

Secondary market transaction completed in relation to Fund 4's IP portfolio

Omni Bridgeway Limited (**Omni Bridgeway, OBL, Group**) (ASX: OBL) announces that it has completed the sale of a 25% interest in a portfolio of 15 intellectual property (**IP**) investments (**Investments**) in Fund 4 (**Fund**) to an affiliate of GLS Capital Partners Fund II, LP (**GLS**) for an initial amount of US\$21.5 million, representing a multiple on invested capital (MOIC) of 2.0x of the apportioned aggregated deployments to date.

GLS will receive a preferred return on its deployments alongside OBL, beyond which OBL retains further profit rights on the 25% interest.

The cash consideration is anticipated to be received within five business days.

The total committed capital of the Investments is US\$104.4 million with total deployed capital of US\$42.9 million. The future budgeted costs (committed but undeployed capital) of US\$61.5 million will be split proportionately between the Fund and GLS.

The sale will be treated as a partial completion of each of the 15 Investments for our fund and performance reporting. The full estimated portfolio value (EPV) of the Investments, at 30 September 2023, was approximately A\$3.3 billion, with the Fund's remaining proportionate share being A\$2.5 billion.

The transaction will result in the deconsolidation of the Investments and an estimated 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 interests of the Investments will be recognised as "Litigation Investments - investment in associate" within the Group Consolidated Financial Statements.

Transaction details	US\$ million
Cash consideration	21.5
<i>add</i> fair value of the residual interest ¹	79.5
<i>less</i> derecognition of associated net assets, capitalised overheads, direct costs and expenses ¹	(50.0)
Group net profit¹	51.0
Attributable to NCI ¹	(46.4)
Group net profit after NCI^{1,2}	4.6

1. Amounts are estimated and subject to finalisation of costs and audit of balances.

2. Excluding management and performance fees.

Raymond van Hulst, Managing Director and CEO, commented “The conclusion of this transaction with an expert litigation finance investor with strong IP capability demonstrates the continued growth and depth of the secondaries market as well as the intrinsic value of our portfolio. The thorough due diligence process undertaken affirms our belief in the value of the Investments.

“Opportunities in IP are expected to exceed our concentration limits within Fund 4, this deal strategically frees up capacity for this growing and highly accretive sub asset class. It enables us to redeploy capital towards our strong pipeline of new, attractively priced IP investments, while retaining majority ownership in the Investments. It furthermore supports diversification of our portfolio overall.

“This also reinforces our commitment to diversifying revenue sources, while concurrently mitigating underwriting risks, monetising the incremental value created from the portfolio and advancing our strategic priorities,” said Mr van Hulst.

Adam Gill, Managing Director of GLS commented “GLS is pleased to partner with Omni Bridgeway in this transaction which accomplishes important strategic goals for both parties. The transaction provides GLS an attractive risk-reward proposition in a highly diversified and collateralized portfolio of litigation finance investments, curated and managed by an industry leader. We look forward to our continued collaboration with Omni Bridgeway to maximize the value of this portfolio for our respective investors.”

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

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