

RELEASE TO AUSTRALIAN SECURITIES EXCHANGE

MONDAY, 5 NOVEMBER 2018

**CONDITIONAL PLACEMENT OF IMF BENTHAM BONDS AND
AMENDMENT OF TERMS**

Summary

- **IMF Bentham announces a book build to place additional IMF Bentham bonds, the issue of which will be conditional on bond holder approval to amendments to the terms of the IMF Bentham bonds**
- **Proposed amendments to the terms of the IMF Bentham bonds include extending maturity to 22 December 2022, introducing a first issuer call date of 8 January 2022 with a step up in margin of 1.0% applying from 1 January 2022 and introducing additional investor protections**
- **Commitments to vote in favour of amendment to the terms of the IMF Bentham bonds received from bondholders representing in excess of 50% of IMF Bentham bonds**

AMENDMENT OF BOND TERMS

As foreshadowed in the investor presentation released on 23 October 2018 (**Investor Presentation**), IMF Bentham Limited (**IMF**) announces that it will be seeking the approval of holders of IMF Bentham bonds (**Bonds**) to amend the terms of the Bonds (**Restructure Proposal**). The meeting will be held on or around 3 December 2018 and a special resolution (75% voting threshold) will be required to approve the amendments. Holders of Bonds representing in excess of 50% of Bonds on issue have committed to vote in favour of the Restructure Proposal. Further details about the Restructure Proposal will be contained in the notice of meeting and explanatory memorandum which is currently proposed to be dispatched to Bond holders on or around 6 November 2018 (**Notice of Meeting**).

The effect of the Restructure Proposal is to:

- extend the maturity date of the Bonds from 30 June 2019 to 22 December 2022;
- introduce issuer call dates on 8 January 2022 (after which an interest rate step up of 1% would apply) and each subsequent interest payment date, on which IMF will have the option to elect to redeem some (on a pro rata basis) or all of the Bonds then outstanding;
- recognising that different holders of Bonds may have different investment preferences, IMF is also offering holders of Bonds on record as at 23 October 2018 that continue to hold their Bonds until 6 December 2018 the opportunity to have some or all of their Bonds redeemed on 6 December 2018;

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- increase IMF's secured debt limit covenant to allow IMF more flexibility to use borrowings to pursue its growth strategy and reflecting the growth in the scale and diversity of its operations since the Bonds were initially issued;
- introduce a one-off make whole payment equal to \$2.37 for each Bond for holders on record as at 23 October 2018;
- amend certain investor protections for the benefit of holders of Bonds; and
- amend the notice provisions to improve their effectiveness and update the address details for the IMF and the Trustee.

CONDITIONAL BOND PLACEMENT

In conjunction with the proposed amendment of terms, IMF will conduct a non-underwritten placement of additional Bonds to sophisticated or professional investors at a fixed price of \$101.13 per new Bond, up to the amount of the current secured debt limit (**Conditional Bond Placement**), such that immediately following completion of the Conditional Bond Placement there would be up to \$78 million worth of Bonds on issue. International offer restrictions are set out in the Investor Presentation.

The new Bonds will be in the same class, rank equally and be fully fungible with existing Bonds listed on ASX under the code "IMFHA" (on the terms as amended pursuant to the Restructure Proposal), including being entitled to the full amount of the next interest payment. The issue of Bonds under the Conditional Bond Placement is subject to the Restructure Proposal being approved. The funds raised will be used to fund potential redemptions associated with the Restructure Proposal and to fund growth initiatives and allow greater financial flexibility for IMF's balance sheet.

IMF is conducting a volume bookbuild and expects to announce the outcome of the bookbuild on Monday, 5 November 2018, although this is indicative only and therefore subject to change. IMF has appointed Acacia Partners Pty Ltd (**Acacia**), as Lead Manager and Arranger for the Conditional Bond Placement. Acacia has received binding commitments from investors for in excess of 50% of the proposed Conditional Bond Placement prior to the commencement of the book build process.

IMF background

IMF is one of the leading global litigation funders, headquartered in Australia and with offices in the US, Canada, Singapore, Hong Kong and London. IMF has built its reputation as a trusted provider of innovative litigation funding solutions and has established an increasingly diverse portfolio of litigation funding assets.

IMF has been a leading pioneer of litigation funding in Australia since 2001, playing a significant role in the initial steps towards a globalised industry via its international expansion in the US, Canada, Asia and Europe. IMF has a highly experienced litigation funding team overseeing its investments, delivering, as at 30 June 2018, a 90% success rate across 175 completed cases (excluding withdrawals).

Jeremy Sambrook

Company Secretary

Media/Further information:

Marella Gibson

IMF Bentham Limited +61 2 8223 3517

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