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INVESTOR PRESENTATION

January 2018

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Worldwide Funding Solutions

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WHAT IS LITIGATION FUNDING?

- As a “litigation funder” IMF provides funding on a contingency basis to businesses and individuals with claims for loss and damage.
- IMF provides funding for the client’s case or to the client and, in jurisdictions where adverse costs are relevant, agrees to pay any costs (incurred during the term of the funding agreement) awarded to the other side should the client’s case be unsuccessful.
- In return, IMF generally receives a right to be reimbursed all that it has paid out and receives an assignment of a share of the amount awarded to the client by way of judgment or paid to the client by way of settlement. IMF’s return in the US is more typically a multiple of the amount invested.
- As a litigation funder IMF does not provide legal advice and is not paid “on an hourly rate”.

LITIGATION FUNDING MARKET

- There is currently no direct empirical data available on the size of the litigation funding market in any market in which IMF operates.
- The following estimates have been calculated by reference to third party research reports on legal services market size.

Description	Australia	US	UK	Canada
Estimated legal services (A\$ billion)	23.1	300-400	52	25
Anticipated annual growth rate	1.4%	0.8%	1.4%	0.9%

- Litigation spending is arguably correlated to the economic cycle, and is expected to be soft in the next several years. However, litigation funding is arguably counter-cyclical and demand may exceed growth in demand for litigation spending.
- However, as penetration rates for litigation funding are low in all jurisdictions there is an opportunity to exceed growth rates, particularly in the US where penetration rates are proportionately lower.

IMF'S COMPETITORS

In Australia it is estimated that IMF has 65.8% of the litigation funding market. (ref: IBIS 2017)

- The key industry participants in the markets in which IMF operates include:

Australia	US	Europe/Asia
JKL/Longford Capital	Burford	Harbour
Litigation Lending Services	Parabellum	Vannin Capital Limited
Litigation Capital Management	Longford Capital	Calunius
Harbour	Lake Whillans	Therium Capital
Claims Funding Australia	Themis	Burford
Vannin Capital Limited		

- There are other specialised participants with various levels of participation in the industry. Some funders are focussed on niches within the litigation funding industry, such as disbursement funding or funding for family law matters. These funders rarely compete directly with IMF.
- There are also opportunistic funders who deploy funds from family investments or specialised closed ended funds. These funders on occasion compete against IMF, more so in the insolvency market than others, but have also been visible in the class action area.

OVERVIEW OF IMF BENTHAM LIMITED

IMF has delivered a global ROIC of 1.6x since listing on the ASX in 2001. IMF is continuing to execute its growth strategy including international expansion, diversification and capital management.

IMF Fast Facts	Detail
A leading global litigation funder	<ul style="list-style-type: none"> Listed on ASX in 2001. IMF has collected more than \$2 billion for clients since its formation. IMF now operates from 13 offices in six countries with 75 staff. As announced to the market on 5 January 2018, IMF has re-established its European operations with the engagement of Alistair Croft, a former senior litigator with funding experience. IMF's presence in Asia has also increased with the hiring of Ms Chen Yee Khong in Hong Kong as an associate investment manager.
High margin and ROIC business	<ul style="list-style-type: none"> Average life of each case is 2.6 years and IMF has delivered, over the past 16 years, a global ROIC of 1.6x (including cases lost). Investment portfolio at 31 December 2017 comprised 77 active matters, spread between balance sheet and fund structures
Comparative advantage	<ul style="list-style-type: none"> Quality risk mitigation process – case selection and case management expertise. Demonstrated by results – globally, over 16 years, settled or won 91% and only lost 9%, of 162 completed cases (excluding withdrawals). Infrastructure to internally manage large multi-party matters including launch of <i>MyIMF</i> during FY17.
Capital position	<ul style="list-style-type: none"> Strong balance sheet. Launch of Fund 1, 2 and 3 to provide leveraged, non-recourse capital for all new investments.

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

FINANCIAL RESULTS OVERVIEW

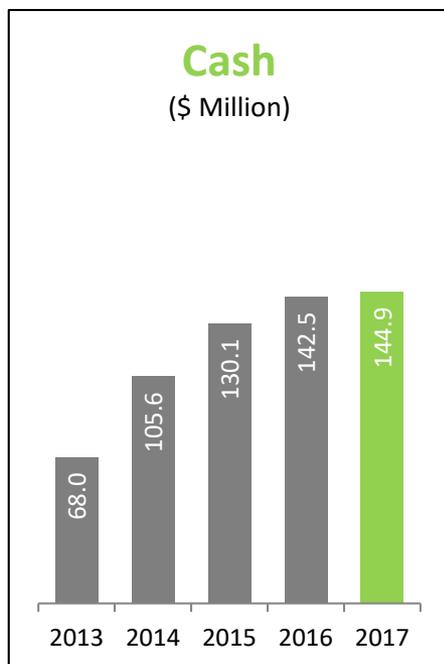
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	FY2017	FY2016	FY2017 v FY2016
Contract Income	\$113.3M	\$99.8M	▲14%
Litigation Expenses	\$(59.2)M	\$(46.8)M	▲26%
Net Income (from cases)	\$54.1M	\$53.0M	▲2%
Net Operating Expenses	\$(28.4)M	\$(26.8)M	▲5%
NPBT	\$25.7M	\$26.2M	▼1%
EPS (cents per share)	9.04 cents	12.38 cents	▼27%
DPS (cents per share)	7.0 cents	7.5 cents	▼7%
Dividend Payout Ratio	77.4%	60.6%	▲28%
ROE	7.6%	10.8%	▼30%
Net Asset Backing	\$1.20	\$1.19	▲1%
Cash	\$144.9M	\$142.5M	▲2%
Investment in Cases (Intangible assets)	\$190.9M	\$145.6M	▲31%
Estimated Portfolio Value	\$3.78BN	\$3.44BN	▲10%
Number of cases	65	54	▲20%

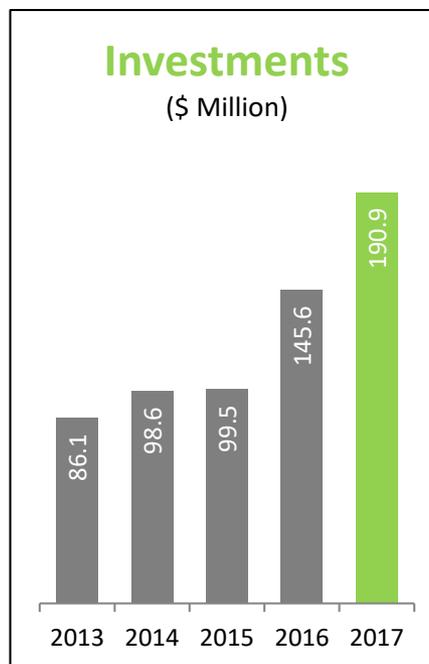
BALANCE SHEET STRENGTH

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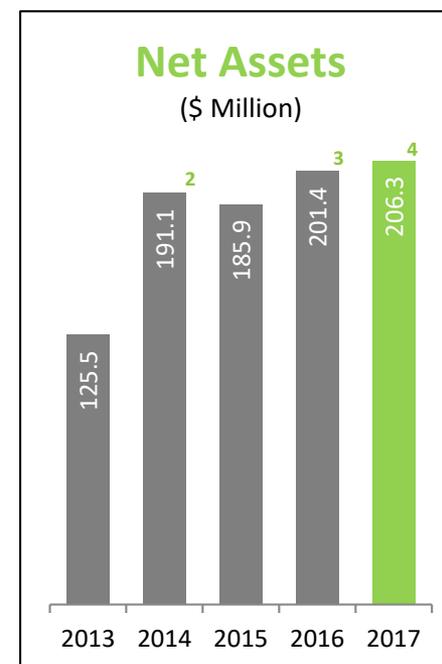
Cash \$M



Investments¹ \$M



Net Assets \$M

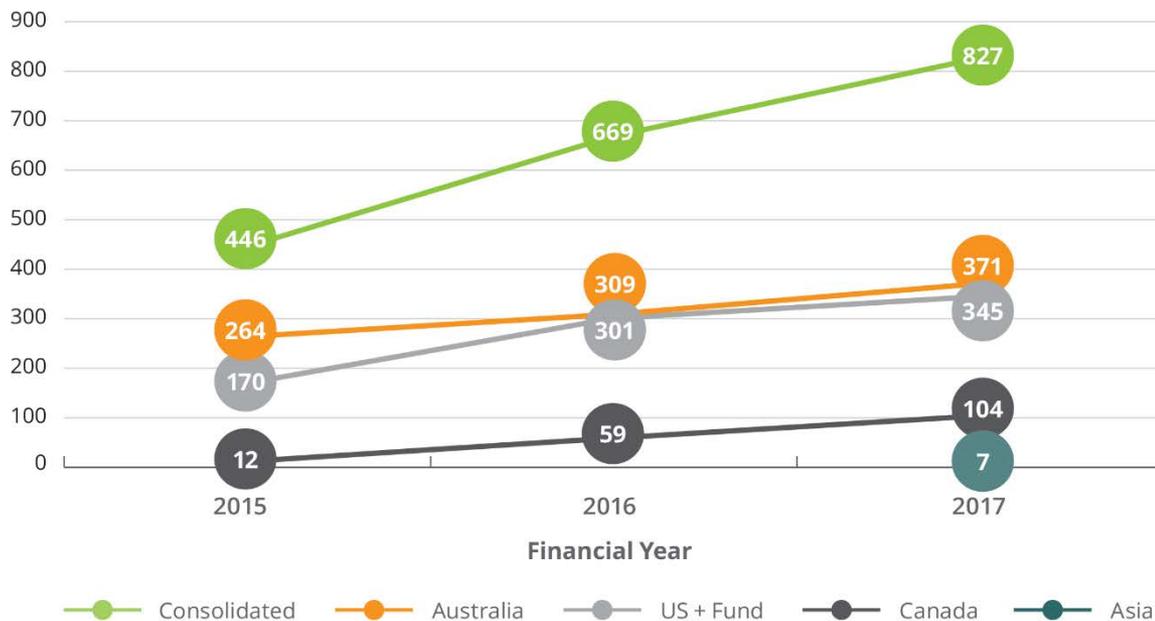


- 1 Investments includes capitalised overheads relating to the litigation.
- 2 IMF raised capital during FY2014 totalling \$42,031,791 through its institutional placement and share placement plan. A further \$27,631,244 in equity was raised through convertible noteholders converting into shares, and convertible note redemptions totalled \$11,180,756 as a result of the early redemption of the convertible notes. In addition, \$1,673,477 was raised from shareholders participating in the dividend reinvestment plan. IMF raised \$50 million in debt through the issuance of the Bentham IMF Bonds.
- 3 IMF raised capital during FY2016 totalling \$32 million through the issue of fixed rate notes.
- 4 IMF raised capital during FY2017 totalling \$40 million through the issue of fixed rate notes.

FY2017 OPERATIONAL HIGHLIGHTS

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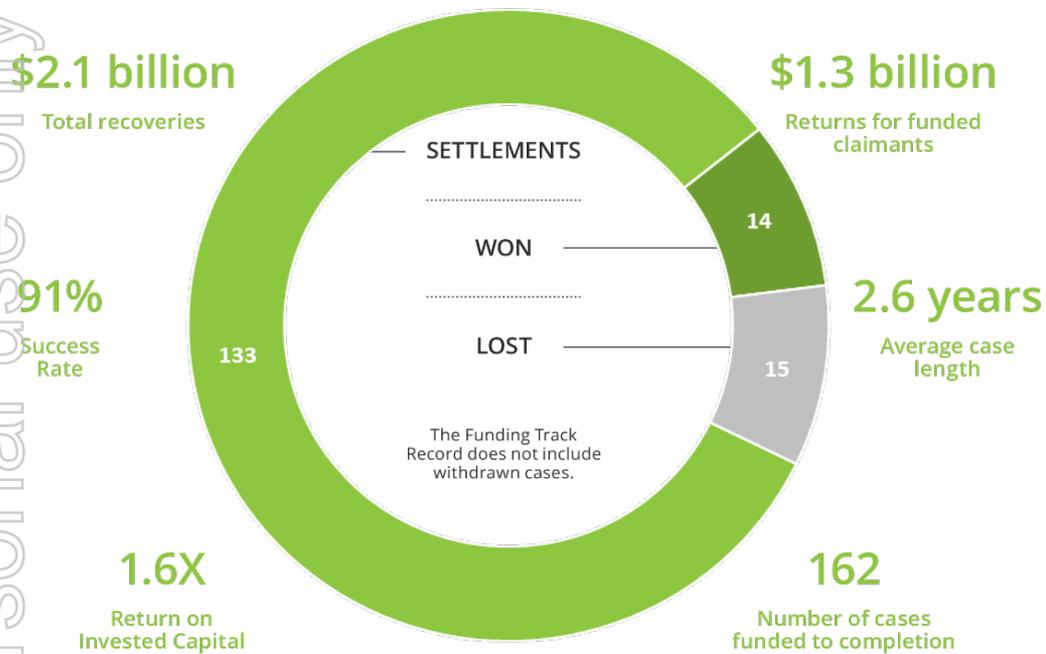
Funding Applications (number of applications)



- Improved sourcing of potential investment opportunities.
- Rapidly growing and dynamic asset class.
- High potential for IMF to lead market globally, given existing scale and increasing diversity.

IMF's TRACK RECORD OF SUCCESS

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Revenue Summary		
Revenue to funded claimants	\$1,310M	62%
Revenue to IMF:		
Reimbursement of costs (40%)	\$306M	15%
Net income (excluding overheads) (60%)	\$486M	23%
IMF total revenue (100%)	\$792M	38%
Total revenue generated		
	\$2,102M	100%

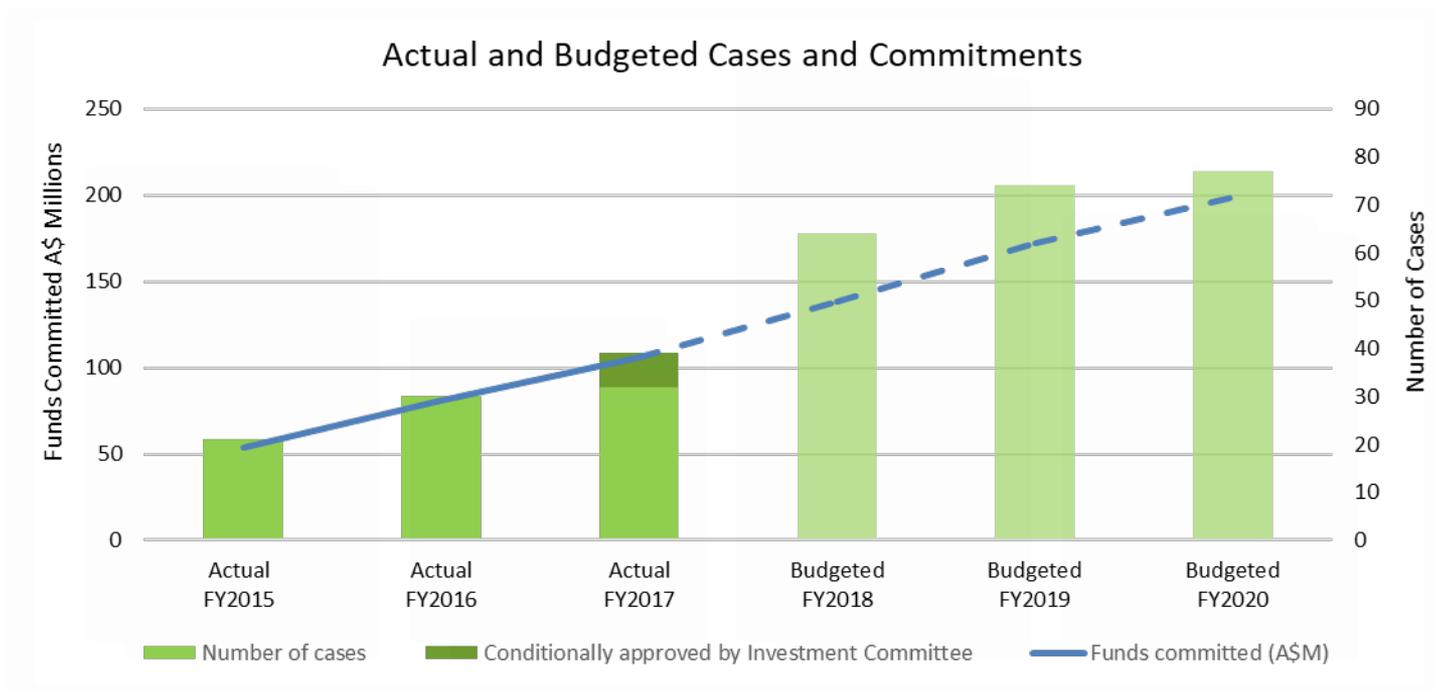
Completions by Region	Number of Cases	ROIC	IRR	Average Case Length
Bentham IMF (US) - Completions since inception in 2011	15	1.2x	83%	1.4 years
IMF Bentham Limited (Australia and RoW) - Completions since 1 July 2011	51	1.5x	62%	3.0 years

Notes:

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

CASES AND COMMITMENTS

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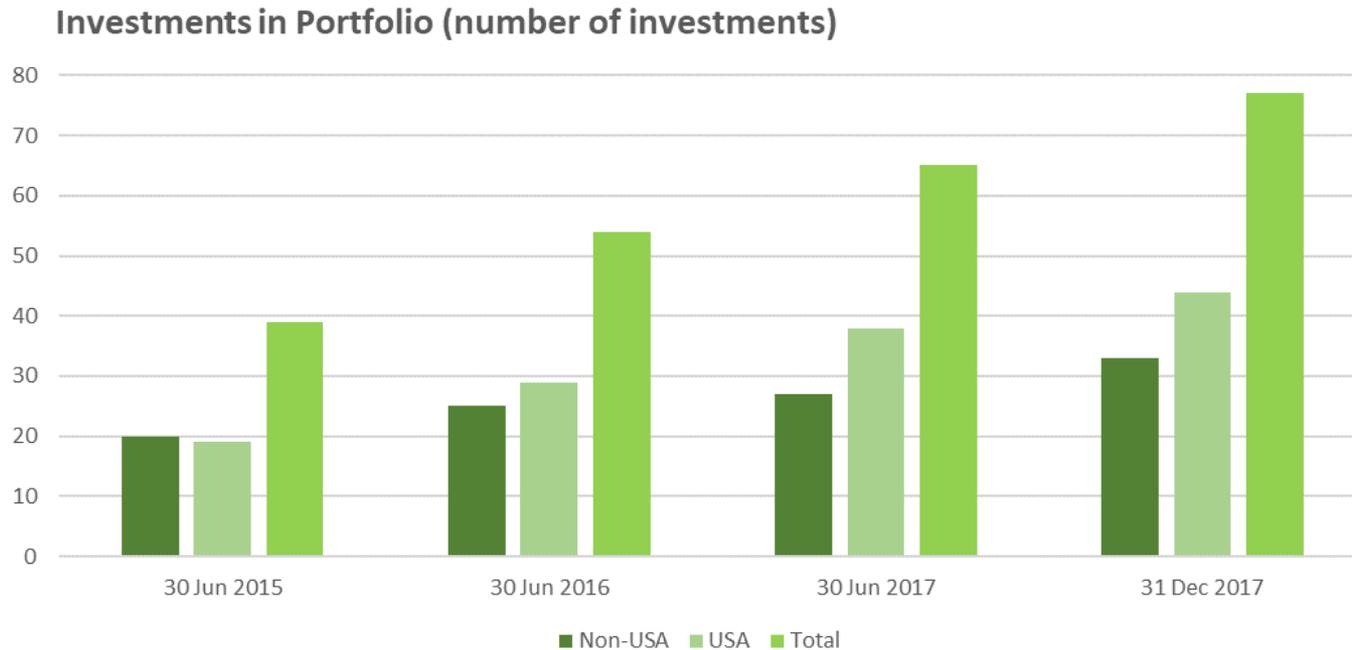


Growth derived from:

- Increase in number of Investment Managers.
- Maturing offices in US, Canada and Singapore.
- Launch of new product offerings for corporates and insolvency.
- Increased targets for funding for Investment Managers.

INVESTMENT PORTFOLIO AT 31 DECEMBER 2017

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- Increase in number of investments currently funded to 77.
- 3 further investments conditionally funded, and 7 investments approved for funding by the Investment Committee at 31 December 2017.

INVESTMENT PORTFOLIO AT 31 DECEMBER 2017

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IMF Group (Non-USA), Fund 2 and Fund 3 – Estimated Portfolio Value					
	Number of investments	EPV \$m	Possible completion FY2018 \$m	Possible completion FY2019 \$m	Possible completion FY2020 and later \$m
IMF Group (non-USA)	28	1,528.1	576.5	548.2	403.4
Fund 2 and Fund 3	5	575.3	3.9	6.1	565.3
Total Portfolio	33	2,103.4	580.4	554.3	968.7

Bentham IMF (USA) and Fund 1 – Invested and Committed Capital					
	Number of investments	Total (excluding capitalised overheads and interest) \$m	Possible completion FY2018 \$m	Possible completion FY2019 \$m	Possible completion FY2020 and later \$m
Invested Capital					
Bentham IMF (USA)	29	94.0	9.4	68.1	16.5
Fund 1	15	32.9	1.3	7.5	24.1
Total	44	126.9	10.7	75.6	40.6
Remaining Commitment to be deployed					
Bentham IMF (USA)	29	14.7	2.1	10.7	1.9
Fund 1	15	22.3	0.0	7.4	14.9
Total	44	37.0	2.1	18.1	16.8
Total Bentham IMF (USA)		108.7	11.5	78.8	18.4
Total Fund 1		55.2	1.3	14.9	39.0
Total Commitments		163.9	12.8	93.7	57.4

INVESTMENT PORTFOLIO AT 31 DECEMBER 2017

Notes to the Group's Investment Portfolio

Investments Included in Portfolio

The Investment Portfolio includes investments for which the IMF group or the Funds have entered into an unconditional commitment to fund and includes investments where a previously conditional funding agreement has become unconditional.

Past Performance

Past performance is not necessarily an indication of future performance. 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 will update its Long Term Conversion Rate and ROIC figures semi-annually in its Investment Portfolio report following the EY review of completed investments.

EPV

EPV is IMF's current best estimate (in Australian dollars) of a claim's recoverable amount, which takes into account the perceived capacity of the defendant to meet the claim. It is not necessarily the amount being claimed by the funded claimants in the investment and is not the estimated return to IMF from the investment if it is successful. An EPV is subject to change over time for a number of reasons, including 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 best estimate of the period in which an investment may be finalised. 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. 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 on a quarterly basis.

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.

Non-USA

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

Accounting Consolidation of IMF's Investment Vehicles

IMF's USA Fund 1, Fund 2 and Fund 3 will be consolidated within the IMF group financial statements, with the respective investors' interests reflected as Non-Controlling interests. Therefore, the entire EPV for investments funded by Fund 2 and Fund 3, and the entire funding commitment for investments funded by the Fund 1, are included in the quarterly Investment Portfolio.

Split Reporting

The different regional reporting formats within the Investment Portfolio reflect the predominant underlying earnings structure of the applicable region; a multiple of capital invested in the USA and a percentage of the resolution amount for non-USA investments.

IMF CAPITAL PLANS

- IMF has now launched a US Fund and Fund 2 & Fund 3 (Non-US Funds) to fund all new matters from 2017 for the next three years (or until fully deployed).
- The funds, together with the issue of bonds in 2016 and 2017, have provided IMF with access to approximately \$480 million in funds for investment.
- Access to funds for new investments effectively removes all “headwind” for sourcing capital for new cases (other than above limits investments).
- The funds provide non-recourse, leveraged equity where IMF can generate returns superior to investing on its own balance sheet.

US FUND ECONOMICS AND HYPOTHETICAL INVESTMENT

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- IMF's US Fund provides an opportunity for IMF to considerably enhance its risk adjusted returns via non-recourse equity finance.
- Key fund dynamics:
 - Total capital commitments of USD133m with mutual upsize option to USD200m
 - Investor contributes 75% of the capital, IMF 25%
 - Pass through tax structure – gross profits are distributed and taxed in the hand's of the Investor
 - Returns (European basis) waterfall:
 1. Investor – Fortress
 2. Investor preferred return and undrawn fee
 3. IMF capital
 4. IMF management fee 2% p.a. of Investor's deployed capital
 5. Residual profit 85% IMF, 15% Investor
- Hypothetical example using a single investment for illustrative purposes only.
 - Assumptions:
 - USD5m capital deployed in investment
 - ROIC of 1.2x (US average)
 - Investment period of 3 years

IMF US Fund	Investor US\$M	IMF US\$M	Total US\$M
Invested Capital	3.7	1.3	5.0
<u>Fund Profit @ ROIC 1.2x</u>			
Investor Preferred Return	1.7		
IMF Management Fee		0.2	
Profit Share	0.7	3.4	
Total Profit	2.4	3.6	6.0
Total	6.1	4.9	11.0
ROIC²	0.6x	2.8x	

¹ Indicative equity rate of 15% pa utilised for the purposes of illustration

² ROIC is calculated assuming loss rate equal to historical levels

The above hypothetical example is for illustrative purposes only. The IMF US Fund will only earn revenue from cases which reach a successful outcome. IMF does not control the outcome of the case or the length of the investment period. This illustrative example is not intended in any way whatsoever to constitute a forecast or estimate of returns from the IMF US Fund.

FUND 2 AND FUND 3

ECONOMICS AND HYPOTHETICAL INVESTMENT

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- IMF's Fund 2 and Fund 3, coupled with the ATE cover, provides an opportunity for IMF to fully deploy the fund in a risk managed, non-recourse leveraged equity structure.
- Key fund dynamics:
 - Total capital commitments of \$150m
 - Investors contribute 80% of the capital, IMF 20%
 - Funds are taxable entities and profits distributed net of tax, with applicable Franking Credits
 - Returns (European basis) waterfall:
 1. Investors – Partners Capital and Amitell Capital
 2. Investors preferred return and undrawn fee
 3. IMF capital
 4. IMF management fee 2% p.a. of Investors deployed capital
 5. Residual profit 80% IMF, 20% Investors
- Hypothetical example using a single investment for illustrative purposes only.
 - Assumptions:
 - \$5m capital deployed in investment
 - ROIC of 1.5x
 - Investment period of 3 years

IMF Fund 2 and Fund 3	Investors A\$M	IMF A\$M	Total A\$M
Invested Capital	4.0	1.0	5.0
<u>Fund Profit @ ROIC 1.5x</u>			
Investors Preferred Return	1.7		
IMF Management Fee		0.2	
Profit Share	1.1	4.5	
Total Profit	2.8	4.7	7.5
Total	6.8	5.7	12.5
ROIC²	0.7x	4.7x	

¹ Indicative equity rate of 12.5% pa utilised for the purposes of illustration

² ROIC is calculated assuming loss rate equal to historical levels

The above hypothetical example is for illustrative purposes only. IMF Fund 2 and Fund 3 will only earn revenue from cases which reach a successful outcome. IMF does not control the outcome of the case or the length of the investment period. This illustrative example is not intended in any way whatsoever to constitute a forecast or estimate of returns from the IMF Fund 2 and Fund 3.

ATE POLICY

- ATE policy with “A” grade insurer.
- Limit of \$30 million, after excess of \$7.5 million.
- Covers all cases written for the next three years in Fund 2 and Fund 3, irrespective of date of completion.
- Cost of \$10.3 million plus GST and stamp duty, paid out of Fund 2 and Fund 3 fund draw.
- Unique policy, with exclusivity in Australia and Asia.
- Based on IMF’s record of success.

ENHANCED RISK MANAGEMENT

- IMF's risk management process includes Case selection, Investment Committee review, and Case Management.
- Case selection must meet minimum legal, factual and commercial criteria before recommendation to the Investment Committee.
- Rigorous Investment Committee process to challenge legal and factual issues by a group comprising experienced litigators and commercial staff.
- Our Investment Committee process has been supplemented by the addition of John Sulan QC, former Justice of the Supreme Court of South Australia and former United States District Judge for the Northern District of California, Vaughn R Walker.
- Case management by experienced Investment Managers (former legal practitioners and Counsel).
- No material changes to this process since IMF's inception.
- Additional risk mitigants include the use of ATE adverse cost insurance, co-funding arrangements and the recent establishment of an investment vehicle managing third party capital.

GROWTH STRATEGY

IMF has identified significant opportunities for growth and risk diversification.

Item	Opportunity
Major domestic growth opportunities	<ul style="list-style-type: none"> ■ Renewed focus on the insolvency market and corporate funding. ■ Potential opportunities with common fund orders with open class claims. ■ Only funder in Australia with infrastructure to manage group claims.
Major international growth opportunities	<ul style="list-style-type: none"> ■ Restraint period after sale of JV interest expired in mid-July, and IMF has re-established its European operations. ■ Canadian operations deep into second year of operations, and starting to harvest opportunities for funding. ■ Asian office opened in April 2017, establishing a regional presence in Singapore with a mandate for funding in South-East Asia. Hong Kong has announced introduction of legislation to fund arbitration matters. ■ US continues to develop, with San Francisco now two years old, and Houston a new market.
Growth and diversification	<ul style="list-style-type: none"> ■ Operates from 13 offices around the world, with increasing awareness and demand for funding in all jurisdictions. ■ Operational diversification, capital funding diversification, and potential introduction of deep adverse cost insurance cover provide a significant investment in risk mitigation.
Capital structure	<ul style="list-style-type: none"> ■ Commenced fund structures to diversify risk on a non-recourse basis. ■ With US and non-US fund will be able to harvest current investment, return profits, retire some debt and improve capital efficiency measures.

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KEY RISKS - IMF

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Item	Description
Investments in cases which are lost	<ul style="list-style-type: none"> If a funded case is lost, IMF will lose not only its investment but may, in jurisdictions in which the “loser pays” rule applies have to pay the defendant’s costs.
Portfolio concentration risk	<ul style="list-style-type: none"> IMF’s financial performance in each of FY2018 and FY2019 is exposed to portfolio concentration risk associated with two large investments in Wivenhoe and Westgem. IMF’s execution of its diversification strategy has sought to reduce portfolio concentration risk in future periods.
Competition	<ul style="list-style-type: none"> IMF currently has a number of competitors in the Australian litigation funding market, including overseas based competitors, who are becoming more active. There are multiple litigation funders in the US market and competition for investments is strong. The increasing competition within the global litigation funding market may impact on the performance of IMF.
Government regulation	<ul style="list-style-type: none"> No assurance can be given that regulation in IMF’s key markets will not change in the future and adversely affect IMF’s business and financial performance. However, there is presently no such legislation proposed in the markets in which IMF operates of which it is aware.
Common law development of industry	<ul style="list-style-type: none"> To date, the courts have generally found in favour of litigation funding arrangements in Australia but the courts, in Australia or overseas, will continue to oversee the development of the litigation funding industry and adverse decisions may impact on the business of IMF.
Technology	<ul style="list-style-type: none"> IMF is dependent on technological systems to operate effectively. These systems may fail or may not operate properly. IMF may fail to keep its technology up to date with the resultant loss of business opportunities.
Reliance on key management	<ul style="list-style-type: none"> IMF depends substantially on its executive directors, senior management and key personnel to oversee the day-to-day operations and the strategic management of IMF. There can be no assurance given that there will be no detrimental impact on IMF if one or more of these directors or employees cease their employment.

The above is not intended to be an exhaustive list of all the risks faced by the business.

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