitalised overheads[1]** | (5,149) |
| **Net gain on deconsolidation of subsidiary after derecognition of capitalised overheads** | **74,650** |

1. The capitalised overhead costs in relation to the disposed entities were fully written off upon the deconsolidation, as part of the calculation of net gain on derecognition of litigation investments - intangible assets in the profit or loss.

## Note 34: Material partly-owned subsidiaries (continued)

### *Fund 6*

Fund 6 was created in 2016 and was acquired by the Group as part of the November 2019 acquisition of OBE. The Group established Omni Bridgeway France SAS and Omni Bridgeway Italy S.r.L. on 8 March 2023 and 31 May 2023 respectively. This is a Europe, Middle East and Africa focused investment structure.

### *(iii) Summarised cash flows*

The summarised financial information of controlled entities with material non-controlling interests is provided below is based on amounts prior to intercompany eliminations:

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Fund 1 | | Fund 2 & 3 | | Fund 4 | | Fund 6 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Summarised statement of cash flows** | | | | | | | | |
| Operating | **–** | (225) | **(3,528)** | (5,926) | **(1,099)** | (733) | **(20,380)** | (30,900) |
| Investing | **–** | 15,259 | **7,254** | 1,400 | **(57,911)** | (75,565) | **11,741** | (17,620) |
| Financing | **–** | (24,194) | **(8,704)** | (5,100) | **64,639** | 65,855 | **28,212** | 49,789 |
| **Net increase/(decrease) in cash and cash equivalents** | **–** | (9,160) | **(4,978)** | (9,626) | **5,629** | (10,443) | **19,573** | 1,269 |
| Cash and cash equivalents at the beginning of the period | **–** | 8,820 | **14,655** | 24,283 | **8,175** | 17,926 | **1,566** | 291 |
| Deconsolidation of Subsidiary | **–** | (140) | **–** | – | **–** | – | **–** | – |
| Foreign exchange | **–** | 480 | **–** | (2) | **(62)** | 692 | **(855)** | 6 |
| **Cash and cash equivalents at the end of the period** | **–** | – | **9,677** | 14,655 | **13,742** | 8,175 | **20,284** | 1,566 |

## Note 35: Interest in associates

Set out below are the associates of the Group as at 30 June 2024 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

| | | % of ownership interest | | % of voting rights | | Litigation investment - Investment in associates | | Others | |
|---|---|---|---|---|---|---|---|---|---|
| Name of entity | Place of business/country of incorporation | 2024 % | 2023 % | 2024 % | 2023 % | 2024 $'000 | 2023 $'000 | 2024 $'000 | 2023 $'000 |
| OB Capital Coop U.A[1] | Netherlands | 5 | 5 | 5 | 5 | — | — | 9,155 | 6,981 |
| Omni Bridgeway (Fund 1) LLC[2] | USA | 100 | 100 | 100 | 100 | 25,758 | 56,336 | — | — |
| Omni Bridgeway (Fund 4) Eagle SPV LLC[3] | USA | 20 | n/a | 100 | n/a | 125,814 | — | — | — |
| **Total equity-accounted investments** | | | | | | **151,572** | **56,336** | **9,155** | **6981** |

1. OB Capital Coop U.A is an associate of the Group and it is acquired through the acquisition of Omni Bridgeway Holding B.V. in November 2019. The entity invests in litigation investments in the Netherlands. The Coop agreement outlines the various powers and rights of responsibilities of the members, includes provisions that provide the Group with significant influence over the entity
2. Omni Bridgeway (Fund 1) LLC is an litigation investment in associate of the Group and it is an entity within Fund 1 which invests in litigation investments in the United States. The Group has 100% voting rights subject to a removal right exercisable by an external investor.
3. Omni Bridgeway (Fund 4) Eagle SPV LLC is an entity within Fund 4 which invests in litigation investments relate to intellectual property in the United States. It is deconsolidated and accounted for as an investment in associate due to the Group loses control during the year. The Group has 100% voting rights subject to a removal right exercisable by an external investor.

### (a) Recognition and measurement

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Litigation investment - investment in associates are the investments in the entities which holding substantially all of its assets in litigation investments.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

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## Note 35: Interest in associates (continued)

If existence of an associate is resulted from the loss of control over a former subsidiary of the Group's consolidated financial statements, the associate is initially recognised at the fair value of the retained residual interest held by the Group. The fair value is determined using the methodology of the initial recognition of a financial asset, which represents the present value of the risk-adjusted future potential cashflows to be received by the Group. Since the probability-weighted cashflows are a significant unobservable input, the fair value of the retained interest is classified as a level 3 fair value.

The following table summarises the quantitative information about the significant unobservable inputs used in the fair value measurements of initial recognition of residual interests in Omni Bridgeway (Fund 4) Eagle SPV LLC, which is a former subsidiary of the Group's consolidated financial statements.

| Description | Fair value at 8 December 2023 $'000 | Significant unobservable inputs | Range of inputs | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Residual interest in Omni Bridgeway (Fund 4) Eagle SPV LLC | 116,997 | Risk-adjusted discount rate | 14% - 24% | Increasing the discount rate by 5% would result in a change in fair value of ($12.696) million. Decreasing the discount rate by 5% would result in a change in fair value of $12.324 million. |
| | | Expected cash flows | 10% | If expected cash flows were 10% higher, the fair value would increase by $21.799 million. If expected cash flows were 10% lower, the fair value would decrease by $21.850 million. |
| | | Expected timing of cash flows | 0 - 6 months | A shift in timing by deferring expected cash flows by 6 months would reduce the fair value by $2.011 million. |

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (**OCI**) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit/(loss) of associates' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### (b) Commitments and contingent liabilities in respect of associates

As part of the gain on disposal calculation for Fund 1 and Fund 4 Eagle SPV, an allowance has been made for future costs of managing the fund and requirement for capital commitments.

Apart from those described in Note 30, no other material commitments or contingent liabilities from share of associates.

## Note 35: Interest in associates (continued)

### (c) Summarised financial information for associates

Interest in those associates that are material to the Group for the relevant financial year is provided below:

| | Omni Bridgeway (Fund 1) LLC | | Omni Bridgeway (Fund 4) Eagle SPV LLC[1] | | OB Capital Coop U.A | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Income | **(2,195)** | (2,480) | **(2,748)** | n/a | **(5)** | (1) |
| Total expenses | **47** | 6 | **(22)** | n/a | **(285)** | 1,629 |
| Operating Profit/ (loss) | **(2,242)** | (2,486) | **(2,726)** | n/a | **280** | (1,630) |
| Tax | **—** | — | **—** | n/a | **(146)** | — |
| Equity accounted investment result | **—** | — | **30,957** | n/a | **34,909** | 6,894 |
| **Net profit/(loss)** | **(2,242)** | (2,486) | **28,231** | n/a | **35,043** | 5,264 |
| | | | | | | |
| Share of profit/(loss) in associates and joint ventures | **(17,276)** | (2,486) | **(6,532)** | n/a | **1,752** | 263 |
| Effect of movement in foreign currency | **126** | 34 | **128** | n/a | **24** | 28 |
| **Net Share of profit/ (loss) in associates and joint ventures** | **(17,150)** | (2,452) | **(6,404)** | n/a | **1,776** | 291 |
| | | | | | | |
| Current assets | **2,558** | 3,341 | **2,001** | n/a | **3,801** | 296 |
| Non-current assets | **23,327** | 50,228 | **56,689** | n/a | **177,835** | 136,474 |
| Current liabilities | **40** | 51 | **2,303** | n/a | **45** | 664 |
| Non-current liabilities | **78** | 57,408 | **—** | n/a | **—** | — |
| **Equity** | **25,767** | (3,890) | **56,387** | — | **181,591** | 136,106 |
| | | | | | | |
| Group's share in equity | **25,758** | 56,336 | **125,814** | n/a | **9,155** | 6,981 |
| **Group's carrying amount of the investment** | **25,758** | 56,336 | **125,814** | n/a | **9,155** | 6,981 |

1. The entity was equity accounted for as an investment in associate when the Group lost the control on 8 December 2023, the table includes the financial information of the entity for the periods after this date. The profit or loss and balance sheet of this entity represents IFRS standalone financial statements of Fund 1, whereas the Group's share in equity is its residual interest that was recognised at fair value at deconsolidation. Refer to Note 34.

### (d) Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also had an interest in an immaterial associate that are accounted for using the equity method. The Group has gained control over this immaterial associate during the year and it is consolidated into the Group's financial statements at the year end.

## Note 36: Related party disclosure

### Transactions with related entities

The Group charged management fees of $nil (2023: $1.33 million) from a related entity, OB DARP Cooperatief UA for the relevant financial year. The related entity is consolidated into the Group Consolidated Financial Statements when the Group gains full control during the year.

## Note 37: Auditor's remuneration

The auditor of Omni Bridgeway Limited is BDO Audit Pty Ltd.

| | Consolidated | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Audit and review of financial reports covering the group and controlled entities | **1,226** | 1,073 |
| Taxation fees | **350** | 813 |
| | **1,576** | 1,886 |

## Note 38: Events after the reporting date

Apart from that disclosed in this report, no other circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect the consolidated entities' operations, the results of those operations, or the consolidated entities state of affairs in the future financial years.

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# Consolidated Entity Disclosure Statement

As at 30 June 2024

| Name of entity | Type of entity | Trustee, partner or participant in joint venture | % of share capital held | Country of incorporation | Australian resident or foreign resident (for tax purposes) | Foreign tax jurisdiction(s) of foreign residents |
|---|---|---|---|---|---|---|
| Omni Bridgeway Limited | Body Corporate | N/A | N/A | Australia | Australia | |
| Omni Bridgeway (Fund 1) LLC | Body corporate | N/A | 25 | USA | Foreign | USA |
| Security Finance (Fund 1) LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway (Fund 2) Pty Ltd | Body corporate | N/A | 27 | Australia | Australia | |
| Omni Bridgeway (Fund 3) Pty Ltd | Body corporate | N/A | 27 | Australia | Australia | |
| IMF Bentham ROW SPV 1 Limited | Body corporate | N/A | 27 | United Kingdom | Foreign | United Kingdom |
| IMF Bentham ROW SPV 2 Limited | Body corporate | N/A | 27 | Australia | Australia | |
| Omni Bridgeway (Fund 4) Invt 1 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 2 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 3 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 4 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 5 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 6 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 7 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 8 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) Invt 9 LP | Partnership | N/A | 20 | USA | Foreign | USA |
| JPV I LP | Partnership | N/A | 20 | USA | Foreign | USA |
| Omni Bridgeway (Fund 5) GPA Pty Ltd | Body corporate | N/A | 100 | Australia | Australia | |
| Omni Bridgeway BV | Body corporate | N/A | 80.81 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway LegalTech BV | Body corporate | N/A | 41.2131 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway Emerging Markets BV | Body corporate | N/A | 80.81 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway Collective Redress BV | Body corporate | N/A | 80.81 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway Asia Pte Ltd | Body corporate | N/A | 80.81 | Singapore | Foreign | Singapore |
| Omni Bridgeway Holding (Switzerland) SA | Body corporate | N/A | 80.81 | Switzerland | Foreign | Switzerland |
| Omni Bridgeway SA | Body corporate | N/A | 80.81 | Switzerland | Foreign | Switzerland |
| Omni Bridgeway GmbH | Body corporate | N/A | 80.81 | Germany | Foreign | Germany |
| Omni Bridgeway Finance BV | Body corporate | N/A | 80.81 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway France SAS | Body corporate | N/A | 80.81 | France | Foreign | France |
| Omni Bridgeway Italy S.r.L | Body corporate | N/A | 80.81 | Italy | Foreign | Italy |
| Omni Bridgeway Advisory Ltd | Body corporate | N/A | 65 | United Arab Emirates | Foreign | United Arab Emirates |
| Omni Bridgeway (Fund 8) Guernsey Investments Limited | Body corporate | N/A | 80.81 | Guernsey | Foreign | Guernsey |
| Omni Bridgeway Holdings (Fund 1) LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway Capital GP (Fund 4) LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway (USA) LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway Management (USA) LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway Holdings (USA) Inc | Body corporate | N/A | 100 | USA | Foreign | USA |
| Security Finance LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway Capital (Canada) Limited | Body corporate | N/A | 100 | Canada | Foreign | Canada |
| Lien Finance Canada Limited | Body corporate | N/A | 100 | Canada | Foreign | Canada |
| Omni Bridgeway (Singapore) Pte Limited | Body corporate | N/A | 100 | Singapore | Foreign | Singapore |
| Omni Bridgeway (UK) Limited | Body corporate | N/A | 100 | United Kingdom | Foreign | United Kingdom |

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## Consolidated Entity Disclosure Statement (continued)

| As at 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|
| Name of entity | Type of entity | Trustee, partner or participant in joint venture | % of share capital held | Country of incorporation | Australian resident or foreign resident (for tax purposes) | Foreign tax jurisdiction(s) of foreign residents |
| Omni Bridgeway (Cayman) Limited | Body corporate | N/A | 100 | Cayman Islands | Foreign | Cayman Islands |
| Omni Bridgeway (Storm) Holdings Pty Ltd | Body corporate | N/A | 100 | Australia | Australia | |
| Omni Bridgeway (Storm) Holdings BV | Body corporate | N/A | 100 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway Investment Management Ltd | Body corporate | N/A | 100 | Australia | Australia | |
| Omni Bridgeway Holding BV | Body corporate | N/A | 100 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway Investment BV | Body corporate | N/A | 100 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway (NZ) Limited | Body corporate | N/A | 100 | New Zealand | Foreign | New Zealand |
| Crestwood I LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Security Finance (Fund 4) LLC | Body corporate | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway (Fund 4) S2 LP | Partnership | N/A | 100 | USA | Foreign | USA |
| Omni Bridgeway (Fund 8) Delaware SPV LLC | Body corporate | N/A | 80.81 | USA | Foreign | USA |
| Omni Bridgeway (Fund 8) Guernsey SPV Limited | Body corporate | N/A | 80.81 | Guernsey | Foreign | Guernsey |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 1 | Body corporate | N/A | 80.81 | USA | Foreign | USA |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 2 | Body corporate | N/A | 80.81 | USA | Foreign | USA |
| Omni Bridgeway (Fund 8) Delaware SPV LLC - Series 3 | Body corporate | N/A | 80.81 | USA | Foreign | USA |
| FT Atlas | Body corporate | N/A | N/A | Morocco | Foreign | Morocco |
| Omni Bridgeway DARP Cooperatief U.A. | Body corporate | N/A | 100 | Netherlands | Foreign | Netherlands |
| Omni Bridgeway DARP Holding Ltd | Body corporate | N/A | 100 | UAE | Foreign | UAE |

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# Directors' Declaration

We state that, in the Directors' opinion:

a. the financial statements and notes of Omni Bridgeway Limited for the financial year ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of its financial position as at 30 June 2024 and performance for the year ended on that date; and

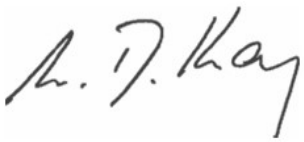
   ii. complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the notes to the financial statements;

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

d. the consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of directors of Omni Bridgeway Limited pursuant to section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024, on behalf of the directors.



**Michael Kay**
Non-Executive Chairman

**Raymond van Hulst**
Chief Executive Officer and Managing Director

Sydney, 28 August 2024

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# Independent Auditor's Report

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Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Omni Bridgeway Limited

### Report on the Audit of the Financial Report

**Opinion**

We have audited the financial report of Omni Bridgeway Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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**Impairment of litigation related assets**

| *Key audit matter* | *How the matter was addressed in our audit* |
|---|---|
| As disclosed in Notes 11, 12 and 13 to the Financial Report, the Group recognises three distinct litigation investments, which comprises:<br>• Claims portfolio;<br>• Purchased claims; and<br>• Intangibles.<br>Although the assets vary in terms of accounting treatment, the Group evaluates them for potential impairment in a comparable manner, using discounted cash flow models.<br>An annual impairment test for the litigation investment assets is required under Australian Accounting Standard (AASB) 136 Impairment of Assets.<br>The non-current asset impairment assessment is a key audit matter due to the size of the recorded assets as at 30 June 2024 and the degree of estimation and assumptions required to be made by the Group, specifically concerning future discounted cash flows. | Our procedures included, but were not limited to:<br>• on a sample basis, assessing the effectiveness of the Group's controls in relation to the review of carrying values for litigation related assets, including controls over the discounted cash flow models and assumptions used;<br>• discussing significant investments with respective Case Investment Managers, in order to understand investment status and assess estimates and judgements made by the Group that impact the discounted cash flow models including litigation completion dates, litigation proceeds, budgeted costs to complete and intention to continue the litigation matter;<br>• assessing the reasonableness of key assumptions including cash flow forecasts and considering the reliability of previous forecasts;<br>• using our internal valuation specialists to assess the appropriateness of the discounts rates applied;<br>• testing the mathematical accuracy of the discounted cash flow models;<br>• performing sensitivity analysis on key assumptions including cash flow forecasts and discount rates;<br>• reviewing Board minutes, ASX announcements and other publicly available information to ensure the Group has not decided to discontinue or has been unsuccessful in investments; and<br>• assessing the adequacy of the related disclosures in Notes 11, 12 and 13 to the Financial Report. |

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**Carrying value of goodwill**

| *Key audit matter* | *How the matter was addressed in our audit* |
|---|---|
| As disclosed in Note 16 to the Financial Report, the Group recognises goodwill in respect to the EMEA cash generating unit (CGU).<br><br>The Group is required under Australian Accounting Standard AASB 136 ***Impairment of Assets*** ("AASB 136"), to perform an annual impairment test of the carrying value of goodwill.<br><br>As a result, the Group's impairment assessment is undertaken using a value-in-use model.<br><br>This was a key audit matter because it requires a high level of estimate and judgement, in particular in estimating future growth rates, discount rates and the expected cash flows of the CGU to which the goodwill and other assets have been allocated. | Our procedures included, but were not limited to:<br><br>• evaluating the Group's CGU identification and the allocation of goodwill and other assets to the carrying value of the CGU based on our understanding of the CGU's business;<br><br>• assessing the reasonableness of key assumptions including cash flow forecasts, considering the reliability of previous forecasts and consistency with discounted cash flow models for the CGU's litigation related assets;<br><br>• comparing the CGU's forecast cash flows to the board approved budget;<br><br>• using our internal valuation specialists to assess the appropriateness of the discount rate applied;<br><br>• performing sensitivity analysis on key assumptions including cash flow forecasts, growth and discount rates;<br><br>• testing the mathematical accuracy of the value-in-use model; and<br><br>• assessing the adequacy of the related disclosures in Note 16 to the Financial Report. |

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

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## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 31 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Omni Bridgeway Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

**Glyn O'Brien**

**Director**

Perth, 28 August 2024

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# Shareholder information

The information set out below is current as at 31 July 2024.

## (a) Distribution of shareholders

### *Ordinary share capital*

282,584,186 fully paid ordinary shares are held by 3,540 individual shareholders. All issued ordinary shares carry one vote per share and carry the right to dividends.

### *Options*

There are no options issued over ordinary shares.

### *Share performance rights*

18,366,528 share performance rights were issued to 109 rights holders under the Company's Long Term Incentive Plan.

### *Distribution of securities*

The number of shareholders by size of holding, in each class are as at 31 July 2024:

| | Number | Fully paid ordinary shares | % of issued capital |
|---|---|---|---|
| 1 – 1,000 | 1,117 | 447,621 | 0.16 |
| 1,001 – 5,000 | 1,161 | 3,120,290 | 1.10 |
| 5,001 – 10,000 | 496 | 3,662,054 | 1.30 |
| 10,001 – 100,000 | 675 | 19,397,623 | 6.86 |
| 100,001 and over | 91 | 255,956,598 | 90.58 |
| | **3,540** | **282,584,186** | **100.00** |

### *Non-marketable parcels*

There were 673 holders of less than a marketable parcel of ordinary shares.

## (b) Substantial shareholders

The names of the substantial shareholders listed in the Company's register as at 31 July 2024 are:

| Shareholder | Number of ordinary Shares | % of issued capital |
|---|---|---|
| Greencape Capital Ltd. | 17,312,889 | 6.10% |
| Perpetual Investment Management Ltd. | 29,195,445 | 10.30% |
| Super Investment Management Pty. Ltd. | 26,198,886 | 9.30% |
| Samuel Terry Asset Management Pty Ltd | 16,350,000 | 5.80% |

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## (c) 20 largest holders of quoted equity securities as at 31 July 2024

| Ordinary Shares | Number of ordinary shares '000 | Issued capital % |
|---|---|---|
| 1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 79,595 | 28.17 |
| 2. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 46,088 | 16.31 |
| 3. CITICORP NOMINEES PTY LIMITED | 44,452 | 15.73 |
| 4. BNP PARIBAS NOMS PTY LTD | 14,037 | 4.97 |
| 5. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 13,504 | 4.78 |
| 6. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C> | 8,503 | 3.01 |
| 7. UBS NOMINEES PTY LTD | 6,796 | 2.40 |
| 8. BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS> | 4,817 | 1.70 |
| 9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA | 3,546 | 1.26 |
| 10. CPU SHARE PLANS PTY LTD <OBL LTI UNALLOCATED A/C> | 3,468 | 1.23 |
| 11. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 3,360 | 1.19 |
| 12. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C> | 2,518 | 0.89 |
| 13. NATIONAL NOMINEES LIMITED | 1,676 | 0.59 |
| 14. MRS SAU HAN ALICE PHILLIPS | 1,474 | 0.52 |
| 15. BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM> | 1,339 | 0.47 |
| 16. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C> | 1,232 | 0.44 |
| 17. MS CATHERINE OLWENY | 1,183 | 0.42 |
| 18. GRAHAM NEWMAN PTY LTD | 1,068 | 0.38 |
| 19. MR ALEXANDER PAUL CHANG | 900 | 0.32 |
| 20. BOUCHI PTY LTD | 729 | 0.26 |
| | **240,285** | **85.04** |

## (d) Options as at 31 July 2024 – unquoted

There are no options issued.

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## (e) Securities subject to escrow

On 20 July 2022, Mr. Guillaume Leger was issued 201,059 performance rights in relation to his appointment as Omni Bridgeway's Global Chief Financial Officer. On 14 July 2023, 70,306 ordinary fully paid shares were issued to Mr Leger following satisfaction of the performance conditions for the performance period from commencement of employment to 30 June 2023 (Tranche 1) and were subject to a 12-month voluntary escrow agreement from the date of issue, which has now been satisfied. On 12 July 2024, 38,566 ordinary fully paid shares were issued to Mr Leger following satisfaction of the performance conditions for the performance period from commencement of employment to 30 June 2024 (Tranche 2) and are subject to a 12-month voluntary escrow agreement from the date of issue.

## US ownership restriction

The ordinary shares of Omni Bridgeway are subject to ownership restrictions applying to residents of the United States.

The Shares have not been registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. In addition, OBL has not been registered under the US Investment Company Act of 1940 in reliance on an exemption from registration.

Accordingly, the Shares may not be offered or sold in the United States or to, or for the account or benefit of US Persons except in accordance with an available exemption from, or a transaction not subject to, the registration requirements of the US Securities Act, the US Investment Company Act and applicable US state securities laws.

In order to qualify for an exemption under the US Investment Company Act, the constitution of OBL provides that where a holder is an Excluded US Person:

OBL may refuse to register a transfer of Shares to that Excluded US Person; and

The Excluded US Person may be requested to sell such person's Shares and, if the Excluded US Person fails to do so within 30 business days, to be divested of such Shares and to receive the proceeds of sale (net of transaction costs, including any applicable brokerage) as soon as practicable after the sale.

In addition, OBL's constitution provides that a holder may be required to complete a statutory declaration in relation to whether they (or any person on whose account or benefit it holds Shares) are an Excluded US Person. Any holder who does not comply with such a request will be deemed to be an Excluded US Person.

The Shares are issued on terms under which each holder who is or becomes an Excluded US Person agrees to the above terms and irrevocably appoints OBL as that holder's agent and attorney to do all acts and things and execute all documents which OBL considers necessary, desirable or reasonably incidental to effect the above actions.

## Shares issued during the year

On 12 July 2024, the Company issued 38,566 shares to Mr Guillaume Leger following satisfaction of the performance conditions for the performance period from commencement of his employment to 30 June 2024 (Tranche 2).

On 29 January 2024, the Company issued 2,074,453 shares to the vendors of OBE relating to the 2019 acquisition in satisfaction of the fourth tranche of variable deferred consideration.

On 4 September 2023, the Company issued 1,781,442 shares relating to the FY21 LTIP vesting.

On 14 July 2023, the Company issued 70,306 shares to Mr Guillaume Leger following satisfaction of the performance conditions for the performance period from commencement of his employment to 30 June 2023 (Tranche 1).

## Share options – unissued shares

As at 31 July 2024 there were 18,366,528 share performance rights on issue (2023: 17,003,651).

# Corporate information

This annual report covers both Omni Bridgeway Limited as an individual entity and the consolidated entity comprising Omni Bridgeway Limited and its subsidiaries. The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report. The Directors' Report is not part of the Financial report.

## Directors

| | |
|---|---|
| Michael Kay | Non-Executive Chairman |
| Andrew Saker | Managing Director & CEO (retired 26 October 2023) |
| Raymond van Hulst | Managing Director & CEO (appointed 26 October 2023), former Executive Director and Co-Chief Investment Officer – EMEA |
| Karen Phin | Non-Executive Director |
| Christine Feldmanis | Non-Executive Director |
| Michael Green | Non-Executive Director |

## Joint Company Secretaries

Jeremy Sambrook

Christopher Huish

## Registered office and principal place of business in Australia

Level 7, 35 Clarence Street
Sydney NSW 2000

Phone: +61 (0)2 8223 3567
Fax: +61 (0)2 8223 3555

## Solicitors

**DLA PIPER**
Level 9, 480 Queen Street
Brisbane QLD 4000

**THOMSON GEER**
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

## Share registry

**COMPUTERSHARE**
Level 11, 172 St Georges Terrace
Perth WA 6000

## Auditors

**BDO AUDIT PTY LTD**
Level 11/ Margaret St, Sydney NSW 2000

## Bankers

**NATIONAL AUSTRALIA BANK LIMITED**
3/2 Carrington Street
Sydney NSW 2000

**WESTPAC BANKING CORPORATION**
275 Kent Street
Sydney NSW 2000

## Internet address

**www.omnibridgeway.com**

The Company is listed on the Australian Securities Exchange with Sydney, Australia as its home exchange. Its ASX ticker symbol is "OBL" and its shares were trading as at the date of this report.

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# Glossary

Throughout Omni Bridgeway Limited's (**OBL, Company, Parent**) publicly available information, the following terms have the meanings detailed in this glossary which shall be updated from time to time:

| | |
|---|---|
| **AASB** | Australian Accounting Standards Board. |
| **Addressable Market** | OBL's estimate of the annual amount spent by claimants on external costs of dispute resolution (excluding enforcement) that could be addressed by OBL's litigation funding service offering. |
| **Adverse cost** | The cost that a losing party to litigation (in certain jurisdictions only) is required to pay to the winning party as compensation for the legal costs they have incurred in the process. |
| **After the event (ATE) Insurance** | Insurance cover to protect against adverse cost exposure. |
| **AFSL** | Australian Financial Services Licence. |
| **ALFA** | Association of Litigation Funders of Australia. |
| **American Waterfall** | The waterfall refers to the order in which investment proceeds in a fund are distributed between Fund participants. Under an American-style distribution performance fees are calculated by reference to completed investments only. |
| **Americas** | The geographic region of North, Central and South America. |
| **APAC** | The geographic region incorporating Asia and the Pacific Region including Australia and New Zealand. |
| **ASX** | Australian Securities Exchange. |
| **CAGR** | Compound annual growth rate. |
| **Committed capital / Commitments** | The amount of funding that has been contractually committed by the Group to a litigation investment under a funding arrangement which is either (i) a capped amount; or (ii) the estimated budgeted amount to run the investment to completion, as amended and duly approved from time to time;<br>It does not include co-funder contributions or possible overheads to be capitalised unless expressly part of the budget or adverse costs that may become payable if the litigation is lost. |
| **Capital deployed** | Is the portion of the Committed Capital which has been expended from time to time. For completed investments it includes any net adverse costs. It does not include co-funder contributions. |
| **Capitalised overheads** | Internal costs (including borrowing costs and direct staff costs) that are incurred in relation to Investments that are not expensed in the period they were incurred but added to the investment carrying value and recognised through the profit and loss in line with the completion of each respective investment.<br>Capitalisation occurs at the OBL and consolidation level, not within each Fund and does not affect portfolio or Fund performance, waterfall or fees. |
| **Completed investments / Completion** | For merits investments this refers to the situation where the underlying litigation has progressed to a state where there no further risk to the legal result notwithstanding that such finalisation may be conditional upon certain matters such as court approval.<br>For enforcement investments completion occurs at the the point where there is no further recovery action planned.<br>Partial Completion refers to a situation where a component of an investment has concluded with no further risk to the legal result, notwithstanding other components of the investment are ongoing. |
| **Discount rate** | OBL uses a discount rate of 12% for calculation of fair value, based on the weighted average cost of capital (WACC) for the legal finance asset class, which closely aligns with the WACC for OBL and with the hurdle rates for our third-party fund capital.<br>All main investment risks associated with legal investments, including loss risk, duration risk, budget risk, quantum risk and credit risk are reflected in the probabilistic scenarios, and therefore fall outside the scope of risks determining the required discount rate. |
| **Direct balance sheet** | Relates to investment of the Group that are not held via a Fund. |
| **CGU** | Cash-generating unit which is defined as the smallest group of assets that generates largely independent cash inflows. |
| **Distressed Asset Recovery Program (DARP)** | A strategic program of the World Bank's International Finance Corporation to reduce the effects of poverty in emerging markets by preventing the loss of assets and allowing access to formal credit, while helping to preserve jobs. Refer to Fund 7. |
| **DRP** | Dividend Reinvestment Plan. |
| **ELFA** | European Litigation Funders Association. |
| **EMEA** | The geographic region incorporating Europe, Middle East and Africa. |
| **Enforcement investment** | Refers to investments where the underlying dispute has a debt &/or judicial finding that is not being honoured and requires action to be collected. |
| **ESG** | Environmental, social and governance. |
| **EPS** | Earnings per share. |

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| **European Waterfall** | The waterfall refers to the order in which investment proceeds in a fund are distributed between participants. Under an European-style distribution, performance fees are calculated by reference to all fund investments and not just completed investments. The manager will not participate in a portion of profits/performance fee/carry until the full amount of investor's capital and preferred return have been fully satisfied. |
| **Excluded US Person** | Means a holder of Shares (or a person who seeks to be registered as a holder of Shares) whom the directors of OBL have determined (i) is a US Person who is not a Qualified Purchaser or a Knowledgeable Employee or (ii) holds or will hold Shares for the account or benefit of any US Person who is not a Qualified Purchaser or a Knowledgeable Employee |
| **Fair Value (FV)** | As defined in the investor day presentation available here. |
| **12 month Fair Value** | The proportionate part of our total book fair value, which has expected cash inflows over the applicable 12 month period based on the underlying probability weighted net cash flows fair value models. All, part or none of these investment inflows may eventuate during the next 12-month period. |
| **Fair value conversion rate** | In respect of a stated period, the aggregate investment proceeds collected from fully Completed investments divided by the aggregate of the last published fair values for the applicable investments. |
| **First Generation Fund (s)** | OBL's Fund 1, & Fund 2&3; which were established by the Group in 2017 with generally consistent terms. |
| **Fourth Generation Fund** | OBL's Fund 8 as raised in 2022. |
| **Fund Commitments** | The amount of capital agreed to be provide to an OBL Fund from OBL and external investors. |
| **Funds** | Means funds, or fund like structures, that OBL manages, advises and invests into. It includes Fund 1, Fund 2&3, Fund 4, Fund 5, Fund 6, Fund 7 and Fund 8. |
| **Funded investments** | Refers to investments where the Group has entered an unconditional binding contract. |
| **FUM /Funds under Management Commitments** | The aggregate amount of Fund commitments (whether called or uncalled) for all the OBL funds that are in operation at any point in time. |
| **Funds deployed** | Refer to Capital deployed. |
| **Fund 1** | Funding structure for Litigation investments in the US established in 2017. A participation in the fund was sold in May 2023 and Fund 1 is now deconsolidated from the group. OBL continues to manage the Fund. |
| **Funds 2&3** | Funding structure for Litigation investments in the RoW established in 2017 with Fund commitments of AUD 189 million. |
| **Fund 4 (series 1)** | Funding structure for Litigation investments in the US established in 2019 with Fund commitments of USD 500 million. |
| **Fund 4 (series 2)** | Potential Funding structure to follow-on from Fund 4 with same mandate. |
| **Fund 5 (series 1)** | Funding structure for Litigation investments in the RoW established in 2019 with Fund commitments of USD 500 million.<br>The Fund commitments from external investors are in structures that are not consolidated within the Group. OBL's 20% interest is via a parallel investing vehicle that is consolidated.<br>In certain disclosures we specifically include 100% of Fund 5; this approach aggregates the external investors' interests with those of OBL to facilitate direct comparison between all Funds (as the other Funds are consolidated & hence disclosed at 100%). |
| **Fund 5 (series 2)** | Potential funding structure for Litigation investments in the RoW. |
| **Fund 6** | Funding structure for investments focused on EMEA purchased as part of OBE Group in 2019.<br>Established in 2017 with Fund commitments of EUR 188 million. |
| **Fund 7** | A joint venture with the IFC/World Bank to facilitate DARP. Fund 7 is designed to invest in non-performing loans in the MENA region.<br>Established in 2019 with Fund commitments of USD 100 million (including USD 50 million from Fund 6). |
| **Fund 8** | Funding structure closed in 1Q24 focused on investing up to EUR 150 million in global enforcement investments. |
| **IC/Investment Committee(s)** | Investment Committee(s) of Omni Bridgeway which make investment advisory recommendations with regard to investments and comprise both internal and external appointees. |
| **IC approved / conditionally funded** | Refers to investments that are approved by the Group's internal investment process but have not reached an unconditional status. This may relate to the state of the funding contract, or book build, loss quantification, discovery or other evidence requirements. |
| **ICC** | International Chamber of Commerce. |
| **IFRS** | International Financial Reporting Standards. |
| **ILFA** | International Legal Finance Association. |
| **IMF** | IMF Bentham Limited and its Group, now known as OBL following a name change in 2020. |
| **Investment commitment** | Refer to committed capital/commitments. |
| **Income v revenue terminology** | Income, revenue and proceeds are generally used interchangeably for realised sums on litigation investments regardless of how IFRS may classify the assets and its consequential P&L disclosure. |

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| **Income yet to be recognised** | Is the estimated value of income that may be generated from investments that are substantially complete from a litigation perspective at that point in time but have not fully satisfied revenue recognition accounting standards and our policies. It is subject to change and relates to substantially completed investments with conditional settlements or judgements on appeal which may be recognised in future periods. |
| **Internal rate of return (IRR)** | Is a discount rate that makes the net present value (NPV) of investment flows equal to zero in a discounted cash flow analysis. It is calculated on aggregated underlying journal entries for each completed case. Calculation includes losses and adverse costs but excludes consideration of capitalised overheads, operating overheads, and withdrawals.<br>The IRR from completed investments may vary materially over time.<br>By providing this historical information, OBL has not been and is not now in any way providing earnings guidance for future periods. |
| **Invested capital** | refer to Capital deployed |
| **Knowledgeable Employee** | As per the SEC's Rule 3c-5 under the US Investment Company act of 1940, Knowledgeable Employee with respect to any Covered Company means any natural person who is: (i) An Executive Officer, director, trustee, general partner, advisory board member, or person serving in a similar capacity, of the Covered Company or an Affiliated Management Person of the Covered Company. |
| **LatAm (Latin America)** | The geographic region spanning Central and South America. |
| **LTIP** | Long-Term Incentive Plan. |
| **Malus and clawback event provisions** | These are provisions whereby participants in the LTIP may in the event of certain specified conduct such as fraud, forfeit all or a portion of their performance rights or the resulting shares or be required to repay all or a portion of their sale proceeds from such securities. |
| **Managed Investment Scheme (MIS)** | An investment structure regulated under Australian Corporation Law regulations. |
| **Management fees** | Management fees are received for the provision of investment management services provided and are paid quarterly in arrears calculated on the net invested capital. |
| **Material litigation events (MLE)** | Objectively verifiable events leading to changes in assumptions or inputs in the calculation of the FV of investments. There are many possible material litigation events, with some generally applicable to most litigation investments and others more investment specific. A material litigation event is always objectively verifiable and not based on a subjective reassessment of an<br>investment.<br>Typical material litigation events include:<br>i. Judgments, arbitral decisions, new relevant case law, mediations, partial settlements or recoveries, new external legal opinions (eg. as a result of changes to fact base or legal discovery), new expert opinions (eg. on damages)<br>ii. Changes to expected duration (eg. following case management hearings, court timetables or observed delays), book-building results, budget changes, asset freezes, new recoverability intelligence, etc. |
| **MENA** | Middle East & North America. |
| **Merits investment** | Refers to investments where the underlying dispute involves ongoing questions about facts, damages or legal outcome and there is a risk around a judicial decision. |
| **MOIC** | Multiple on invested capital. |
| **NCI** | Non-controlling interest.<br>This represents the interests of external Fund investors in funds that are consolidated within the Group, in accordance with each of the respective Funds' return waterfall. |
| **OBE Group** | Omni Bridgeway Holdings BV and subsidiaries; it includes Fund 6 and Fund 7. |
| **OBL** | Omni Bridgeway Limited (ABN 45 067 298 088). |
| **OCA** | OBL On-line Client Administration Proprietary Database. |
| **Other costs** | Includes unrecoverable due diligence costs and for Funds 2&3 and Fund 5 it additionally includes the cost of the After–the–Event insurance policy premium. |
| **Performance fees** | OBL is entitled to be paid a performance fee in connection with the management of each investment subject to the IRR generated. These are paid out of proceeds arising from the realisation of an investment. |
| **PPA** | Purchase price adjustment is the adjustment in value ascribed to the investments purchased with OBE compared to their carrying cost at the time of the business combination in 2019.<br>Adjustment occurs at the OBL and consolidation level, not within OBE Group and does not affect portfolio or Fund performance, waterfall or fees. |
| **Principle protection cover** | Insurance cover to protect against risk of losing the Capital deployed to an investment. |
| **Qualified Purchaser** | Has the meaning given in Section 2(a)(51) of the US Investment Company Act of 1940 and the rules and regulations of the US Securities and Exchange Commission. |
| **Resolution Sum** | Means the total amount of any money, services, benefits and/or any in-kind assets that becomes due or is collected in accord with the underlying litigation or enforcement. It is before allowing for any amounts due to the funder, lawyers or other advisers or participants. The funder earns a share of this Resolution sum in accord with the funding arrangements. |
| **Rest of world (RoW)/ non–USA** | includes all regions, excluding the United States of America, in which OBL has or may have investments, LatAm. |

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| **Return on invested capital (ROIC)** | Is the ratio of profit made above the investment cost is calculated on completed investments across their entire life (not on an annualised basis).<br>Unless expressly stated to the contrary, it excludes consideration of capitalised overheads, operating overheads, and withdrawals from investments.<br>It is calculated as gross investment income less all total expenditure (including any adverse costs), divided by total investment expenditure (excluding any adverse costs). |
| **SIAC** | Singapore International Arbitration Centre |
| **Second Generation Fund** | OBL's Fund 4 and Fund 5 - established by the Group in 2019 with generally consistent terms. |
| **Secondary market sale** | A sale (in whole or part of) an existing litigation investment to another litigation investor at a point during the life of the investment before completion. |
| **SPV** | Special purpose vehicle |
| **STIP** | Short-Term Incentive Plan |
| **Success rate** | Refers to % of investments where the underlying litigation has completed in a manner that causes the funder to have received more than it deployed. |
| **Success – legal** | Refers to investments where the underlying litigation has completed to the benefit of the funded party. |
| **Success – financial** | Refers to investments where the underlying litigation has completed in a manner that causes the funder to have received more than it deployed. |
| **TFR** | Total Fixed Remuneration |
| **Third Generation Fund / Purchased fund** | OBL's Fund 6 and Fund 7; which were established by OBE group and acquired as part of the 2019 acquisition of that group by IMF. |
| **TSR** | Total shareholder return. |
| **US Person** | Any natural person resident in the United States is a US person according to Rule 902(k)(1)(i) of Regulation S. In C&DI 276.01, the SEC staff clarified that a person that has permanent resident status in the US (a so-called Green Card holder) is presumed to be a US resident for purposes of Regulation S. |
| **Withdrawal** | Refers to investments where the funder has ceased funding before the underlying litigation has completed. |
| **$ weighted average** | Is the average of results allowing for the respective relative AUD values of the sample inputs. |

## Total addressable market information sources – pages 16-17


1. US: Thomas, Brigette, Industry Research Reports United States 54111, "Law Firms in the US", IBISWorld, January 2023, pp 8, 10 / Thomson Reuters Institute and Georgetown Law Center on Ethics and the Legal Profession, "2023 Report on the State of the Legal Market", Thomson Reuters Institute and Georgetown Law Center on Ethics and the Legal Profession January 2023 p 25.
2. Canada: Thomas, Brigette, Industry Research Reports Canada 54111CA, "Law Firms in Canada", IBISWorld, May 2023, p 9.
3. UK: IRN Legal Reports, "UK Legal Services Market Trends Report 2023", March 2023 p 5 / Lythe, Oliver, Industry Research Reports United Kingdom M69.100, "Legal Activities in the UK", IBISWorld, July 2023 p 7.
4. Europe: MarketLine Industry Guide, Reference MLIG230001-01, "Legal Services Global Industry Guide 2018-2027", Marketline, July 2023, p 54.
5. Asia: MarketLine Industry Guide, Reference MLIG230001-01, "Legal Services Global Industry Guide 2018-2027", Marketline, July 2023, p 39 and Marketline Legal Services data.
6. Australia: Gannon, Darcy, Industry Research Reports Australia M6931, "Legal Services in Australia", IBISWorld, February 2023, p 9 / Thomson Reuters Institute and The University of Melbourne, "2022 Australia: State of the Legal Market Report", Thomson Reuters & University of Melbourne, August 2022, p 8.
7. NZ: Kyriakopoulos, Arthur, Industry Research Reports New Zealand M6931NZ, "Legal Services in New Zealand", IBISWorld, September 2022, pp 8, 9.


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# Non-IFRS financial information and disclosure

**Non-IFRS financial information** *included in OBL's Annual (and Half-year) Report, associated result presentations, quarterly investment portfolio announcement and other materials has been prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing Non-IFRS financial information, issued December 2011.*

Such information has not been audited or reviewed by external auditors.

Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. The Group believes that given the unique nature of its business the inclusion of non-IFRS information is useful for investors and other users. In our disclosures it includes, FV, IEV, LTCR, commitment, deployed, completion, PCP, preferred return, income yet to be recognised, investment income and other terms be-spoke to OBL. In certain instances, it is simply redisplaying IFRS information differently (e.g. "cash table" or "completion table" is readily reconcilable to the IFRS disclosures.)

Whilst our statutory financial reports provide historical financial information that are prepared in accordance with accounting standards and other financial reporting requirements of the Corporations Act and have the objective of ensuring consistent and comparable reporting of historical financial performance, position and cash flows over and between entities; our Non-IFRS material contains information aimed to assist in informed assessment of the Group's operations, financial position, business strategies and prospects. It is provided to more fully explain the performance and financial position of the Group so as to provide an understanding of the underlying business and the drivers of profit.

The Group's non-IFRS financial information is calculated consistently from period to period; is unbiased and does not remove 'bad news'. Definitions and assumptions around calculations, are provided as appropriate. Where such information is a re-presentation, re-classification or a subset of IFRS material, the identifiable IFRS components are provided in order to prove a link to the statutory financial reports.

The primary rationale for the majority of our non-IFRS information is to provide an indicative view of the size, value and diversification of the Group's litigation investments (however accounted for); our past economic performance regarding litigation investments and the interplay between OBL and NCI attribution. We feel that this is necessary due to the complex (& not readily understood or comparable) nature of our accounting and structural treatment. This is amplified by the overriding requirement of most of our litigation investments being required to be carried at cost (less any impairment).

Additionally, in certain disclosures we include 100% of Fund 5; this approach aggregates the external investors' interests with those of OBL to facilitate direct comparison between all Funds (as the other Funds are consolidated & hence disclosed at 100%).

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OMNI BRIDGEWAY

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## Americas

### Chicago
+1 872 260 2057

500 West Madison Street
Suite 1000
Chicago IL 60661
United States

### Houston
+1 713 965 7919

LyondellBasell Tower
1221 McKinney Street
Suite 2860
Houston TX 77010
United States

### Los Angeles
+1 213 550 2687

555 W. Fifth Street
Suite 3310
Los Angeles CA 90013
United States

### Miami
+1 786 891 2228

2 South Biscayne Blvd.
Suite 3200
Miami FL 33131
United States

### New York
+1 212 488 5331

437 Madison Avenue
36th Floor
New York NY 10022
United States

### San Francisco
+1 415 231 0363

50 California Street
Suite 2930
San Francisco CA 94111
United States

### Washington, D.C.
+1 771 213 5181

2101 L Street, N.W.
Suite 925
Washington, D.C. 20037
United States

### Montreal
+1 514 257 6971

60 rue St-Jacques
Bureau 401
Montréal QC H2Y 1L5
Canada

### Toronto
+1 416 583 5720

250 The Esplanade
Suite 127
Toronto ON M5A 1J2
Canada

### São Paulo
+55 11 99960 9938

## Asia Pacific

### Melbourne
+61 3 9913 3301

Level 3
Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia

### Perth
+61 8 9225 2300

Level 10
66 St Georges Terrace
Perth WA 6000
Australia

### Sydney
+61 2 8223 3567

Level 7
35 Clarence Street
Sydney NSW 2000
Australia

### Hong Kong
+852 3978 2629

11/F Tower 2
Admiralty Centre
18 Harcourt Rd
Admiralty
Hong Kong

### Singapore
+65 6813 2647

Level 13-03
6 Battery Road
Singapore 049909

### Auckland
+64 21 990 620

Level 2
1 Albert Street
Auckland 1010
New Zealand

## Europe, Middle East & Africa

### Amsterdam
+31 70 338 4343

Schiphol Boulevard 121
1118 BG Schiphol
Amsterdam
The Netherlands

### Cologne
+49 221 801155-0

Juelicher Straße 5
50674 Cologne
Germany

### Geneva
+41 22 818 6300

Rue de la Rôtisserie 4
1204 Geneva
Switzerland

### London
+44 203 968 6061

Link House
78 Cowcross Street
London EC1M 6EJ
United Kingdom

### Milan
+39 339 448 3907

Via Fatebenefratelli, 5
20121 Milano MI
Italy

### Paris
+33 6 5159 4359

31 rue du Colisée
75008 Paris
France

### Spain
+31 70 338 4343

### Dubai
+971 4 514 4608

Unit 1905, Level 19
Index Tower
Dubai International
Financial Centre
507152 Dubai
United Arab Emirates