



**RELEASE TO AUSTRALIAN SECURITIES EXCHANGE
WEDNESDAY, 20 NOVEMBER 2019**

**CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S
PRESENTATION TO SHAREHOLDERS AT
2019 ANNUAL GENERAL MEETING**

In accordance with Listing Rule 3.13.3, please refer to the following attached documents:

Part One: Chairman's Address to the Annual General Meeting

Part Two: Managing Director's Presentation to the Annual General Meeting

**Jeremy Sambrook
Company Secretary**

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IMF#ASX
Announcement -

ADDRESS BY IMF BENTHAM LIMITED CHAIRMAN MICHAEL KAY TO THE ANNUAL GENERAL MEETING 20 NOVEMBER 2019

Ladies and gentlemen, welcome to the annual general meeting of IMF Bentham Limited for 2019.

My name is Michael Kay and I am the Chairman of IMF Bentham Limited. This is the fifth year I have had the privilege to chair your Company's AGM.

Before we commence with the formal business of this meeting, I would like to take this opportunity to introduce you to my fellow directors:

- Andrew Saker, Managing Director and CEO;
- Hugh McLernon, Executive Director;
- Michael Bowen, Non-Executive Director;
- Karen Phin, Non-Executive Director; and
- Christine Feldmanis, Non-Executive Director.

Our Chief Financial Officer, Stuart Mitchell, and the Company Secretary and Group General Counsel, Jeremy Sambrook, are also in attendance.

The Company's auditor is Ernst & Young. Mr Rob Kirkby, a partner at Ernst & Young, is in attendance and will be available to answer questions concerning the Company's financial statements.

Representatives from the company's share registry, Link Market Services Limited, who are overseeing the registration process and are responsible for the recording of all voting with respect to the meeting are in attendance.

Each of you should have registered at the registration desk as you entered. If anyone has not registered, would you please do so now.

Before moving to the formal business of the meeting, I will take the opportunity to give you a brief overview of the 2019 financial year. I will then invite our CEO and Managing Director, Andrew Saker, to present to you his thoughts on FY19 and his plans for the future of your Company.

Following the meeting, my fellow directors and I would be delighted if you would join us for morning tea.

I will now deliver my address:

As was the case last year, I find myself standing before you to talk about a financial year where the company has reported a loss. Paradoxically and again like last year, I believe the 2019 financial year was, despite the loss, a successful year for your company.

The reported loss of \$25.4m was essentially driven by fewer than expected case completions. The inherent uncertainty in completion times for litigation is a phenomenon well-known to our shareholders. It is one of the key reasons we set out from 2015 to expand the number, size and geographic diversity of our case portfolio. It is also a key reason we set up our investment funds. The feast or famine nature of results over a 12 month period in our business is exemplified by the fact that in the first quarter of this financial year we had a number of completions and recorded \$88m in gross income with a further \$81m expected to be recognised in FY20 from investments that have unconditionally and conditionally

completed, subject to the satisfaction of settlement conditions and the outcome of any appeals which may be lodged. A very pleasing start to the year.

Notwithstanding the reported loss in FY19, I believe the market is starting to understand better our business and its revenue cycles. This is reflected in the share price appreciation during the past two years from around \$1.90 at the end of FY17 to around \$3.33 today. And this during two years of reported losses. I think the market is coming to understand that if our investment decisions have been sound, the strong growth of the portfolio suggests concomitant revenue and profit should be released as the cases complete. And the prosecution of our strategy to reduce risk and leverage growth and returns through setting up our investment funds that provide access to non-recourse funds is now well advanced.

We have two near term material risks on our own balance sheet, namely the Wivenhoe and Westgem cases. Both trials are complete and we await judgments. With the completion of these cases, our transition to becoming a fund manager and co-investor will effectively have been achieved, albeit with a residual balance sheet book.

Here are some of the other highlights of FY2019:

- Our estimated portfolio value increased from \$5.9bn at the end of FY18 to \$9.5bn at 30 June 2019. And today, not including the recent acquisition, our EPV is over \$10bn including investment committee approved and conditionally funded cases. This reflects the success of our distribution strategy which entails “boots on the ground” in regional and sub-regional offices.
- RoW Funds 2 & 3 were upsize from \$150m to \$180m
- We established Fund 4 with USD500m of commitments to US investments, with an option to upsize to US\$1 billion.
- We filled and concluded the Commitment Period in Fund 1 and commenced investing in Fund 4
- We established Fund 5 with USD500m of commitments to RoW investments, with an option to upsize to US\$1 billion.
- We successfully raised (before costs) \$76.1m in equity to support accelerating portfolio growth.
- Strong balance sheet, \$133m in cash at year end and \$186m after OB completion and capital raise.

2019 has also reminded the market that funding litigation successfully is not easily done. Despite what you sometimes read in newspapers, having capital to invest and expecting an easy ride to outsize returns is not a reflection of the real world. To be successful in this industry requires a sound reputation, access to capital, strong distribution capabilities and, critically, the ability to manage large and uncertain risks sustainably over time. Shareholders may have seen it reported that one of our competitors had to cancel plans for an IPO and is now owned by its capital provider. Another was the target of a short selling campaign. Our investment decisions are the greatest risk in our business. Always have been and always will be. Shareholders can rest assured that the discipline in making these decisions that has been the hallmark of IMF's history, and has sustained it while others have come and gone, remains at the centre of our culture and our risk management process.

During the course of 2019, we commenced in earnest the engagement with Omni Bridgeway that led to the acquisition that was announced last month, in conjunction with a capital raise to assist in the funding of the acquisition. We are very excited about the prospects of the combined organisation. We now have a truly global litigation funding footprint, a strong position in Europe (the second largest litigation market in the world), and additional complementary, unique capabilities in distressed debt management, asset tracing and award enforcement.

Prior to the acquisition, our companies worked together on pitches to clients needing not just funding but also asset tracing and enforcement capabilities. Working together demonstrated to both parties the complementary nature of our businesses (both in terms of capability and geography) and the value we

can deliver for customers when we combine our skills. Importantly, it was apparent that our respective cultures were compatible and we enjoyed working together towards a common goal. Both management teams and staff are replete with highly skilled, energetic and motivated people.

Omni Bridgeway also brings with it some other important attributes. As I mentioned earlier, increasing the number and diversity of investments has been an important part of our strategy over the past few years. This diversity reduces risk and, over time, will create smoother cash flows through less reliance on a small number of high value cases. OB will be an important contributor to this strategic imperative. It brings to us on day one, around 300 new investments across a broad spectrum from large litigation, to enforcements and smaller claims. And these capabilities may be able to be successfully rolled out in our other jurisdictions. OB has also established a fund backed by a major European insurer, thus adding to the growth potential and leverage already established through the IMF funds. And on top of this, OB has established a relationship with IFC, a subsidiary of the World Bank for the recovery of distressed assets in the MENA region, (middle east and North Africa). The Distressed Assets Recovery Program (DARP) has just started. It is a very exciting development and testament to the quality and standing of the OB business and its people. If successful, there is the prospect of rolling out further DARP programs into other regions where banks are trying manage portfolios of distressed debt. Finally, and very importantly for shareholders' confidence in the future, like IMF, OB has been successfully and sustainably managing litigation and enforcement risks over a significant period of time. In OB's case, since 1986.

I will leave it to Andrew to take you through the details of the acquisition together with his plans for the future, but suffice to say, the board is delighted with this acquisition and the enhanced capabilities and prospects it brings to your company. And to demonstrate from the top of the organisation the value of collaboration, Raymond Van Hulst from the Omni Bridgeway management team, will shortly be joining our board. We warmly welcome Raymond and the people of OB to IMF Bentham and look forward to an exciting and rewarding future together.

I would like to express my thanks to my fellow board members for their advice, diligence and assistance throughout the year. And for their hard work: from 1 July 2018 to date, the board has been involved in 44 Board meetings, Committee meetings and Due Diligence Committee meetings.

On behalf of the board, I express our gratitude to our tireless CEO, Andrew Saker and all the people of IMF Bentham. It was a very busy and intense year both corporately and operationally. All our people worked with great energy and purpose and with the new funds in place and the additional scope OB brings to your company, I believe the platform is set for a very successful and satisfying future.

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**PRESENTATION BY IMF BENTHAM LIMITED MANAGING DIRECTOR
ANDREW SAKER TO THE ANNUAL GENERAL MEETING
20 NOVEMBER 2019**

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ANNUAL GENERAL MEETING

20 November 2019

This presentation is for the use of IMF Bentham's public shareholders and is not an offering of any IMF Bentham private fund.

Welcome to the Annual General Meeting of IMF Bentham

Michael Kay – Non-Executive Chairman



THE COMBINED IMF/OMNI BRIDGEWAY GROUP

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	1 July 2015	October 2019 (IMF Bentham and Omni Bridgeway)
Increased jurisdictional coverage	Australia, USA, UK	Australia, USA, Canada, Asia, UK, Continental Europe, Middle East and Africa
Countries	3	10
Offices	9	18
Investments	41	400+
EPV + Claims under management¹	A\$2.0 billion	A\$9.5 billion + €2.5 billion
Team	35	145+
Funds management	–	7 funds (~A\$2.2 billion)

1. Includes investments approved by the Investment Committee, funded and conditionally funded.

FINANCIAL RESULTS OVERVIEW

	FY2019	FY2018	FY2019 v FY2018
Contract income	\$35.0M	\$71.2M	▼ 51%
Litigation expenses	\$(39.2)M	\$(54.9)M	▼ 29%
Net Income from investments	\$(4.2)M	\$16.3M	▼ 126%
Other income (foreign exchange & interest)	\$10.0M	\$6.8M	▲ 46%
Net operating expenses	\$(53.5)M	\$(31.5)M	▲ 70%
Net loss before tax	\$(47.7)M	\$(8.4)M	▲ 471%
Tax	\$(11.6)M	\$(0.6)M	▼ 1836%
Net loss after tax	\$(36.1)M	\$(7.8)M	▼ 365%
Consolidated loss after tax and NCI	\$(25.4)M	\$(1.8)M	▲ 1311%
Net asset backing	\$2.52	\$2.12	▲ 19%
Cash	\$226.5M	\$160.2M	▲ 41%
Investments - intangible assets	\$427.0M	\$321.3M	▲ 33%
Estimated portfolio value	\$8.0BN	\$5.6BN	▲ 42%
Number of investments	83	75	▲ 11%

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IMF's TRACK RECORD (AS AT 30 JUNE 2019)

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■ Wins/settlements ■ Losses

Investments funded to completion at 30 June 2019.
Does not include withdrawn investments

A\$2.4b total recoveries	2.6 years average duration	89% success rate	\$897m IMF's revenue
A\$1.5b returns for funded claimants	83 active investments	192 investments funded to completion	134% ROIC 2.3x MOIC

A\$2.4b
total recoveries

38%

\$897m
IMF's revenue

62%

A\$1.5b
returns for funded claimants

\$383m
cost – investment in completed cases

\$514m
IMF's cumulative profits

134% ROIC
2.3x MOIC

INVESTMENT PORTFOLIO (AS AT 30 SEPTEMBER 2019)

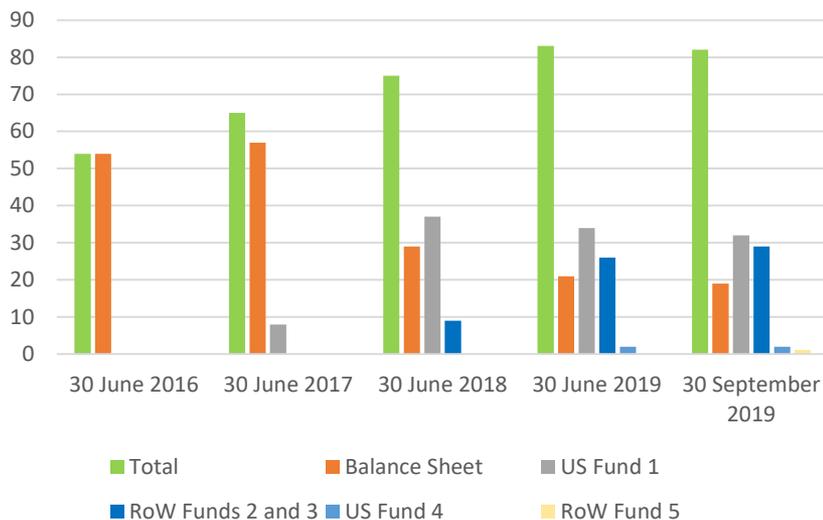
	Number of investments	EPV A\$m	Possible completion FY2020 A\$m	Possible completion FY2021 A\$m	Possible completion FY2022 and later A\$m
IMF balance sheet	19	1,411.8	971.8	290.0	150.0
Fund 1	32	3,045.0	901.4	1,632.7	510.9
RoW Funds 2 and 3	29	2,965.1	261.2	1,263.5	1,440.4
Fund 4	2	680.0	-	-	680.0
Fund 5	1	25.1	-	25.1	-
Total	83	8,126.9	2,134.4	3,211.3	2,781.3

- Past performance indicates that IMF's litigation funding investments have generated average gross revenue of approximately 15% of the EPV of the investment at the time it is completed (Long Term Conversion Rate).
- For first generation funds, which include Funds 1, 2 & 3, waterfalls dictate capital and preferred return paid to investors before payment of capital and management fees to IMF, after which profit is split.
- For second generation funds, Funds 4 and 5, IMF will receive its investor return on its committed capital pari passu with external investors.

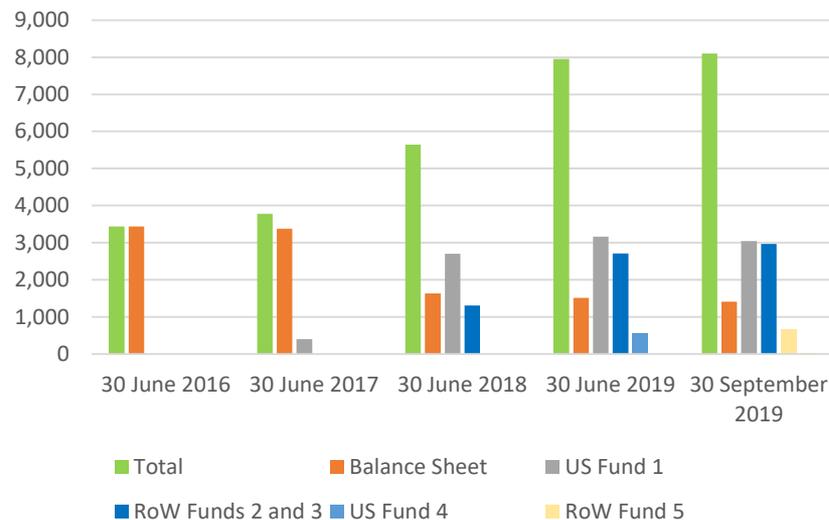
INVESTMENT PORTFOLIO (AS AT 30 SEPTEMBER 2019)

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Number of Investments in Portfolio



EPV of Investments in Portfolio (\$m)

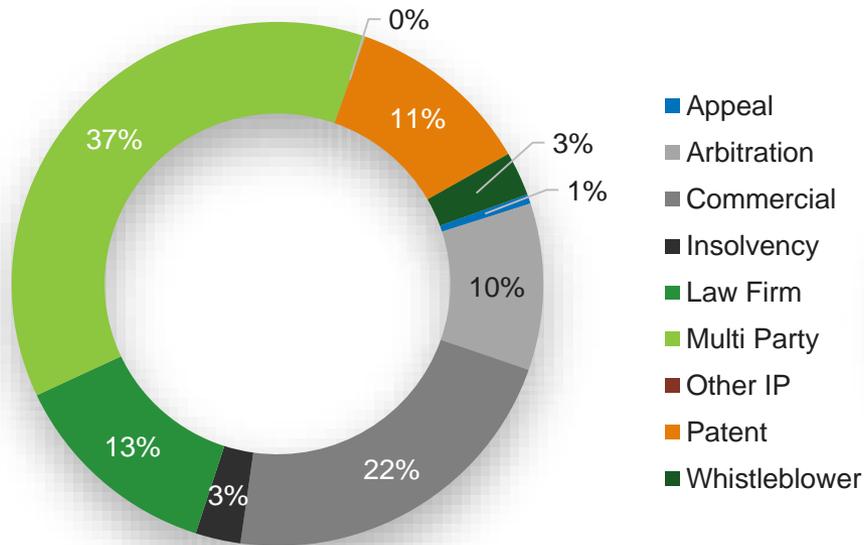


- Increase in number of investments currently funded to 83 at 30 September 2019.
- 8 further investments conditionally funded at 30 September 2019 with 6 approved by the investment committee.
- IMF does not separately disclose EPV or intangible asset values for individual investments.

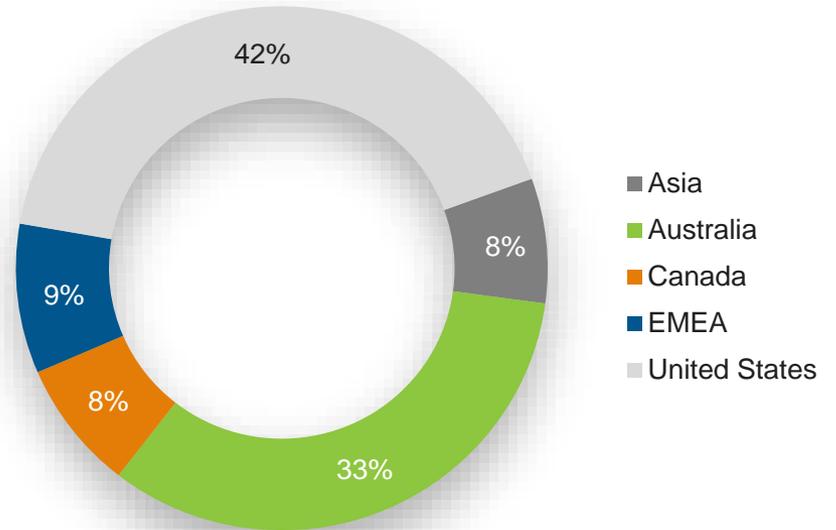
DIVERSIFICATION BY TYPE AND GEOGRAPHY

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EPV by Investment Type*



EPV by Geography*



* Committed funding amounts from FY20 include conditionally funded investments and investments approved for funding by the Investment Committee but not yet funded.

DEVELOPMENTS SINCE 1 JULY 2019

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New Investments

- Almost 20% of portfolio is financing claims for corporates
- Recent approval of US\$40 million working capital investment in Fund 4

Completions

- Numerous conditional and unconditional completions
- Income of A\$88m to be recognised in FY20

Merger with Omni Bridgeway

- Final element of five-year strategic plan
- Expanded sourcing capacity and geographic footprint

	Balance	Fund 1	Funds 2&3	Fund 4	TOTAL
\$ m	(RoW & USA)	(USA)	(RoW)	(USA)	(Global)
Recognised income					
Completed investments	20.7	32.1	-	29.5	82.3
Ongoing investments	-	5.5	-	-	5.5
Total income recognised	20.7	37.6	0.0	29.5	87.8
Income yet to be recognised					
Binding conditional settlements	27.8	-	15.9	-	43.7
Agreed in-principle settlements	-	-	-	7.0	7.0
Successful judgments	30.5	-	-	-	30.5
Total income yet to be recognised	58.3	0.0	15.9	7.0	81.2
TOTAL EXPECTED INCOME YTD	79.0	37.6	15.9	36.4	169.0

ACQUISITION OF OMNI BRIDGEWAY

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The combined group has created a truly global diversified funder

IMF believes the offer structure is attractive to acquire an established complementary platform without the risk of a greenfield investment over a multi-year period

The Acquisition expands IMF's footprint into civil law jurisdictions and emerging markets

 ~145 FTEs combined



- IMF office (14)
- OB office (5)

The combined group will operate across 18 offices (combining the two Singapore offices)

THE FUTURE

1. Integration

- Operations

2. Strategy

- Re-brand
- Business plan
- Human resources

3. Footprint

- Team Growth
- Jurisdictional expansion where appropriate

4. Technology

- AI

5. Growth opportunities

- Corporates
- Strong pipelines
- Global Coordination

6. Debt Management

- OTC Debt?

7. Ongoing Risk Mitigation

- Continued diversification
- Adverse cost insurance

8. Becoming mainstream

- Increasing world-wide awareness and appetite

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NOTES TO INVESTMENT PORTFOLIO (AT 30 SEPTEMBER 2019)

Investments Included in Portfolio

The Investment Portfolio includes investments for which the IMF Group have entered into an unconditional commitment to fund and includes investments where a previously conditional funding agreement has become unconditional. It includes investments that have settled until they have finally complete and the associated income can be recognised. Investments in Australian shareholder class actions included in the portfolio as unconditional may still be subject to a Court process, where there are competing class actions claims, to determine which case proceeds.

Past Performance

Past performance is not necessarily an indication of future performance. Past performance indicates that IMF's litigation funding investments have generated average gross income of approximately 15% of the EPV of an investment at the time it is completed (**Long Term Conversion Rate**). Both the Long-Term Conversion Rate and IMF's ROIC may vary materially over time. By providing this information, IMF has not been and is not now in any way providing earnings guidance for future periods. IMF's ROIC figures in its Investment Portfolio are reviewed by EY in its semi-annual review of completed investments.

The completed investment data has been reviewed by the auditor of IMF, EY, to 31 December 2018 and updated to 30 June 2019 by management and will be reviewed by EY as part of the year end audit.

ROIC (return on invested capital) is calculated as gross income to the Group less all reimbursed costs, divided by total expenditure (excluding overheads but including any adverse costs on lost cases).

IRR is calculated on underlying flows for completed cases including losses but excluding withdrawals, excluding overheads but including any adverse costs on lost cases.

EPV

EPV for an investment where the IMF funding entity earns a percentage of the resolution proceeds as a funding commission, is IMF's current estimate of the claim's recoverable amount after considering the perceived capacity of the defendant to meet the claim. It is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to IMF if the investment is successful. EPV for an investment where the IMF funding entity earns a funding commission calculated as a multiple of capital invested shall be calculated by taking IMF's estimate of the potential income return from the investment and grossing this up to an EPV using IMF's Long-Term Conversion Rate. An EPV is subject to change over time for a number of reasons, including, but not limited to, changes in circumstances and knowledge relating to an

investment, partial recovery and, where applicable, fluctuations in exchange rates between the applicable local currency and the Australian dollar.

Possible Completion Periods

The possible completion period is IMF's current estimate of the period in which an investment may be finalised. It is not a projection or forecast. An investment may finalise earlier or later than the identified period for various reasons.

Completion for these purposes means finalisation of the litigation by either settlement, judgment or arbitrator determination, for or against the funded claimant, notwithstanding that such finalisation may be conditional upon certain matters such as court approval in the context of a class action. It may not follow that the financial result will be accounted for in the year of finalisation. Possible completion period estimates are reviewed and updated where necessary.

Invested and Committed Capital

Invested and committed capital is equal to the total capital either invested or committed to investments, translated to Australian dollars at the foreign exchange spot rate prevailing on the reporting date.

Rest of the World/Non-USA

IMF's Non-USA classification includes all regions excluding the USA in which IMF has commitments currently being Australia, Canada, Asia and Europe.

Accounting Consolidation of IMF's Investment Vehicles

Funds 1, 2 & 3, and 4's balance sheets are consolidated within the IMF group financial statements, with the respective external investors' interests reflected as Non-Controlling interests. Fund 5 balance sheet is not consolidated within the IMF Group financial statements. The entire EPV and gross income for all investments including external investors proportionate share therein are included in this quarterly investment portfolio announcement.

Investment Commitments

- (i) Fund 1 & 4 are the amounts committed to conditionally & unconditionally funded investments and are generally fixed; (ii) Fund 2/3 are the investment budget amounts of conditionally & unconditionally funded investments.

Other Costs

Includes unrecoverable due diligence costs; and for Funds 2 & 3 it additionally includes the cost of the After-the-Event insurance policy premium.

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- A number of terms used in this presentation including; ROIC, EPV , success rate by \$ weighted average, success rate by number of investments, IRR, actual, budgeted and deployed committed capital are categorised as non-IFRS information prepared in accordance with *ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information*, issued in December 2011. This information has not been audited or reviewed. For further commentary and analysis refer to IMF's 2018 annual report.
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