

Key operational targets and strategic milestones achieved

Omni Bridgeway Limited (ASX:OBL) (**Omni Bridgeway, OBL**) today announces an update on its portfolio in which it achieved substantial growth through commitments to new investments and accelerated future potential returns through a secondary market sale in a first generation fund.

1H23 investment commitments

Omni Bridgeway has made commitments of \$304 million for the six months to 31 December 2022 (**1H23**) across 59 investments relating to matters that are newly funded, conditionally approved or have had updated budgets. Of these new investments, 25% relate to law firm portfolios that comprise multiple investments and are inherently diversified.

Highlights include:

- 1H23 commitments represent 55% of our \$550 million FY23 commitment target.
- Strong growth in commitments in the US, with an improvement of 191% on 1H22.
- Commitments in both the US and Asia exceed targets for the half year period.
- New commitments in the period are diverse in both investment type and area of law.
- Acceleration of activity in 2Q23, as the Northern Hemisphere returned from summer holidays.
- The current pipeline of agreed term sheets with clients represents approximately \$180 million indicative opportunities across 40 investments.

Secondary market sale of a Fund 1 investment

Omni Bridgeway has disposed of 100% of one of its investments in Fund 1 for total proceeds of up to US\$20 million, of which US\$19 million was paid on closing on 30 December 2022, and an additional amount of up to US\$1 million is contingent on the quantum and timing of the completion of the litigation underpinning the investment.

This investment was made in 2018 with a capped time-based tiered funding fee matched to the estimated three-year duration. With the impact of COVID on the US court system, this duration has been exceeded. As such the IRR for the investment continues to decrease and fit the criteria for a secondary sale.

Following the distribution of the proceeds, the balance of preferred return to the external investor in Fund 1 will reduce to approximately US\$8 million (~A\$12 million). Upon payment of this balance, the vast majority of Fund 1's future proceeds will

accrue to Omni Bridgeway. Following the disposal of this investment, the implied imbedded value (IEV) for Fund 1 is \$219.4 million which will generate cashflows to support OBL's future returns.

Andrew Saker, Managing Director and CEO, commented "We have made significant progress in achieving key operational and strategic objectives. This includes substantially growing our portfolio and accelerating first generation fund distributions to OBL through a secondary market transaction.

"We will continue to explore opportunities in the deep pool of capital that exists in the insurance industry to see how we can ameliorate our risk for an appropriate cost to optimise risk-adjusted returns for Omni Bridgeway and its investors.

"This year we have progressed with secondary market transactions that demonstrate the demand for mid-cycle, legal risk assets and the value that Omni Bridgeway creates through sourcing and underwriting quality investments.

"The Fund 1 investment disposal to a third-party highlights a critical juncture in the future of our industry. This allows us to recognise a profit on the asset before the legal proceedings had determined an outcome, which will mitigate both duration and completion risk. Importantly, this transaction will accelerate the time at which OBL shareholders will receive distributions under our Fund 1 vehicle," added Mr Saker.

Further information

Further information on terms used in this announcement is available in our Glossary: <https://omnibridgeway.com/investors/omni-bridgeway-glossary>.

The Glossary contains important information, including definitions of key concepts, and should be read in conjunction with this announcement.

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

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