OBL gideon lens

Omni Bridgeway Limited (OBL.AX) — Gideon Lens

Report ID: OBL-ER2-20260905-000207+0800 **Report date:** 2026-09-05 **Information cutoff:** 2026-09-05 00:02:07 SGT **Price anchor:** A$1.555, latest completed XASX session close on 2026-09-04 **Financial anchor:** audited FY2026 and TTM ended 2026-06-30 **Exact horizon:** 2031-06-30, five years after the TTM anchor **Mode:** Production ER2

What changed from the previous report and why

Previous report: OBL-ER2-20260817-201715+0800; 2026-08-17; `C:\Users\Admin\OneDrive\GPT\ER 2.0\Omni Bridgeway\raw\pulse-cio-20260905T000207+0800\prior_active_snapshot\OBL.AX_gideon_lens.md`; SHA-256 `175ae404e5a50dd1d27b942fe6b8114109f4da59a53a4b07c47c2a8465f12984` **Current report:** OBL-ER2-20260905-000207+0800; 2026-09-05; price anchor AUD 1.555 as of 2026-09-04

Area	Previous report	Current report	What changed and why	Decision impact
Price anchor	A$1.46 on 2026-08-14; stale for actionability	A$1.555 on 2026-09-04	Latest completed-session quote is 6.51% higher than the prior anchor and 3.42% below the queue's A$1.61 reference	Current-price return is lower than a simple stale-price refresh would imply because the model was also rebuilt
ER2 verdict and gates	PASS; Management YELLOW; Moat YELLOW; valuation PASS	PASS; Management YELLOW; Moat and 2046 test YELLOW; P/E-15 gate PASS	FY2026 evidence improves fee/cost execution but still does not prove parent cash conversion or a durable pricing moat	Two YELLOW qualitative gates force PASS under the exhaustive ER2 rule
FY+5 valuation bridge	Prior 2025-12-31 to 2030-12-31 P/B-ROE bridge	Audited FY2026 to FY2031 P/B-ROE bridge; Base EPS A$0.446508; 330.71% P/E-15 cushion	Full FY2026, reviewed segment cadences, corrected FY2024 comparisons, and a repaired period-end share-stock bridge replace the old horizon	Valuation gate still passes, but the Base case is not sufficient for BUY because qualitative gates remain unresolved
Insurer retained economics / book bridge	n/a	n/a	OBL is a legal-assets manager, not a P&C insurer; parent-common book, NCI, fees and managed capital are nevertheless reconciled	No insurer-specific adjustment
Shareholder returns	Gross AUD -6.59% / 17.09% / 40.36%; PW 16.72%	Gross AUD -12.44% / 15.61% / 43.00%; PW 16.11%	New FY2026 economics, 35/50/15 weights, 0.45x/0.85x/1.70x P/B, and complete dilution replace the prior bridge	Base and PW remain attractive but Bear is unacceptable and 20% is not underwritten
CIO actionability	WATCH; net SGD -8.41% / 16.93% / 40.81%; PW 16.53%	WATCH; net SGD -14.14% / 15.45% / 43.46%; PW 16.00%	Current price and repaired probabilities deepen Bear while preserving mid-teens central returns	Existing roughly 0.8% HOLD is not eligible for ADD yet
Audited scores	46/100; 40/80; 6/20	45/100; 38/80; 7/20	Independent audit removed points for non-meaningful mixed-perimeter ROIC and unavailable retained-parent ROIIC	Diagnostic classification remains Reject
Methodology or corrections	P/B-ROE with old share/probability bridge	P/B-ROE with 289.642m period-end issued opening stock, full rights pool, and 35/50/15 weights	Red team exposed a 0.590m share understatement and right-tail probability concentration; S, VP, CS, CSA and RT were rerun	Return objection is MATERIAL_RESOLVED; publication is cleared

Bottom line: OBL trades below parent-common book and can produce mid-teens returns, but cash conversion is negative, two gates are YELLOW, Bear destroys value, and 20% needs more earnings or rerating. Repairs did not create a BUY or future-ADD case.

Verdict: PASS

Scorecard:

Gate	Result	Notes
Management	YELLOW	Better execution, but parent cash conversion and capital returns unproved
Moat	YELLOW	Real underwriting evidence; 2046 pricing and data advantage unproved
P/E <= 15 on confident EPS at TTM + 5 calendar years	PASS	Base FY2031 EPS A$0.446508; entry cushion 330.71%
Compounder Score	Audited 45 / 100	Reject: downside, cash conversion and 20% hurdle remain weak; diagnostic only
Business Quality Score	Audited 38 / 80	Evidence does not support dream-business quality on retained-parent economics
20% Return UW Score	Audited 7 / 20	Base 15.61%; 20% needs materially more income or rerating

One-line thesis (or reason to pass): Credible upside cannot offset two YELLOW gates, negative cash conversion, dilution and a deeply negative Bear return.

Security return underwriting

Measure	Result	Notes
Primary valuation method	P/B-ROE	One audited method controls all scenarios, probability weighting, reverse return and net SGD
Gross local-currency bear / base / bull IRR	-12.44% / 15.61% / 43.00%	Five-year annualized shareholder returns in AUD
Probability-weighted gross local-currency IRR	16.11%	CAGR of expected terminal wealth at 35% / 50% / 15% weights
Return bridge	A$1.555 to A$0.800285 / A$3.212134 / A$9.298802	Terminal parent-common equity divided by repaired diluted shares, multiplied by locked exit P/B; zero distributions and no double count

Primary valuation method: P/B-ROE. Gross underwriting is in AUD; net-SGD appears separately. Opening P/B is 0.665635x on A$676.637m parent equity and 289.642m issued shares. NCI, managed AUM and third-party capital are excluded. Warrants, strike cash, liability reclassification and rights are each counted once. P/E is only a cross-check because Bear retains positive book despite negative EPS; EV/NOPAT lacks supportable terminal claim paths.

Bear-case operating and return bridge

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer; managed investments are not parent common equity
Retained net investment income	Not applicable	Not applicable	Not applicable	Non-insurer; no managed-NII bridge is used
Parent-owned operating income excluding fees	Not separately available	-A$14.725m total statutory OI	n/m	Fee income is embedded in segment economics and cannot be split without invention
Fee income counted once	A$35.4m disclosed	Included once in parent NI	Pass	No separate fee-platform value is added after book value
Normalized common net income	A$53.697m	-A$18.725m	n/m	Five-year adverse completion and Corporate-cost path
Beginning common equity	A$676.637m	A$676.637m	-	Parent attributable; A$181.948m NCI excluded
Cumulative common net income	-	-A$155.778m	cumulative	Exact FY2027-FY2031 annual parent NI rows
Common dividends	-	A$0.000m	cumulative	No source-bound payout modeled

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Common-share repurchases net of issuance	-	A$0 repurchases / A$35.000m issuance	cumulative	Warrant exercise cash adds equity; no buyback retirement
OCI and other common-equity movements	-	A$29.462m	cumulative	Warrant-liability reclassification once; OCI zero
Terminal common equity	A$676.637m	A$585.321m	-A$91.316m	Full zero-residual roll-forward
Diluted common share count	289.642m issued stock	329.126m	2.59%	2.151m Bear rights plus 37.333m warrants; historical weighted-average EPS shares excluded
Book value per common share	A$2.336115	A$1.778410 diluted	-5.32%	Same issued-stock opening basis; terminal uses reconciled diluted stock
Normalized common ROE	8.0% FY2026	-3.1487%	-11.15pp	Terminal NI over average FY2031 common equity
Valuation	0.665635x P/B	0.45x P/B	-0.215635x	Discount for persistent losses, marks and cash-conversion risk
P/E cross-check	8.4236x raw / non-comparable	Not meaningful	n/m	Negative terminal EPS does not erase positive book
Share value	A$1.555	A$0.800285	-48.53%	A$1.778410 BVPS times 0.45x
Cumulative distributions	-	A$0.000000	cumulative	Zero-distribution diagnostic
Total ending value	A$1.555	A$0.800285	**-12.44% gross local IRR**	Terminal share value plus zero distributions

Base-case operating and return bridge

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer; managed investments remain outside parent book
Retained net investment income	Not applicable	Not applicable	Not applicable	Non-insurer
Parent-owned operating income excluding fees	Not separately available	A$196.287m total statutory OI	n/m	Reviewed segment EBIT sum; fee income remains embedded once
Fee income counted once	A$35.4m disclosed	Included once in parent NI	Pass	No fee-platform add-on
Normalized common net income	A$53.697m	A$148.302m	22.53%	Event-heavy current result gives way to explicit annual scenario cadence
Beginning common equity	A$676.637m	A$676.637m	-	Parent attributable only
Cumulative common net income	-	A$514.042m	cumulative	Exact FY2027-FY2031 annual parent NI rows
Common dividends	-	A$0.000m	cumulative	Cash conversion does not support a forecast payout
Common-share repurchases net of issuance	-	A$0 repurchases / A$35.000m issuance	cumulative	Warrant exercise cash only; no buyback
OCI and other common-equity movements	-	A$29.462m	cumulative	Warrant liability reclassified once; no OCI plug
Terminal common equity	A$676.637m	A$1,255.141m	+A$578.504m	Full zero-residual roll-forward
Diluted common share count	289.642m issued stock	332.1374m	2.78%	5.1624m Base rights plus 37.333m warrants; same stock opening as current P/B
Book value per common share	A$2.336115	A$3.778981 diluted	10.10%	Parent-common claim and terminal stock bases reconcile explicitly
Normalized common ROE	8.0% FY2026	12.5574%	+4.56pp	Terminal NI over average FY2031 common equity
Valuation	0.665635x P/B	0.85x P/B	+0.184365x	Low-teens ROE supports rerating; book-quality risk keeps exit below 1x

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
P/E cross-check	8.4236x raw / non-comparable	7.1939x point-in-time / 6.7689x normalized	n/m	Identity cross-check only; P/B controls
Share value	A$1.555	A$3.212134	15.61% CAGR	A$3.778981 BVPS times 0.85x
Cumulative distributions	-	A$0.000000	cumulative	Zero-distribution diagnostic
Total ending value	A$1.555	A$3.212134	**15.61% gross local IRR**	Terminal share value plus zero distributions

Bull-case operating and return bridge

Bull case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer; managed capital remains excluded
Retained net investment income	Not applicable	Not applicable	Not applicable	Non-insurer
Parent-owned operating income excluding fees	Not separately available	A$428.845m total statutory OI	n/m	Concurrent favorable segment outcomes, including embedded fees once
Fee income counted once	A$35.4m disclosed	Included once in parent NI	Pass	No separate fee asset is added
Normalized common net income	A$53.697m	A$334.908m	44.21%	Diversified favorable completion and fee-scale scenario
Beginning common equity	A$676.637m	A$676.637m	-	Parent attributable only
Cumulative common net income	-	A$1,094.479m	cumulative	Exact FY2027-FY2031 annual parent NI rows
Common dividends	-	A$0.000m	cumulative	No unsupported payout even in Bull
Common-share repurchases net of issuance	-	A$0 repurchases / A$35.000m issuance	cumulative	Warrant cash only; no retirement assumption
OCI and other common-equity movements	-	A$29.462m	cumulative	Warrant-liability reclassification once; OCI zero
Terminal common equity	A$676.637m	A$1,835.578m	+A$1,158.941m	Full zero-residual roll-forward
Diluted common share count	289.642m issued stock	335.579m	2.99%	Full 8.604m rights pool plus 37.333m warrants
Book value per common share	A$2.336115	A$5.469883 diluted	18.56%	Parent book only; no managed AUM add-on
Normalized common ROE	8.0% FY2026	20.0769%	+12.08pp	Terminal NI over average FY2031 common equity
Valuation	0.665635x P/B	1.70x P/B	+1.034365x	Cash-backed high ROE required; independently selected 1.61x-1.88x range
P/E cross-check	8.4236x raw / non-comparable	9.3174x point-in-time / 8.4674x normalized	n/m	Identity cross-check only; P/B controls
Share value	A$1.555	A$9.298802	43.00% CAGR	A$5.469883 BVPS times 1.70x
Cumulative distributions	-	A$0.000000	cumulative	Zero-distribution diagnostic
Total ending value	A$1.555	A$9.298802	**43.00% gross local IRR**	Terminal share value plus zero distributions

CIO actionability

Measure	Result	Notes
Status	WATCH	Completed research does not authorize a portfolio action
Bear / Base / Bull net SGD IRR	-14.14% / 15.45% / 43.46%	Five-year annualized after 0.35% entry/exit costs and scenario FX translation
Probability-weighted net SGD IRR	16.00%	CAGR of expected SGD terminal wealth at 35% / 50% / 15% weights

Measure	Result	Notes
10% mandate hurdle	PASS	Base and probability-weighted net-SGD cases both exceed 10%
15% stretch hurdle	PASS	Base 15.45% and probability-weighted 16.00% exceed 15%
Downside and portfolio fit	WATCH	Bear loses 14.14% annually; existing roughly 0.8% HOLD is tolerable but not an ADD case
Proposed sizing ceiling	none	Maintain research hold-only status; owner approval remains mandatory for any change

Net-SGD uses 0.9037 SGD/AUD at entry, 0.825 / 0.9037 / 0.92483 at exit, and 0.35% entry and exit friction. With zero distributions, withholding is zero. Base and expected returns clear the 10%-15% aspiration, but two YELLOW gates and the Bear loss rule out CORE ELIGIBLE and EXPERIMENTAL. WATCH is the exhaustive classification.

Trade execution authorized: NO

Kill / trigger criteria:

- Exit-review trigger: rolling 24-month fair-value conversion below 90% while FY2027 OBL-only post-deployment cash remains negative; together these refute the premise that marks become owner cash.
- Downgrade trigger: FY2027 fees below A$40m, cash opex above A$75m, or non-warrant net issuance above 3% without a per-share return case.
- Upgrade toward future ADD: at least 60% FY2027 fee coverage, rolling conversion at or above 100%, positive post-deployment parent cash, low-teens common ROE, and controlled dilution.
- Price trigger for a 20% Base gross return: approximately A$1.293 or lower, holding the audited 0.85x Base exit P/B and zero distributions constant. This is a research threshold, not an order.

Research sizing if actionable: none; existing 0.8% remains hold-only.

Investment conclusion

OBL's completion record, lifetime MOIC, FY2026 conversion, repeat capital and lower costs support a viable franchise. Yet parent profit coexisted with negative consolidated and OBL-only cash movement. Base needs A$514.042m of cumulative parent earnings and a rerating to 0.85x P/B; 20% requires A$256.802m more income or a 1.023910x exit P/B. The model clears Base and expected net-SGD mandate hurdles, but not downside, qualitative, compounder, or future-ADD gates. The roughly 0.8% HOLD remains under observation; no ADD is eligible until conversion, parent cash, fee coverage, dilution and common ROE improve. ER2 PASS; CIO WATCH; no trade authority.

Omni Bridgeway Limited — Institutional Company Primer

Ticker: ASX: OBL **Information cutoff:** 5 September 2026, 00:02 SGT **Latest complete statutory period and TTM:** FY2026 ended 30 June 2026 **Exact ER2 horizon:** 30 June 2031 **Reporting currency:** Australian dollars; financial figures are A$ millions unless stated otherwise **Governed market anchor:** A$1.555 closing price on 4 September 2026; quote-packet SHA-256 `00a77b83eb28c9526854be7104a1e7986cbc6ce50d340c01376d66e30c14670c`

This primer is an orientation to Omni Bridgeway Limited (OBL), not an investment recommendation. All statutory financial figures come from the current-run, reconciled `quant_foundation.md`, which uses the audited [FY2026 Annual Report](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5) as the controlling source. Operating key performance indicators and management targets are identified as non-IFRS and sourced to the [FY2026 results presentation](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6) or the [Analyst Data Pack updated to 30 June 2026](https://omnibridgeway.com/docs/default-source/investors/asx-announcements/obl_asx-release_20260827_28_analyst-data-pack-at-30-june-2026.pdf?sfvrsn=69ab793a_4). Facts, inferences and judgments are deliberately separated.

1. Business overview: financing legal outcomes

Fact. OBL is a specialist alternative asset manager focused on legal assets. It manages and co-invests in funds and other structures that finance, purchase, monetise or share the risk of claims, judgments, arbitral awards, non-performing loans and related enforcement rights. Its operations span the Americas, Asia-Pacific (APAC), and Europe, the Middle East and Africa (EMEA). The issuer describes three core activities: litigation and arbitration funding; legal enforcement and asset recovery; and investment management for third-party capital. [FY2026 Annual Report, pp. 19–20](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5)

The central product is non-recourse or limited-recourse capital. OBL pays legal costs, experts, security for costs, adverse-cost protection, working capital, or a cash advance against a claim or award. In return it receives an agreed share of a successful recovery, often defined as a multiple of capital invested, a percentage of the resolution amount, or a combination that may rise with duration. If the underlying proceeding fails, OBL ordinarily receives no investment return and can lose the deployed capital; in some jurisdictions it may also owe adverse costs. Insurance can protect selected deployment, commission and adverse-cost exposures, but it does not remove underwriting risk. [FY2026 Annual Report, p. 20](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5)

The legal-capital customers are claimants, corporations, law firms, liquidators, banks, creditors and owners of awards or distressed claims. Their problem is straightforward: a potentially valuable legal right is illiquid, uncertain, expensive to pursue and exposed to an opponent that may have deeper resources. Funding converts some of that contingency into present liquidity and transfers part of the legal, budget and duration risk. OBL can also bring budgeting, pricing, cross-border enforcement and recovery expertise. A corporate customer may additionally use financing to remove legal spend from its operating budget or monetise a claim without waiting years for cash.

The second customer is the capital provider. Institutional investors commit money to OBL-managed closed-end funds, continuation vehicles or sidecars because legal outcomes may have low direct correlation with listed markets. OBL earns fees, may receive carried interest, and retains exposure through co-investment or residual interests. Claimants buy capital and risk transfer; limited partners buy specialist underwriting and portfolio construction.

This is a bespoke, relationship-led institutional service rather than a self-service product. Matters are originated through lawyers, insolvency practitioners, corporate contacts, repeat counterparties and direct approaches. Investment professionals then assess legal merits, quantum, cost, duration, jurisdiction, defendant resources, enforceability and contractual priority. External counsel conducts the litigation; OBL is not the claimant’s law firm and should not be confused with one.

Inference. OBL is best understood as three businesses superimposed: an underwriting organisation, an alternative asset manager and a retained portfolio of legal-risk exposures. No single conventional label captures the shareholder economics.

Judgment. It should not receive a pure asset-manager quality rating while recurring fees cover only part of the specialist platform cost and shareholders still bear material co-investment, Level 3 valuation and completion risk.

2. Origination, underwriting and portfolio management

A legal investment begins with screening, not capital deployment. The underwriting team must form a view on the probability of a favorable legal outcome, the realistic amount recoverable, the full budget through trial and appeal, the time to resolution, and the defendant's ability and willingness to pay. Those inputs are linked. A legally strong case can be a poor investment if damages are overstated, the defendant is judgment-proof, the budget expands or collection takes another five years. A settlement below headline damages can be economically superior if it accelerates cash and eliminates tail risk.

Investment committees can structure around risk through milestone-based deployment, contractual priority, stepped return multiples, cross-collateralised portfolios, co-funding and insurance. Portfolio finance spreads exposure across several matters and can give a law firm or company one facility rather than a series of case-level negotiations. Claims monetisation or secondary sales convert future contingent proceeds into current liquidity. Enforcement funding addresses the separate problem that winning a judgment is not the same as collecting it, particularly where assets are hidden or spread across jurisdictions.

OBL reported more than 300 active investments at 30 June 2026. Its non-IFRS portfolio disclosures showed A$3.8 billion of total fair value, of which A$725 million was attributed to OBL, and A$2.4 billion of active commitments and deployments. The fair-value geography was approximately 30% Americas, 35% APAC and 35% EMEA. The ten largest investments represented 23% of fair value and 15% of commitments in the FY2026 presentation. These are management portfolio measures, not statutory revenue or assets owned entirely by OBL. [FY2026 results presentation, pp. 6, 10 and 12](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

The historical data pack covers 822 fully completed investments, with a 2.4x life-to-date multiple on invested capital (MOIC), 138% return on invested capital and 3.5-year weighted-average duration. Positive outcomes accounted for 79% of deployed capital. These are gross issuer-calculated investment statistics and exclude the cost of running OBL's platform. They also contain mature vintages with different mixes, pricing and legal environments from today's portfolio. [FY2026 Analyst Data Pack, pp. 3–8](https://omnibridgeway.com/docs/default-source/investors/asx-announcements/obl_asx-release_20260827_28_analyst-data-pack-at-30-june-2026.pdf?sfvrsn=69ab793a_4)

Inference. Scale can reduce the volatility of individual binary outcomes if risks are genuinely independent. Count diversification alone is insufficient: claims can share defendants, legal theories, courts, regulators or economic exposures.

Judgment. The relevant quality test is not whether historical gross MOIC is attractive. It is whether new vintages preserve risk-adjusted performance after platform costs, fees paid to employees, external investor claims and dilution, and whether the result converts into OBL-shareholder cash.

3. Revenue architecture: one company, several measurement layers

The most common analytical error is to treat every amount labelled income, proceeds, fair value or revenue as interchangeable. They measure different perimeters and different stages of the cash cycle.

Statutory revenue from contracts was A$96.312 million in FY2026. Claims-portfolio revenue contributed A$68.975 million and management, service and transaction fees contributed A$27.337 million. Contract revenue rose from A$54.986 million in FY2025, but it is only one component of statutory income. Fair-value gains, purchased-claim gains, derecognition gains, interest and other income sit outside that line.

FY2026 contract-revenue line	A$m	Share of total
Litigation investments — claims portfolio	68.975	71.6%
Management, service and transaction fees	27.337	28.4%
Revenue from contracts	96.312	100.0%

Management's non-IFRS "fee income" was A$35.4 million, while the audited cash-flow statement reported A$28.820 million of proceeds from management fees and carried interests. Neither should be mechanically substituted for the A$27.337 million contract-fee line. Recognition timing, carried interest, fund presentation and cash collection create legitimate differences. The discipline is to preserve each label and reconcile perimeters rather than choose the largest number.

Geographic segments are also broader than contract revenue. OBL reports Americas, APAC, EMEA and Corporate, with EBIT as the common segment-profit measure. "Total Segment Income" includes fair-value movements, inter-segment income and other items, so EBIT divided by contract revenue is not a conventional operating margin.

FY2026 segment	Contract revenue A$m	Share of contract revenue	Segment income A$m	EBIT A$m
Americas	12.239	12.7%	9	(27)
APAC	8.732	9.1%	83	66
EMEA	71.613	74.4%	147	39
Corporate	3.728	3.9%	2	(29)
Consolidated or rounded sum	96.312	100.0%	241	49

Rounded segment EBIT of A$49.0 million reconciles to exact consolidated EBIT of A$49.493 million within the source table's A$1 million rounding unit. Exact EBIT is derived from A$48.171 million profit before tax plus A$1.322 million finance costs. Corporate is an issuer-defined segment, not an analyst plug.

The geographic numbers describe where management attributes activity, not four self-contained factories. APAC's A$66 million EBIT on only A$8.732 million of contract revenue illustrates the importance of fair-value and broader investment income. Corporate contains group-wide operations and cross-geographic items.

Inference. OBL cannot be modeled safely as contract revenue multiplied by a steady margin. The more faithful forecast starts with investment vintages, fair-value change, completion timing, ownership share, fee terms and platform cost, then reconciles to statutory profit.

4. Managed-fund economics versus balance-sheet economics

OBL began primarily as a balance-sheet funder and has spent years moving toward third-party fund management. Under the managed model, external limited partners provide much of the capital. OBL supplies origination, underwriting and investment management, commonly retains a co-investment, and earns some combination of management fees, transaction fees and carried interest.

There are three economic streams. First, recurring or semi-recurring fees help pay for the platform. Second, co-investment returns give OBL a direct pro-rata share of successful assets and losses. Third, carry gives OBL an asymmetric share of fund profits above the applicable hurdle, but payment timing depends on the waterfall. American deal-by-deal waterfalls can pay co-investment and carry alongside individual completions. European whole-fund waterfalls can defer manager economics until investors have received more of their contributed capital and hurdle return. Thus two funds with similar gross MOIC can produce very different shareholder cash timing.

Accounting depends on control, not only ownership percentage. Consolidated fund vehicles bring the underlying assets, liabilities, income and cash into the Group accounts gross; external investors' economic share is allocated through non-controlling interests (NCI). Unconsolidated participation or residual interests can appear as financial assets at fair value through profit or loss (FVTPL). An associate uses equity accounting. The same underlying legal matter can therefore move from one presentation to another when control or contractual rights change, without the legal claim itself suddenly becoming more profitable.

The Fund 9 transaction in February 2025 was the decisive recent example. Funds 2/3 and Fund 4 Series I and II were deconsolidated, while retained interests became FVTPL assets. FY2025 included large one-off disposal and fair-value gains; FY2026 was the first full year in the post-Fund 9 perimeter and is more normalised. Litigation-investment financial assets ended FY2026 at A$472.980 million, including a A$61.920 million fair-value gain and negative A$18.522 million currency movement. [FY2026 Annual Report, Notes 15 and 31](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5)

"Capital-light" is therefore a direction, not a literal description. Third-party capital reduces the cash OBL must deploy per dollar of total commitment and can increase fee income and return on shareholder capital. But OBL still supports co-investments, retains legacy assets, funds a global specialist platform and bears working-capital timing. Fund 8 borrowings are non-recourse to the Group except for insurance, Fund 8 assets and a capped standby commitment, yet they remain visible in consolidated borrowings. The Fund 9 warrants can become ordinary shares and must be considered in per-share economics.

Inference. A successful transition should raise fee coverage, reduce the volatility of OBL-only deployment and make carry a larger reward for successful underwriting without requiring matching shareholder capital.

Judgment. Investors should demand evidence in OBL-only cash flows, not accept growth in total AUM or gross portfolio fair value as proof. External investor assets are not shareholder assets, and gross fund proceeds are not OBL revenue.

5. Cash-realisation cycle and unit economics

The economic unit is an underwritten legal investment. A simplified cash cycle has six stages:

- OBL or a managed fund commits capital, often conditionally and in stages.
- Cash is deployed over years as outside counsel, experts, security and enforcement costs arise.
- Legal events change the probability, expected quantum, duration and budget; FVTPL assets may be remeasured before cash arrives.
- A matter settles, reaches judgment or award, is withdrawn, or is sold in the secondary market.
- Appeals, court approval or enforcement can delay collection even after a favorable legal result.
- Cash enters a fund waterfall and is divided among returned capital, limited-partner profit, OBL co-investment, management or transaction fees, carried interest and sometimes employee carry.

FY2026 showed strong gross completion activity: 80 full and partial completions produced management-reported cash investment proceeds of A$350.5 million, up 49% from FY2025, with a 2.3x MOIC and 105% fair-value conversion. But only A$47.5 million was identified as OBL-only investment proceeds before A$6.6 million of cash carry, producing A$54.1 million including carry. This gap is not a minor disclosure wrinkle; it is the ownership bridge. [FY2026 results presentation, pp. 9 and 17](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

Gross unit economics improve with accurate selection, strong recoveries, shorter duration, controlled budgets and diversified risk. They deteriorate with losses, appeals, lower damages, budget expansion and delayed collection. Historical gross MOIC excludes corporate overhead and cannot be compared directly with shareholder return on equity. Physical capex is tiny, but legal-asset deployment is the real capital requirement.

Cash conversion illustrates the point. FY2026 Group profit after tax was A$45.929 million and parent NPAT was A$53.697 million, yet operating cash flow was negative A$18.343 million and free cash flow after A$0.132 million of plant and equipment capex was negative A$18.475 million. The statutory cash-flow statement also showed A$80.0 million of litigation-investment payments across operating and investing classifications. Earnings can be positive while the portfolio absorbs cash.

At 30 June 2026, cash and equivalents were A$158.607 million, including A$59.8 million of restricted cash. Borrowings plus lease liabilities were A$45.286 million, leaving A$113.321 million of net cash including leases, but restricted amounts and consolidated fund cash are not all freely available to the parent. Management separately disclosed A$124.5 million of OBL-only cash and receivables. [FY2026 Annual Report, pp. 21–23](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5)

Judgment. The most useful liquidity test is unrestricted parent resources plus expected OBL-only fees and completions, compared with co-investment deployment, fixed opex, payables and contingent obligations. Consolidated net cash alone is too generous.

6. Fair value and mark risk

Most of OBL's litigation-investment financial assets are Level 3 because crucial inputs are unobservable. Fair value is based on probability-weighted expected cash flows, estimated deployment, loss probability, quantum, duration, collection and discounting. The FY2026 accounts applied a 12% discount rate and disclosed a 7% to 17% sensitivity range. A 500-basis-point increase would reduce fair value by A$76.5 million, while a 500-basis-point decrease would increase it by A$79.9 million. A 10% increase in expected inflows would add A$83.4 million; a 10% decrease would remove A$98.3 million. Valuations are performed by a finance team reporting to the CEO, approved by a Valuation Committee and periodically reviewed by the Audit and Risk Committee. [FY2026 Annual Report, Note 17](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5)

Not every legal asset uses fair value. Claims portfolios are carried at cost less amortisation and impairment. Purchased claims are held at amortised cost with expected-credit-loss and cash-flow reassessment. Intangible litigation investments are carried at cost, subject to impairment, until derecognition or partial sale. Associates use equity accounting. Financial assets are remeasured through profit. Investors must identify the accounting category before interpreting any gain, loss or carrying value.

Fair-value conversion compares cash proceeds from completions with the last reported mark for those matters. FY2026's 105% suggests the completed cohort realised modestly above its immediately preceding carrying value. It does not prove inception underwriting was correct, that active assets are conservatively marked, or that the sample of matters completing is representative. A funder can mark accurately six months before completion while still having earned an unattractive return over eight years.

FY2026 provided a useful stress signal: material litigation events reduced total portfolio fair value by A$333 million and foreign exchange by A$317 million, although new commitments, deployment and discount unwind helped total portfolio fair value rise to A$3.836 billion. OBL-only material-litigation-event and FX effects were negative A$38 million and A$64 million respectively. [FY2026 results presentation, pp. 13–14](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

Inference. Portfolio breadth can stabilise aggregate marks, but correlated legal or macro shocks and common model assumptions can still move many assets together.

Judgment. Reported fair value deserves neither automatic distrust nor automatic acceptance. It must be tested against conversion by vintage, the share of gains from discount unwind versus new information, impairments, completion duration and OBL-only cash realised after waterfalls.

7. Accounting traps an investor must avoid

First, statutory contract revenue is not total economic income. FY2026 contract revenue was A$96.312 million, total income was A$182.235 million and consolidated EBIT was A$49.493 million. Second, gross proceeds include external capital; A$350.5 million of total FY2026 proceeds did not belong entirely to shareholders. Third, segment income is not revenue and segment EBIT margins on contract revenue are not economically meaningful.

Fourth, consolidation can create apparent scale without equivalent parent ownership. External investors' shares flow through NCI; FY2026 Group PAT of A$45.929 million was lower than parent NPAT of A$53.697 million because NCI recorded a loss of A$7.768 million. One cannot apply a fixed NCI haircut to every line. Fifth, the Fund 9 transaction makes FY2025 a poor run-rate baseline: it produced one-off disposal and fair-value gains and changed which funds were consolidated.

Sixth, cash classifications are not the economic ownership bridge. Litigation deployment and proceeds appear across operating and investing activities depending on asset type. Seventh, fair-value gains are non-cash when recognised, but they can represent economically real information; the timing, ownership and eventual conversion matter. Eighth, diluted weighted-average shares of 290.951 million exclude an automatic assumption that all outstanding instruments have exercised. OBL had 8.604 million performance rights over unissued shares and 37.333 million Fund 9 options with a A$0.9375 strike and February 2030 expiry. The warrant liability was A$29.462 million and management expects equity settlement. Those instruments require explicit scenario treatment.

Finally, book value must use the correct claimant perimeter. FY2026 total equity was A$858.585 million, but parent common equity was A$676.637 million after A$181.948 million of NCI. Parent common book value per diluted share was A$2.3256. Using total equity to calculate a shareholder P/B ratio would overstate the capital attributable to OBL ordinary holders.

8. Regional and service-line economics

Americas covers the United States, Canada and Latin America. It offers a large legal market but intense competition, high budgets and long discovery. FY2026 contract revenue was A$12.239 million and EBIT was negative A$27 million, showing that platform and mark economics can precede completions.

APAC covers Australia, Asia and New Zealand. Jurisdictional rules and enforceability vary substantially. It generated A$8.732 million of contract revenue and A$66 million of EBIT, reinforcing that fair-value and investment items dominate contract fees.

EMEA includes OBL's long-standing enforcement capability. Cross-border recovery can have long duration, political risk and complex collection. EMEA supplied A$71.613 million, or 74.4%, of contract revenue and A$39 million EBIT. Corporate contributed A$3.728 million of revenue but negative A$29 million EBIT.

Across regions, service mix matters more than geography alone. Single cases have binary merits risk; portfolios diversify but can hide correlation; enforcement can be long; claims purchases add credit and title risk; sidecars have bespoke ownership economics.

9. Competition, regulation and cyclicality

Competition comes from specialist litigation-finance managers, claims buyers, insurers, private-credit funds, diversified alternatives firms and law-firm finance providers. Capital alone is not enough. Customers care about certainty that the funder can finance a matter through trial and appeal, speed of approval, confidentiality, reputation with courts and counsel, jurisdictional expertise, ability to structure insurance and enforcement capability. OBL's claimed advantages are its 40-year operating history, global offices, more than 800 completed-investment observations, cross-border enforcement skills and access to institutional fund capital. These are management claims; the investment evidence is persistence of attractive new-vintage returns and repeat capital, not longevity by itself.

Industry capital can be cyclical even if case outcomes are not. Economic stress may create insolvency and dispute opportunities and raise demand for claimant liquidity. At the same time, higher rates lift fund hurdles and discount rates, weak fundraising markets reduce available capital, legal-cost inflation expands budgets, and court backlogs lengthen duration. Foreign-currency translation also matters: the FY2026 presentation indicated roughly half of portfolio fair value was USD-denominated, while OBL reports in AUD.

Regulation is fragmented. In Australia, the federal framework changed in December 2022 so litigation funding arrangements were generally exempted from the managed-investment-scheme, financial-services licensing, product-disclosure and anti-hawking regimes that had applied under the 2020 regime, although corporate law, court supervision, conflicts and funding terms still matter. [ASIC's explanation of the 2022 change](https://asic.gov.au/about-asic/news-centre/find-a-media-release/2022-releases/22-368mr-asic-amends-relief-for-litigation-funding-arrangements/) In England and Wales, the Civil Justice Council's June 2025 final report recommended proportionate regulation, enhanced disclosure and oversight while preserving access to justice. [Civil Justice Council review](https://www.judiciary.uk/related-offices-and-bodies/advisory-bodies/cjc/current-work/third-party-funding/) The UK government subsequently confirmed plans to legislate so litigation funding agreements are not treated as damages-based agreements after the Supreme Court's PACCAR decision, while considering further safeguards. [UK Ministry of Justice, 19 December 2025](https://www.gov.uk/government/news/increased-access-to-justice-for-claimants-to-take-on-powerful-organisations-in-court) The European Commission's March 2025 mapping study catalogued national regimes and informed debate about possible EU-level action; it was not itself a uniform licensing law. [European Commission TPLF page](https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/civil-justice/civil-and-commercial-law/third-party-litigation-funding-tplf_en)

Inference. Balanced regulation can increase institutional acceptance and weed out undercapitalised providers, helping scaled firms. Fee caps, mandatory capital rules, tighter control tests or restrictions on collective claims can also reduce returns or addressable opportunities.

Judgment. Geographic diversification mitigates a single-rule shock but does not eliminate regulatory risk. Investors should monitor funded-agreement enforceability, court approval standards, claimant disclosure, conflicts, capital adequacy and restrictions on funder control in each material jurisdiction.

10. AI relevance

Legal-finance underwriting is information-intensive. AI can search pleadings and precedent, classify documents, summarise dockets, identify comparable outcomes, estimate duration and budget, flag inconsistencies, and help triage the large volume of applications before senior professionals commit time. OBL's FY2026 presentation explicitly argued that its large proprietary completed-investment dataset can support AI and underwriting advantages. [FY2026 results presentation, p. 24](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

Inference. AI should first improve throughput and consistency rather than replace final judgment. The data advantage is potentially real because legal outcomes, duration, deployment and recovery are rarely available in a clean public dataset. Yet the sample is heterogeneous across countries, vintages and matter types; a model trained on historical cases may import obsolete doctrine, selection bias or settlement behavior.

AI also helps competitors. Law firms and corporates may assess claims more cheaply, while new entrants can buy commercial legal data. Generative systems create cyber, privilege and confidentiality risks because OBL holds sensitive information. Hallucinated authorities are especially dangerous where small distinctions drive a binary result.

Judgment. AI is more likely to augment OBL's experienced investment professionals and widen origination capacity than to automate the investment committee. It becomes a moat only if proprietary outcome data produces demonstrably better selection, pricing, budget and duration estimates after controlling for vintage and mix. The scorecard should be realised

returns, loss rates and analyst productivity—not the number of AI tools deployed.

11. What FY2026 changed

FY2026 replaced the half-year and portfolio-update view with a complete audited twelve-month period. It reset the TTM to 30 June 2026 and moved the exact five-year horizon to 30 June 2031. It also delivered the first clean full-year view after Fund 9's February 2025 perimeter change.

The year showed operational momentum but not smooth statutory growth. Gross cash investment proceeds reached a record A$350.5 million, new commitments were A$712.2 million, AUM rose 12% to A$5.9 billion and total portfolio fair value reached A$3.8 billion. Fee income rose 17% to A$35.4 million, while cash opex fell to A$67.1 million and fee cost coverage improved from 36% to 53%. OBL raised A$862 million of third-party capital in FY2026, reached its US$1 billion target for Funds 4/5 Series II after year-end documentation progress, and reported A$72.5 million of sidecar capital committed. Management targets FY2027 fee income of A$40–45 million, cash opex of A$72.5–75 million and 70% fee cost coverage by FY2028; these are forward-looking targets, not audited outcomes. [FY2026 results presentation, pp. 5, 19 and 23–28](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

At the same time, statutory total income fell to A$182.235 million from the Fund 9-inflated FY2025 base, Group PAT fell to A$45.929 million and parent NPAT to A$53.697 million. Operating cash flow turned negative A$18.343 million. Parent common equity increased only A$8.052 million to A$676.637 million, while diluted weighted-average shares rose 1.95% to 290.951 million. Cash fell, restricted cash remained material, and the warrant liability increased. FY2026 therefore validates neither an effortless capital-light transition nor a broken business; it exposes the correct, more normalised economics.

Inference. The fee and opex trend improves the chance that recurring revenue can fund more of the platform, while the larger, maturing portfolio creates more completion opportunities. But completion timing remains outside management's control and the ownership share of gross proceeds remains modest.

Judgment. FY2026 is a better forecasting anchor than FY2025, but one year is insufficient to prove durable shareholder compounding. The next evidence should be rising fee coverage, positive OBL-only free cash flow, sustained fair-value conversion, successful new-vintage returns, lower capital required per dollar of AUM and controlled per-share dilution.

12. Investor monitoring framework

The decision-useful dashboard starts with the bridge from origination to shareholder cash:

- New commitments, deployments and term-sheet conversion, split between OBL and third-party capital.
- Portfolio concentration by legal theory, defendant, jurisdiction, vintage and fund—not only number of cases.
- Full and partial completions, gross MOIC, duration, loss rates and fair-value conversion by vintage.
- Gross proceeds reconciled to OBL-only co-investment proceeds, fees, carry, employee carry and fund distributions.
- Fee income and cash collection relative to cash opex; progress toward the FY2028 70% coverage target.
- Level 3 gains split between discount unwind, deployment, material litigation events, FX and actual completions.
- Unrestricted parent liquidity relative to co-investment obligations, operating costs and contingent exposures.
- NCI, consolidation changes, warrants, performance rights and ordinary-share dilution.
- Fund closes, sidecars and repeat limited-partner commitments as external validation of underwriting.
- Regulatory changes affecting enforceability, disclosure, control, fee economics and collective actions.

Bottom line. OBL has a broad global platform, a deep historical dataset, multiple ways to monetise legal assets and growing third-party capital. The customer proposition is economically genuine: finance enables meritorious claims, transfers risk and gives institutional investors access to a specialised return stream. The difficult part is ownership and timing. Gross portfolio value, gross proceeds and statutory gains can all differ sharply from the cash attributable to ordinary shareholders. FY2026 improved fee coverage, lowered opex and demonstrated strong completions, but cash conversion remained weak and Level 3, duration, fund-waterfall and dilution risks remain material. The company should be analysed as a lumpy, capital-committing alternative manager with a potential path toward greater capital efficiency—not as a subscription business and not as a

passive pool of claims.

Omni Bridgeway Limited — Management Assessment

Ticker: OBL.AX **Assessment date:** 2026-09-05 (Asia/Singapore) **Management gate: YELLOW FY/TTM anchor:** 2026-06-30; **underwriting horizon:** 2031-06-30 **Governed price:** A$1.555 at 2026-09-04 close **Sealed foundations:** quote packet SHA-256 `00a77b83eb28c9526854be7104a1e7986cbc6ce50d340c01376d66e30c14670c`; statutory bridge SHA-256 `eb56b6ad1729bcbfae2200ccab33b9c6c368b008f4c0ab0f1f2c502c70c8afcb`

This assessment uses the DR-cleared `data_package.md` for financial history and fresh primary evidence: the [FY2026 Annual Report](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5), [FY2026 results presentation](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6), [FY2026 Corporate Governance Statement](https://omnibridgeway.com/docs/default-source/investors/corporate-governance/fy26-corporate-governance-statement.pdf?sfvrsn=600d15f2_3), current governance policies, and the live FMP `/stable/earning-call-transcript` endpoint. FMP listed only the FY26 half-year and full-year calls, not eight quarterly calls; OBL reports portfolio KPIs quarterly but statutory results half-yearly. The disclosure assessment therefore reviews those two complete Q&A records plus the eight-quarter pattern in official portfolio and results materials, without inventing missing transcripts.

1. Who is running the company

Role	Leader and tenure	Relevant accountability
Managing Director and CEO	Raymond van Hulst; executive director since April 2020 and CEO since October 2023; OBL leadership roles since 2002	Nearly 25 years in legal finance; established six institutional funds; led the 2017 Roland acquisition, helped lead the 2019 merger, and owns Fund 9, the cost reset and the capital-light strategy.
Global CFO	David Breeney; joined in 2023, Deputy CFO before appointment on 1 March 2025	Formerly held senior finance roles during 12 years at Challenger. Owns finance, controls, fair-value reporting and the Group-to-OBL-only bridge. FY26 is his first complete audited year as CFO.
Chairman	Michael Green; director since April 2023	Independent chair and principal counterweight to the CEO; former international CEO of Morgan Stanley Investment Management and American Century Investments.
Audit and Risk chair	Christine Feldmanis; director since November 2018	CPA and former NSW Treasury Corporation CFO; most relevant independent director for Level 3 valuations, controls and risk.
Nomination and Remuneration chair	Karen Phin; director since August 2017	Former Citigroup/UBS capital-management executive and ASIC specialist; designed the new cash-realisation and ROE-linked incentive framework.
Operating/investment leadership	Tom Glasgow, Global COO; Mark Wells, Global CIO; Matthew Harrison, CIO-US; Paul Rand, CIO-Canada; regional and strategy specialists	Investment decisions are distributed through the Investment Committee. Segment heads are not KMP and individual underwriting results remain undisclosed.

The four-person board contains one executive and three independent non-executives; all standing committees comprise only those three independents. Two directors are women. The board is well qualified but thin for a global, 15-country, Level 3 valuation business: van Hulst is its only deep legal-finance operator, and a single departure would materially reduce redundancy. Phin reaches nine years in FY27, worth monitoring, but the compulsory re-election cycle and the other directors' shorter tenures reduce immediate entrenchment risk. The FY26 report states there were no KMP changes after year-end. The Executive Plan reserves participation for the global leadership team and selected successors, but OBL does not name a CEO successor or publish a bench-depth plan. That is adequate continuity, not proven succession readiness.

2. Tenure, decisions and track record

Van Hulst has enough institutional tenure to own both OBL's legacy complexity and its repair. His CEO tenure is nearly three years, but his involvement in the 2019 merger and prior funds means weak legacy outcomes cannot be dismissed as inherited.

Major decision	FY26 evidence	Stewardship judgment
Fund 9/Ares continuation transaction	Completed February 2025; repaid A$250m corporate debt, retained 30% economic exposure plus fees/carry, and moved the core to fair-value accounting. FY26 parent investment deployments fell to A$28.3m from A$43.8m.	Correctly traded balance-sheet/refinancing risk for third-party capital. But 37.333m warrants at A$0.9375 and preferred fund economics transfer meaningful value; post-consolidation per-share proof is incomplete.
Cost and operating reset	Cash opex fell 20% to A$67.1m, A$12.9m below the A$80m budget; fee cost coverage rose from 36% to 53%. FY27 opex is guided to rebound to A$72.5–75m, with no further material savings.	An observable operating win. It becomes durable only if fees, not another downsizing, carry coverage toward 70% in FY28 without damaging origination or controls.
Capital formation/platform scaling	AUM rose 12% to A$5.9bn; new commitments reached A$712.2m; Funds 4/5 Series II reached its US$1bn target; A$72.5m sidecar capital closed.	Strong execution in a difficult fundraising market. The remaining test is deployment, fee collection and OBL-only return on capital—not gross AUM alone.

FY26 changed the evidence materially. Management met or exceeded its stated opex, fee-income, cost-coverage and capital-formation objectives; fee income reached A$35.4m, and completion proceeds rose 49% to A$350.5m. It also acknowledged what missed: OBL-only proceeds were below the expected year-end range because matters slipped, then A$45.3m settled shortly after year-end. That is more candid than quietly rebasing a target.

The unresolved record is per-share cash compounding. Parent NPAT was A$53.697m and parent ROE 8.0%, yet consolidated CFO was negative A$18.343m. OBL-only realised EBIT was positive A$22.4m, but after A$28.3m deployments, working capital and A$11.5m non-recurring items, total OBL-only cash movement was negative A$15.6m. A clean cost year and a good completion cohort do not yet show that Fund 9's post-consolidation model self-funds growth and shareholder returns.

Breeney deserves credit for a materially clearer OBL-only presentation and direct Q&A reconciliation of realised versus unrealised income. However, one audited year is too short to establish a valuation-and-cash-conversion control record. The internal valuation team reports to the CEO; the Valuation Committee approves methods and the Audit and Risk Committee periodically reviews them. Independent board oversight exists, but the reporting line increases the importance of realised conversion and auditor scrutiny.

3. Capital allocation behavior

R&D is not separately disclosed. FY2022–FY2023 FMP capex includes legal-investment deployment and is not comparable with later plant/equipment capex; it is shown only to prevent a false trend.

FY	Reported capex, A$m	Buybacks, A$m	Parent dividend	Fund/NCI distributions, A$m	Read-through
2022	114.143	0.000	Nil	113.335	Capex classification includes legal investments.
2023	166.241	1.660	Nil	93.166	Only small buyback activity.
2024	0.088	0.000	Nil	128.912	Perimeter change; not comparable with FY22–23.
2025	0.044	0.010	Nil	91.313	Fund 9 deleveraging year.
2026	0.132	0.000	Nil	11.200	A$28.3m OBL-only deployments; no parent cash return.

The debt repayment is management's strongest allocation decision. Borrowings of A$35.395m at FY26 relate to Fund 8 and are non-recourse to the parent apart from a capped standby commitment; OBL-only accessible liquidity was A$124.5m. This removes the existential refinancing risk that previously dominated stewardship.

The counterweight is dilution and the absence of price-sensitive capital returns. Ordinary shares grew to 289.642m; no FY26 dividend or meaningful buyback occurred despite the governed A$1.555 price being about 0.67x A$2.336 parent-common BVPS. Management says distributions start only after liquidity exceeds 24 months of forecast needs and will then choose dividends, buybacks or both. That prudence is defensible until completions fund obligations, but it remains a promise rather than demonstrated per-share allocation.

The 37.333m Fund 9 warrants are in the money, equal 12.9% of current issued shares, bring A$35m cash if exercised and expire before the 2031 horizon. They were a strategic financing cost, not employee compensation, yet they dilute the benefit of deleveraging. Corrected outstanding performance rights are 8.604m, another potential 3.0%; the maximum simple count is 335.579m. Management protected solvency, but has not yet protected share count.

4. Compensation and ownership alignment

FY26 is an important improvement. The Team Carried Interest Plan allocates up to 25% of cash carry actually received to 84 participants, only after fund hurdles. Points vest on realisation in proportion to realised value versus initial fair value; amounts are escrowed against fund-level clawback, and malus can cancel vested/unvested points and recover distributions. This ties investment staff to cash conversion rather than marks and discourages isolated deal risk through personal, portfolio and company-wide allocations.

The proposed FY27 Executive Plan is stronger than the legacy TSR-only LTIP. Its three-year award is 50% relative TSR, 25% average ROE (nil below 12.5%, full vesting at 17.5%) and 25% average AUM growth (nil below 5%, full at 12.5%). It adds the ROE measure this gate previously demanded. However, the plan requires October 2026 shareholder approval; AUM growth can still reward scale without cash, and there is no explicit OBL-only free-cash-flow or net-share-count condition.

Van Hulst held 6.355m actual shares at FY26, about 2.2% of issued capital, plus 1.892m rights. His actual holding rose 35,600 shares. Breeney held no actual shares and 274,183 rights, so CFO alignment is mostly contingent. Total KMP rights were 3.136m. Group share-based-payment expense fell to A$3.097m from A$4.152m, only 1.7% of total income, while total rights outstanding declined from 11.847m to 8.604m despite 1.209m shares issued on exercise. The public trading policy bans short-term dealing and restricts margin/secured financing without consent, but no explicit blanket anti-hedging clause was located; that is a modest governance gap.

5. Disclosure quality and candor

The FY26 evidence improves the candor score. Management publishes total and OBL-only fair value, proceeds, carry, deployments, liquidity and cash-opex bridges; reports 105% fair-value conversion on 80 completions; and disclosed A$333m adverse material-litigation-event movements and A$317m FX effects instead of presenting only gross new fair value. It labels the A$407.8m pipeline “if contracted” and states that A$175m prospective sidecar capital was still in diligence.

The two available FY26 Q&As show mostly direct handling of difficult questions. On opex, van Hulst said A$67.1m should not be treated as recurring and identified a rent-free lease period; guidance resets to A$72.5–75m. On cost coverage, he accepted that midpoint guidance implies only about 58% in FY27 and said 70% depends on fee income. Breeney explained why A$54.1m OBL-only realised proceeds are cash but not incremental P&L. On Fund 1 cash, van Hulst declined investment-level detail for commercial sensitivity and then admitted he did not know the exact answer; that is honest but exposes weak command of a shareholder-relevant legacy bridge.

Guidance discipline is positive but not perfect: FY26 opex, fees and coverage beat targets; the US$1bn fundraise completed after slipping from the earlier timing; and OBL-only completion proceeds missed the expected FY26 window but partly arrived just after year-end. The recurring language is appropriately probabilistic—“if contracted,” “expected” and “on track”—rather than euphemistic. The remaining transparency gaps are no geographic guidance, no investment-level OBL attribution, no eight-quarter transcript archive, and fair-value conversion that tests completed cohorts rather than unresolved marks. A 105% one-year conversion ratio rebuts systematic overmarking for realised assets, but negative A$18.3m CFO shows marks and statutory profit are not cash.

6. Strategic coherence

OBL defines itself as an alternative asset manager that manages and co-invests in legal-asset funds, earning management/transaction fees and carry. The pattern matches the message: Fund 9 reduced parent capital intensity, debt was repaid, fees rose, opex fell, institutional fund capital expanded and sidecars financed concentration. This is a coherent corrective strategy, not a fresh slogan.

Still, “capital-light” is relative. OBL has A$725m of OBL-only portfolio fair value, retains co-investment exposure, bears A$67.1m platform costs and can issue 45.937m warrants/rights. Management's five-to-ten-year destination—fee coverage approaching 100%, continued AUM growth and cash harvest—is understandable, but success must be measured in parent ROE, realised cash and per-share book, not AUM or fair value alone.

7. Governance flags

- One ordinary share class carries one vote per share; there is no dual-class controller.
- The FY26 report records no KMP loans or related-party KMP transactions. No enforcement action, qualified audit opinion, material control weakness or financial restatement was disclosed in the current primary materials reviewed.

- All standing committees consist of the three independent non-executives. This corrects the ambiguity in the prior governance statement over CEO committee membership.
- The board has relevant finance skills but only four members and limited operational succession depth. Phin's tenure should be revisited when it passes ten years.
- The FY26 KMP ownership table shows purchases, not clustered selling: van Hulst added 35,600 shares and Feldmanis added 50,000. The ASX six-month announcement inventory contained two director-interest notices but no post-year-end cluster was evident; transaction-level assurance remains limited.
- Level 3 valuation staff report to the CEO. The independent Audit and Risk Committee and external audit mitigate, but do not eliminate, the conflict between reporting stronger marks and incentive/market outcomes.

8. Peer comparison

CEO / company	Capital allocation and communication	Five-year stewardship rank
Christopher Bogart / Burford Capital	Burford's current SEC filing provides more systematic Burford-only deployments, realisations, cash receipts, leverage and fair-value reconciliations, and it pays a dividend. Its debt posture is more aggressive than OBL's post-Fund 9 parent core.	**1st.** Better disclosure and established per-share cash-return policy; weaker than OBL on recent deleveraging.
Raymond van Hulst / Omni Bridgeway	Best recent balance-sheet repair and cost reset; FY26 disclosure improved sharply, but no parent distribution and a large warrant overhang remain.	**2nd.** Strong corrective execution, not yet a completed shareholder-cash cycle.
Patrick Moloney / Litigation Capital Management	LCM's primary reporting acknowledged adverse outcomes, leverage pressure, covenant dependence and strategic review. Candor is useful, but outcomes are materially weaker.	**3rd.** OBL has the stronger capital base, diversification and post-consolidation plan.

9. Management gate verdict

YELLOW — investable but unresolved; FY26 strengthens but does not clear the prior gate. Van Hulst and Breeney delivered measurable progress: 105% realised fair-value conversion, record portfolio proceeds, completion of the US$1bn capital raise, 20% lower cash opex, 53% fee coverage and clearer OBL-only reporting. The planned Executive Plan adds a genuine ROE hurdle and the carried-interest plan pays on realised cash. But parent ROE is only 8.0%, OBL-only total cash movement and consolidated CFO remain negative, no shareholder distribution occurred, and 37.333m warrants plus 8.604m rights leave substantial dilution. We would not yet follow this team for a decade without proof that the repaired platform converts to per-share cash and returns capital.

Upgrade to PASS only if all three observable conditions are met: (1) FY27 OBL-only cash is positive after deployments and non-recurring items, while rolling 24-month realised fair-value conversion stays at or above 100%; (2) FY27 fee income lands within A$40–45m, cash opex within A$72.5–75m, and fee coverage reaches at least 60% on a credible path to 70% in FY28; and (3) shareholders approve the ROE-linked Executive Plan, net new equity outside the existing warrants stays below 1% annually, and excess liquidity produces a material price-sensitive buyback or dividend.

Downgrade to FAIL if any load-bearing signal appears: rolling conversion below 90% without asset-specific explanation; FY27 fee coverage below 55% or opex above A$75m alongside missed fees; negative OBL-only cash after deployments for a second year while unrealised profit remains positive; a material valuation/control restatement or another CFO departure; or more than 3% net new equity annually excluding the already-contracted Fund 9 warrants. Those outcomes would show that YELLOW was cushioning a failed capital-allocation model rather than waiting for bounded execution proof.

Omni Bridgeway Limited — Moat and 2046 Durability

Ticker: OBL.AX **Anchor:** FY2026 and TTM ended 2026-06-30; forecast horizon 2031-06-30 **Assessment date:** 2026-09-05; 2046 test date: 2046-09-05 **Governed close:** A$1.555 on 2026-09-04

Executive conclusion

Omni Bridgeway has a **moderate, evidence-backed underwriting-and-access moat**, not an impregnable franchise. Its defensible loop is: trusted referral relationships generate complex legal opportunities; experienced teams and a proprietary history of 822 fully completed investments inform selection, pricing, budgeting and enforcement; realised outcomes help raise long-duration institutional capital; that capital lets OBL fund matters through trial, appeal and collection; successful work reinforces referrals and limited-partner confidence. The strongest observable validation is not AUM. It is the combination of 2.4x life-to-date MOIC across the 822 fully completed matters, positive returns on 79% of deployment-weighted completed investments, roughly 66% of active fund capital from repeat investors, and FY2026's 2.3x MOIC and 105% fair-value conversion. These are issuer-defined, gross and non-IFRS measures, but together they are more probative than longevity or marketing claims. [FY2026 analyst data pack](https://omnibridgeway.com/docs/default-source/investors/asx-announcements/obl_asx-release_20260827_28_analyst-data-pack-at-30-june-2026.pdf?sfvrsn=69ab793a_4)

The case stops short of PASS. Only three regional years are comparable, outcomes and marks are volatile, and FY2026 fees covered 53% of cash opex. OBL discloses no churn, renewal cohorts, bid win rates or peer-controlled evidence that its database produces superior new-vintage results. A$5.9bn of AUM and 40 years of history are inputs, not the moat itself.

1. Moat taxonomy applied

Moat source	Strength today	Where it exists	Evidence and limitation
Network effects	Weak	Group origination and fund platform	More matters can improve data and attract capital, but one customer's participation does not directly increase another's utility; this is a reputation flywheel, not a classic network effect.
Switching costs	Moderate within a live matter; low between mandates	All regions	Replacing a funder mid-case can require consent, new diligence and amended security, but claimants, firms and LPs can rebid the next matter or fund vintage.
Scale economies	Moderate, unproven at steady state	Corporate platform supporting all regions	One investment committee, valuation, compliance and fundraising platform supports more AUM, but 53% fee coverage shows scale has not yet made the recurring platform self-funding.
Brand and high-trust procurement	Moderate to strong	EMEA and APAC strongest; institutional capital Group-wide	Forty years, public-company governance, 822 completed investments and repeat fund capital reduce perceived execution and continuity risk; each adverse cohort can still damage trust quickly.
Regulatory capability	Moderate capability; weak licence scarcity	APAC, EMEA and Corporate	Multi-jurisdiction compliance and conflicts systems favour established firms, but Australian litigation funding is generally exempt from MIS, AFSL, product-disclosure and anti-hawking regimes, so the licence itself is not a moat.
IP and proprietary data	Moderate potential, not fully proven	Group underwriting and valuation	The OCA database and completed-case history are hard to recreate quickly; reported outcomes support usefulness, but heterogeneous cases, selection bias and missing peer benchmarks prevent a strong causal claim.
Capital access	Moderate to strong	Funds, sidecars and large-case financing	A$862m of third-party capital was raised in FY2026, Funds 4/5 Series II reached a US$1bn target, and repeat investors represent about 66% of active fund capital; fundraising remains cyclical and economics are shared with LPs.

The distinction is **case-level lock-in** versus **franchise-level recurrence**. Replacing a funder mid-matter is costly, but claimants can bid the next case and LPs can decline successor funds. OBL must re-earn the moat through outcomes and capital certainty.

2. Per-segment moat

Americas. The moat is access to sophisticated law-firm and corporate channels plus the capacity to finance expensive US matters and portfolios. Fund 9 and the Ares relationship strengthen capital credibility, but the United States also has the deepest specialist competition, including Burford, Fortress and private-credit entrants. FY2026 Americas Total Segment Income of A$9m and EBIT of negative A$27m, after A$203m and A$186m respectively in FY2025, show no persistent segment profit pool yet. Durability is **five-year moderate, ten-year uncertain, twenty-year unproven**. The earliest break signal is repeated weak realised performance or declining origination despite adequate capital; the quantitative warning is two consecutive years of negative regional EBIT alongside Group fair-value conversion below 90%.

APAC. OBL's Australian heritage, class-action familiarity, court relationships, insolvency sourcing and long record create a meaningful trust and process advantage. Yet the 2022 Australian rules generally exempt litigation funding arrangements from MIS and AFSL requirements, lowering a formal entry barrier; conflicts controls and court scrutiny remain important. APAC's A$66m FY2026 EBIT on A$83m Total Segment Income followed A$458m on A$495m in the Fund 9-affected FY2025, while FY2024 EBIT was negative A$12m. That is outcome timing, not demonstrated pricing power. Durability is **ten-year plausible but twenty-year conditional** on underwriting quality and balanced collective-action regulation. An early break is lower repeat referral flow or court-imposed funding economics that make new class-action vintages unattractive. [ASIC litigation-funding framework](https://asic.gov.au/about-asic/news-centre/find-a-media-release/2022-releases/22-368mr-asic-amends-relief-for-litigation-funding-arrangements/)

EMEA. This is the strongest customer-facing moat. Cross-border enforcement, asset tracing, arbitration and insolvency recoveries demand local counsel networks, jurisdiction knowledge and patience that generic lenders cannot instantly copy. EMEA supplied 74.4% of FY2026 contract revenue, although its EBIT fell to A$39m from A$103m as Total Segment Income fell to A$147m from A$180m. The United Kingdom remains a crucial regime: the Civil Justice Council recommended proportionate regulation and greater transparency rather than elimination of funding, while the EU is still considering policy after a 2025 mapping study. Scale and compliance could benefit if rules exclude undercapitalised firms, but caps or restrictive control rules could reduce returns. Durability is **ten-year moderate and twenty-year possible**, with funded-agreement enforceability, claimant-return rules and completion conversion the first signals. [UK Civil Justice Council](https://www.judiciary.uk/related-offices-and-bodies/advisory-bodies/cjc/current-work/third-party-funding/) [European Commission TPLF mapping](https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/civil-justice/civil-and-commercial-law/third-party-litigation-funding-tplf_en)

Corporate and fund platform. Corporate houses the most scalable assets—investment governance, the completed-case database, valuation, compliance, LP relationships and fund administration—but is a support layer rather than an independently protected profit pool. Corporate EBIT improved from negative A$240m in transaction-heavy FY2025 to negative A$29m in FY2026, yet negative economics remain. Management fees, transaction fees and eventual carry can turn platform scale into shareholder value; external AUM itself cannot. Fund co-investment ranges from 0% to 30%, and fee and waterfall terms differ, so more AUM can grow external investors' value faster than OBL shareholders' value. The moat breaks if successor funds require worse terms, sidecars fail to close, or employee carry does not retain the professionals who generate case flow.

The blended company moat is weaker than EMEA's specialised enforcement advantage. Americas' current loss and Corporate's fixed-cost burden offset strong APAC and EMEA completion years. Moreover, OBL-only portfolio fair value was A$725m, only 18.9% of total portfolio fair value, and OBL-only FY2026 investment proceeds were A$47.5m versus A$350.5m gross. External capital enhances the franchise, but headline managed scale is not common-shareholder ownership.

3. Margin persistence and realised-outcome evidence

The available series does **not** satisfy a ten-year margin-persistence test. Consolidated operating margin on total income was 5.7% in FY2024, 77.8% in FY2025 and 27.2% in FY2026; FY2022-FY2023 exact EBIT is not comparable. Current regional taxonomy is clean only from FY2024, following several fund deconsolidations and the February 2025 Fund 9 transaction. The segment record is correspondingly volatile.

EBIT margin on Total Segment Income	FY2024	FY2025	FY2026	Interpretation
Americas	15.7%	91.6%	-300.0%	No persistence; completion and mark timing dominate.
APAC	n/m	92.5%	79.5%	Strong recent outcomes, but FY2024 EBIT was negative A$12m and the perimeter changed.
EMEA	n/m	57.2%	26.5%	Positive in all three years, yet material compression in FY2026.
Corporate	n/m	n/m	-1,450.0%	Income is too small for the ratio to be economically useful; fixed platform cost remains.

Margin volatility does not disprove a legal-finance moat because a few long-duration completions can move annual income sharply. It does mean reported margins cannot validate durability. Better evidence is outcome consistency across cohorts: 822 fully completed investments produced 2.4x life-to-date MOIC and a 3.5-year deployment-weighted average duration; 79% of completed investments were positive on a deployment-weighted basis. FY2026 added 80 full or partial completions at 2.3x MOIC, A$350.5m of proceeds and 105% conversion against the last reported fair value. The negative evidence is equally important: material litigation events reduced total portfolio fair value by A$333m, FX reduced it by A$317m, consolidated CFO was negative A$18.3m, and OBL-only total cash movement was negative A$15.6m. One year of 105% conversion validates recent marks, not the entire active book or inception underwriting.

Fee economics are improving but incomplete. Fee income rose 17% to A$35.4m while AUM rose 12% to A$5.9bn and cash opex fell 20% to A$67.1m, raising cost coverage from 36% to 53%. Management targets A$40m-A$45m of FY2027 fees, A$72.5m-A$75m of cash opex and 70% coverage by FY2028. This is operating leverage evidence, not yet a self-funding recurring franchise. [FY2026 results presentation](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

4. AI disruption and commoditisation stress test

The segment most exposed to AI is **routine early-stage merits screening and portfolio monitoring**, especially matters built mainly from public dockets and standard damages models. Foundation models with legal databases can summarise pleadings, compare precedent, estimate budgets, triage large application volumes and monitor case events. This lowers the labour cost of underwriting for OBL, but it also lowers entry barriers for law firms, insurers and alternative managers. Clean, advanced claims can become more auction-like, and awards with low legal risk can migrate toward cheaper private credit.

The segment most protected is **cross-border enforcement and complex distressed recovery in EMEA**, followed by capital provision through trial and appeal. AI can find assets and law, but it cannot supply committed capital, obtain security, negotiate claimant incentives, coordinate local counsel, preserve privilege, make accountable investment-committee judgments or enforce against resistant defendants across jurisdictions. These are high-trust execution and capital chokepoints, not a prompt-to-output workflow.

OBL's database could strengthen the moat if its private observations—actual budgets, settlement paths, durations, recoveries and failure modes—are consistently structured and fed back into decisions. The completed-case set is difficult for a new entrant to recreate. However, 822 cases across decades, jurisdictions and legal theories are not automatically a statistically superior training set; doctrine and behaviour change, rare outcomes remain sparse, and OBL observes only matters it selected. AI makes the data edge durable only if OBL discloses that newer vintages achieve better or at least stable loss rates, duration and net returns while analyst throughput rises. Without that evidence, “proprietary data” remains a plausible advantage, not a proven one.

Cybersecurity, confidentiality and privilege are countervailing risks. A breach or improperly trained external model could destroy referral trust. By 2031, a serious moat indicator would be faster underwriting decisions and more screened opportunities per professional with stable realised results—not simply management saying it uses AI.

5. The 2046 test

Base description on 2046-09-05. Omni Bridgeway is a global legal-asset manager and risk-transfer platform. It sells staged dispute and portfolio finance, adverse-cost and enforcement structuring, award monetisation, complex asset recovery and

managed exposure to legal outcomes. Corporate legal departments, insolvency practitioners, law firms, claimant groups and sovereign or commercial award holders buy capital certainty and specialist execution; pensions, endowments, insurers and other institutions buy diversified fund exposure. Routine document review, docket monitoring and first-pass merits analysis are automated. Standalone clean-claim funding has partly commoditised into private credit, while EMEA enforcement, multi-jurisdiction recovery, arbitration and bespoke portfolios remain. Americas survives but competes on data-supported selection and portfolio solutions rather than capital alone; APAC remains valuable where collective-action and insolvency regimes allow economic funding. OBL earns management and transaction fees sufficient to cover the platform, plus intermittent carry and a deliberately limited co-investment return. Normalised operating margin on total economic income is **roughly stable to lower than FY2026, in a 20%-30% range**, but less dependent on balance-sheet marks. The enduring moat is trusted sourcing plus capital continuity plus demonstrated enforcement and underwriting outcomes—not AUM, brand recognition or software by themselves.

That description is specific and plausible, but not yet proven. Legal disputes, insolvencies and enforcement needs should still exist in 2046; AI is more likely to change cost and selection than eliminate adversarial claims. The open question is whether OBL captures attractive economics after law firms, AI-enabled entrants, insurers and large alternative managers obtain similar analytic tools. Burford already has global offices, registered investment-management infrastructure and material portfolio scale, showing that OBL does not own the category. Burford's FY2025 commentary also cited extended case durations and adverse fair-value adjustments despite strong commitments, confirming an industry—not company-specific—challenge. [Burford FY2025 results](https://investors.burfordcapital.com/news/news-details/2026/Annual-Results-for-Year-Ended-December-31-2025/default.aspx)

2046 bear description. Legal analytics and public data make standard underwriting cheap; law firms retain more contingency economics, credit funds finance advanced claims at lower returns, and sophisticated clients auction large matters. UK or EU regulation caps funder returns and demands disclosure that weakens strategy, while Australian courts tighten class-action economics. Two poor OBL vintages undermine LP confidence, successor funds close smaller or with lower fees, key originators leave with their referral networks, and the fixed platform remains under-covered. OBL becomes a subscale claims investor with volatile marks and occasional enforcement wins rather than a compounding asset manager. This bear case is **material, approximately one-third**, because the firm lacks demonstrated recurring pricing power and cohort-adjusted peer outperformance; it is not the majority case because repeat capital and realised outcomes already validate a real franchise.

6. Competitive threat inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Institutional scale competitors	Burford, Fortress and diversified alternatives bid more cheaply, fund larger matters and recruit originators	Americas, EMEA, Corporate	Falling win rates, weaker fund terms, senior-team departures, lower repeat LP share	High
AI and private-credit commoditisation	Standard merits, budgets and advanced awards become cheaper to assess and finance	Americas and routine APAC/EMEA matters	Lower return multiples on new deals, more auctioned claims, shorter diligence without better win rates	Medium-high
Regulatory reset	Return caps, enforceability rules, capital requirements or disclosure reduce addressable economics	EMEA and APAC	Legislation replacing recommendations; lower claimant-approved funding share; portfolio withdrawals	Medium

7. Pricing power verification

Pricing power is **weak-to-moderate and not independently verified**. FY2026 fees grew faster than AUM, management attributes future growth partly to improving fee terms, and repeat investors supplied about 66% of active fund capital. That combination suggests the platform can retain capital while improving mix. It does not reveal explicit price increases, adoption after an increase, churn, minimum commitments, contractual escalators or competing bids. Fund fees are negotiated by vehicle and investor; some revenue is based on active commitments, some on deployments, and carry depends on hurdles and waterfalls. Large or repeat LPs may negotiate better terms, while claimant returns are bespoke and competitively bid.

Case-level pricing can be attractive where early merits risk, adverse-cost exposure, long duration or enforcement complexity make capital scarce. It is weakest for advanced, enforceable claims that resemble credit. The correct verification is realised net return by origination vintage after duration, losses, fund waterfalls and corporate cost—not gross MOIC alone. Until OBL discloses stable fee yields on comparable active capital and new-vintage realised returns after competitive pressure, pricing power cannot carry a PASS verdict.

8. Hard verdict and measurable conditions

Moat gate: YELLOW. OBL has a genuine sourcing, underwriting, enforcement and capital-access franchise, validated by completed-case economics and repeat institutional fund capital. However, reported margins are not persistent, recurring fees cover only half of cash opex, and pricing and data advantages are insufficiently benchmarked.

2046 test: YELLOW. A durable 2046 business can be described precisely, with complex enforcement and capital continuity surviving AI, but the profit pool is exposed to regulatory terms, cheaper analytic tools, mobile relationship talent and scaled competitors. The edge is likely durable for five to ten years; twenty-year durability requires further outcome and fee evidence.

Gate movement	Measurable condition
Upgrade moat to PASS	All of: fee cost coverage reaches at least 70% by FY2028 and stays at or above 70% for two fiscal years; fair-value conversion averages at least 100% over three years with no year below 90%; period MOIC stays at or above 2.0x; repeat investors remain at least 60% of active fund capital; OBL-only free cash flow after deployments is positive for two consecutive years without a dilutive rescue raise.
Upgrade 2046 to PASS	In addition to the moat upgrade: new-vintage realised duration and loss rates are stable or improve despite AI-enabled competition; fees grow faster than cash opex over a full fund cycle; no major jurisdiction imposes economics that force OBL to withdraw a material strategy.
Downgrade moat to FAIL	Any two of: fee coverage remains below 60% after FY2028; rolling three-year conversion falls below 90%; rolling completion MOIC falls below 1.5x; repeat-investor share falls below 40%; two consecutive years of negative OBL-only post-deployment free cash flow require material equity issuance.
Downgrade 2046 to FAIL	A major EMEA/APAC regulatory change makes funded agreements uneconomic across at least 25% of portfolio fair value, or standardised/AI-enabled competition drives new-vintage net returns below institutional hurdles while origination and capital both contract for two years.

The investment committee should therefore treat the present moat as **real but earned, not structural**. The decisive monitoring set is fee coverage, repeat LP capital, new-vintage realised returns, duration, loss rate, fair-value conversion and OBL-only cash after deployments. If those measures improve together, the proprietary data and sourcing network are creating a defendable compounding loop. If only AUM and marks rise, the moat remains an assertion.

EMEA — Segment Deep Dive

Company: Omni Bridgeway Limited **Ticker:** OBL.AX **Reporting currency:** Australian dollars; A$ millions unless stated otherwise **Forecast anchor:** TTM ended 2026-06-30, identical to FY2026 **Exact five-year horizon:** 2031-06-30 **Sealed segment-profit basis:** issuer-disclosed **EBIT Segment-income denominator: Total Segment Income Scenario probabilities:** Bear 30%; Base 50%; Bull 20%

This appendix is a forward model of the EMEA segment, not a reconstruction of Omni Bridgeway's audited history. Historical OBL numbers, management quotations, and the profit-basis identity come only from the DR-cleared `data_package.md` and the sealed `statutory_bridge.json`. Current primary-source material is used only to understand business mechanics, competition, regulation, and risks. Live FMP profile and peer pulls were archived for this stage; the peer output is a market-cap similarity list rather than a legal-finance comparable set and is therefore not used to set growth or margins.

0. Segment boundary and taxonomy note

EMEA is the investment-management business operating across Europe, the Middle East and Africa. The four-part reporting structure — Americas, APAC, EMEA and Corporate — is stable against FY2025, but the accounting perimeter is not clean across five years. Fund 1 was deconsolidated in May 2023, the Fund 4 intellectual-property portfolio in December 2023, and Funds 2/3 plus Funds 4/5 Series I and II in February 2025 through the Fund 9 transaction. The current regional taxonomy is usable from FY2024, but FY2022-FY2023 dollars cannot be silently spliced into it. This appendix therefore uses FY2024-FY2026 where the DR-cleared package supports comparability and explicitly marks shorter histories elsewhere. [data_package §1, Reporting structure and taxonomy]

The profit metric is not adjusted EBITDA, cash profit, fund IRR, or shareholder cash generation. It is issuer-disclosed **EBIT**, and the corresponding margin denominator is **Total Segment Income**. EMEA is an additive segment in the sealed bridge: FY2026 EMEA EBIT of A$39.000m combines with Americas A$–27.000m, APAC A$66.000m and Corporate A$–29.000m to produce rounded Group EBIT of A$49.000m. Exact statutory operating income is A$49.493m; the A$0.493m difference is permitted source-table rounding and is not allocated to EMEA. [data_package §3a, FY2026 bridge; statutory_bridge.json, FY2026]

1. What the EMEA segment actually is

EMEA originates, underwrites, funds and manages legal assets whose jurisdiction or legal venue falls in Europe, the Middle East or Africa. The economic product is non-recourse or limited-recourse capital and case-management expertise supplied to claimants, corporations, law firms, insolvency estates and holders of judgments or arbitral awards. In exchange, OBL or an OBL-managed vehicle receives a contractually defined share of recovery, a multiple of deployed capital, management or monitoring fees, transaction fees, and in some structures carried interest. Loss outcomes generally destroy the capital committed to the matter; wins can produce asymmetric returns, but only after years of litigation, appeal, enforcement and collection.

The segment spans at least three distinct economic activities. First, the claims portfolio performs enforcement, collection, monetisation and recovery services and recognises contract revenue when recoveries occur. Second, the platform earns management, service and transaction fees from administering fund investors and underwriting new matters. Third, fair-value and other segment income reflects changes in the probability-weighted value of legal assets, discount unwind, realised or derecognition effects, inter-segment charges and other regional items. Those three streams have different cash timing, risk and persistence; treating them as one smooth revenue line would be analytically false.

The EMEA platform is linked particularly to Fund 6 and Fund 8. The issuer's FY2026 materials describe Fund 6 as the €188m EMEA-focused structure acquired with the former Omni Bridgeway Europe business and now in harvest, while Fund 8 is a €150m global enforcement vehicle still investing. Fund 8's borrowing is non-recourse to the parent except for insurance, the fund's investment assets and a capped standby-equity commitment. These structures broaden the opportunity set but also make ownership and timing non-linear. A case may improve consolidated fair value today, settle later, repay fund investors first and reach parent-common shareholders only after a European-style waterfall clears.

Customer selection and pricing are bespoke. The investment committee assesses legal merits, defendant credit, damages quantum, duration, jurisdiction, budget, enforceability and downside protection. Pricing is normally a negotiated share of proceeds, return multiple, priority return or combination. Large enforcement and arbitration matters can support attractive economics because specialist knowledge, cross-border asset tracing and patience are scarce, but the same bespoke character prevents a high-frequency, subscription-like revenue cadence.

2. Current economics at the TTM anchor

EMEA was the dominant FY2026 region on the narrow contract-revenue measure and the largest positive contributor to Group EBIT after APAC. Contract revenue was A$71.613m, or 74.4% of Group contract revenue. Total Segment Income was A$147.000m, 61.0% of the Group segment-income total, and EBIT was A$39.000m, equal to 79.6% of rounded Group EBIT. The EBIT margin on Total Segment Income was 26.5%. [data_package §1, FY2026 segment table; data_package §3, EMEA table]

Within EMEA contract revenue, claims-portfolio revenue was A$67.556m and management, service and transaction fees were A$4.057m. Claims therefore supplied 94.3% of EMEA contract revenue and fees only 5.7%. Contract revenue itself represented 48.7% of Total Segment Income. The A$75.387m residual between Total Segment Income and contract revenue is not presented as a new audited product: it is a modeling bucket that aggregates fair-value, inter-segment and other income already included in the issuer's segment result. [data_package §4, EMEA service line; data_package §3, EMEA table]

FY2026 EMEA economic line	A$m	Share of EMEA Total Segment Income	Evidence and treatment
Claims-portfolio contract revenue	67.556	46.0%	[data_package §4, EMEA claims and fees row; audited Note 2 split]
Management, service and transaction fees	4.057	2.8%	[data_package §4, EMEA claims and fees row; audited Note 2 split]
Fair-value, inter-segment and other income aggregate	75.387	51.3%	Derived as 147.000 less 71.613 from cleared package; not a separately disclosed product
Total Segment Income	147.000	100.0%	[data_package §3, EMEA table, Total Segment Income row]
EBIT	39.000	26.5% margin	[data_package §3, EMEA table, EBIT row]

The apparent operating leverage is real but unstable. Total Segment Income fell 18.3% from A$180m in FY2025, while EBIT fell 62.1% from A$103m and margin compressed by about 30.7 percentage points. Contract revenue, by contrast, rose 87.7%, driven by near-doubling in claims revenue. The divergence demonstrates that contract-recovery success does not mechanically determine segment EBIT: fair-value marks, amortisation, inter-segment charges, litigation-investment costs and case mix can overwhelm the cash-like contract line in either direction.

Capital intensity is partly obscured by third-party capital and consolidation. The Group reports A$5.9bn AUM and A$3.836bn portfolio fair value, but only A$0.725bn is OBL-only fair value. OBL-only exposure is therefore about 18.9% of the managed total, and the same ownership discipline must be applied to EMEA. The segment has no disclosed asset, deployment, cash, receivable or parent-co-investment schedule. `[DATA GAP: EMEA-specific invested capital, deployments, liquidity, OBL-only fair value and NCI attribution are not disclosed.]` As a result, a segment ROIC or parent-cash conversion ratio cannot be calculated honestly.

Quarterly disclosure is also a genuine gap. The four official FY2026 portfolio reports disclose Group-wide proceeds, MOIC, fair-value conversion, fees, commitments and liquidity, but no quarterly geographic revenue, Total Segment Income, EBIT or year-on-year growth. The A$71.613m FY2026 EMEA contract-revenue number must not be divided by four or allocated using Group completion proceeds. `[DATA GAP: true quarterly EMEA revenue, EBIT, margin and YoY series are not disclosed.]`

3. Unit economics and cash conversion

EMEA's unit economics begin with a legal claim or enforceable award. OBL conducts legal and recovery diligence, estimates budget and duration, negotiates priority and return terms, deploys capital in stages and monitors the matter. If the matter loses, deployed capital and accumulated work may be impaired or written off. If it wins or settles, proceeds can reimburse legal budgets and capital, pay preferred returns to fund investors, and then distribute co-invest returns or carry. The expected value is heavy-tailed: many modest outcomes coexist with a small number of very large wins or losses.

Claims-portfolio revenue is the most cash-proximate EMEA line because the relevant service obligation is satisfied at recovery. It still is not equivalent to distributable parent cash. Collections may sit in controlled vehicles, satisfy adverse-costs or insurance obligations, repay financing, return third-party capital, or pass through a European waterfall before OBL receives co-investment proceeds or carry. Management and monitoring fees are more recurring, generally earned over time on net invested capital or commitments, while transaction fees arrive when underwriting completes. Fees help fund the platform but

currently remain small in EMEA's disclosed contract mix.

The fair-value component is economic accrual, not cash. OBL values financial legal assets using loss-adjusted, probability-weighted future cash flows, discounting for time and revising the model only when investments receive new deployments, time passes, discount rates change, or objectively verifiable Material Litigation Events occur. The [FY2026 Annual Report](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5) describes a 12% discount rate and explicitly embeds loss, duration, budget, quantum and recoverability risks in scenario cash flows. That is a disciplined framework, but it remains model-dependent and Level 3.

The cleared package supplies two opposing facts. FY2026 fair-value conversion on completed Group matters was 105%, which means proceeds plus relevant deployment slightly exceeded their prior carrying values. Yet existing-portfolio Material Litigation Events reduced Group fair value by A$333m and FX reduced it by A$317m during the year. The package does not disclose an EMEA-specific or OBL-only MLE/FX split. A single year of 105% conversion is evidence against systematic overmarking in that completion cohort, but it does not prove that remaining EMEA marks will convert on schedule or at par. [data_package §2, fair-value and completion economics; data_package §10, contrary evidence — mark sensitivity]

European waterfalls make cash timing especially important. The cleared package states that investor capital generally returns before OBL co-investment proceeds or carry in legacy European structures. Fund 6 is in harvest, so a completion may improve regional income without immediately delivering parent cash if external investors retain priority. Fund 8 is newer and financing-backed; its non-recourse facility limits parent recourse but does not erase the risk that fund-level cash first services debt and insurance arrangements. Fund 9 has also moved legacy interests out of the old consolidated perimeter. The model therefore forecasts EBIT, as required by the sealed bridge, but refuses to translate EMEA EBIT one-for-one into shareholder cash.

The Group-level cash evidence reinforces this caution. FY2026 parent net income of A$53.697m and OBL-only realised EBIT of A$22.4m coexisted with consolidated CFO of A$–18.343m and OBL-only total cash movement of A$–15.6m after deployments, working capital and non-recurring items. EMEA may have better contract-recovery cash content than other regions, but no geographic cash bridge exists. The correct conclusion is not that EBIT is meaningless; it is that timing, ownership and reinvestment require a separate cash-conversion overlay in synthesis.

4. Competitive dynamics and regulatory setting

Legal finance is competitive on two axes: access to good matters and access to patient capital. Large funders compete for relationships with global law firms, corporates, insolvency practitioners and sovereign claimants. The underwriting proposition is not simply the cheapest capital. Claimants value certainty of funding, speed, enforceability expertise, willingness to finance appeals or enforcement, and a reputation for honoring commitments through long cases. EMEA additionally requires local-language legal expertise, knowledge of civil-law and common-law procedure, treaty arbitration, collective-redress rules, adverse-costs regimes and cross-border recovery.

Burford Capital is the clearest scaled rival. Its [FY2025 results](https://investors.burfordcapital.com/news/news-details/2026/Annual-Results-for-Year-Ended-December-31-2025/default.aspx) said new definitive commitments rose 39% in 2025 while extended case durations and unrealised fair-value adjustments weighed on results. That combination is instructive: origination can be strong while earnings and cash lag. Burford's larger capital base, brand and corporate relationships create competitive pressure for high-quality EMEA matters, but its own duration volatility also confirms that no participant has solved legal timing.

Deminor is a more Europe-centered competitor. It announced a [€100m funding round in May 2025](https://www.deminor.com/en/news-insights/deminor-raises-eur-100-million-to-support-global-growth-and-expands-commitment-to-social-responsibility-by-becoming-b-corp-certified/) to expand across Continental Europe, the UK and Asia, and it markets expertise in securities, competition, collective consumer, commercial and arbitration claims. Litigation Capital Management, Harbour and specialist law-firm-backed or private-credit vehicles also compete. Capital entering the sector can validate demand while compressing returns on obvious claims; OBL's advantage must be sourcing or underwriting edge, not merely market growth.

In England and Wales, the regulatory direction is clearer than the final rules. The 2025 Civil Justice Council review recommended retrospective and prospective reversal of the PACCAR effect, statutory but light-touch regulation, greater protections for consumer and collective cases, and minimal regulation for sophisticated commercial parties. It recommended that arbitration funding sit outside the regulations and that the FCA not be the initial regulator. The [CJC's official review page](https://www.judiciary.uk/related-offices-and-bodies/advisory-bodies/cjc/current-work/third-party-funding/) is the controlling public record.

By April 2026, the UK Government said its priority was to clarify that litigation-funding agreements are not damages-based agreements and to introduce light-touch regulation; it was still considering definitions and portfolio funding. The [official Parliamentary answer](https://questions-statements.parliament.uk/written-questions/detail/2026-04-21/hl16634) therefore supports neither a ban thesis nor a “problem solved” thesis. In July 2026, the Solicitors Regulation Authority opened a [consultation on firms using or arranging third-party funding](https://media.sra.org.uk/sra/consultations/consultation-listing/protecting-consumers-third-party-funding/), proposing notification, risk assessment and consumer protections. These measures could improve trust and reduce low-quality operators, but could also add compliance cost, disclosure and deal-cycle friction for EMEA consumer or collective matters.

The EU remains fragmented. The European Commission’s [TPLF page and 2025 mapping study](https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/civil-justice/civil-and-commercial-law/third-party-litigation-funding-tplf_en) document differing national approaches rather than a single harmonised funder regime. The [Representative Actions Directive](https://eur-lex.europa.eu/eli/dir/2020/1828/oj/eng) requires Member States that permit third-party funding of consumer redress to prevent conflicts and undue funder influence, but leaves procedure and much funding policy to national law. Fragmentation raises OBL’s compliance costs and can delay scalable product standardisation; conversely, a long-established multi-jurisdictional platform can turn compliance capability into an entry barrier.

5. Moat at the segment level

EMEA has a defensible operating position, but not an impregnable moat. Four assets matter. First, OBL has decades of enforcement and recovery experience, including the former European business and Fund 6 heritage. Second, its network across Amsterdam, London, Milan, Cologne, Paris and other regional centers supports local sourcing and supervision. Third, more than 300 active investments across the Group create outcome data that can improve underwriting, duration estimates and portfolio construction. Fourth, fund capital, insurance and case-management infrastructure let OBL underwrite matters too large or complex for smaller competitors.

The moat is strongest in complex cross-border enforcement, arbitration and mature institutional relationships. Those matters require legal credibility, defendant-asset intelligence, local counsel networks and patience. A new fund can raise capital more quickly than it can build a realised track record through multi-year cases. OBL can also use sidecars to accommodate large matters without placing all capital on its own balance sheet, potentially preserving client access while reducing parent exposure.

The moat is weakest in capital itself and in generic commercial disputes. Institutional capital can hire experienced teams, private credit can underprice risk, and law firms can steer repeat claims toward whichever funder offers attractive economics and speed. Legal outcomes are public enough that competitors learn from each other, while the best investment-level dataset remains private and difficult for outside investors to verify. Regulation may reward established compliance systems, but it can also standardise the market and reduce reputational differentiation.

The most honest 5-10 year conclusion is **moderate, evidence-dependent moat durability**. EMEA can sustain attractive margins if OBL repeatedly converts fair value near or above carrying value, wins repeat mandates, keeps the best investment professionals and raises third-party capital on improving terms. If the segment’s strong years are mainly a few legacy enforcement wins and its weaker years require continued fair-value support, the apparent moat is portfolio luck rather than a durable franchise. This distinction is why the forecast uses normalised, not FY2025 peak, margins.

6. Historical growth rates — reproduced from the DR-cleared package

The table uses only comparable dollars in the cleared package. “Three-year CAGR” is unavailable because the current taxonomy supplies only two full intervals; the FY2024-FY2026 CAGR is shown rather than fabricated. Contract revenue, Total Segment Income and EBIT now have corrected FY2024-FY2026 comparatives from FY2025 Annual Report Note 1 and the FY2026 Annual Report. Claims and fee line items still have only FY2025-FY2026 regional disclosure. Investment types such as arbitration, class actions, enforcement, group claims, intellectual property, law-firm finance and single-party disputes have true non-disclosure for revenue dollars.

Historical line	FY2024	FY2025	FY2026	Two-year change / CAGR	Most recent YoY / change	Data package cite
EMEA contract revenue	A$58.470m [§3 EMEA Contract revenue row]	A$38.153m [§3 EMEA Contract revenue row]	A$71.613m [§3 EMEA Contract revenue row]	10.7% over 2 years [calculated from same row]	87.7% [calculated from same row]	[data_package §3, EMEA table, Contract revenue row]
Claims-portfolio contract revenue	[DATA GAP; §4 EMEA service row]	A$34.533m [§4 EMEA service row]	A$67.556m [§4 EMEA service row]	n/a; one interval [§4 EMEA service row]	95.6% [calculated from §4 EMEA service row]	[data_package §4, EMEA claims plus fees row; Note 2 split]

Historical line	FY2024	FY2025	FY2026	Two-year change / CAGR	Most recent YoY / change	Data package cite
Management, service and transaction fees	[DATA GAP; §4 EMEA service row]	A$3.620m [§4 EMEA service row]	A$4.057m [§4 EMEA service row]	n/a; one interval [§4 EMEA service row]	12.1% [calculated from §4 EMEA service row]	[data_package §4, EMEA claims plus fees row; Note 2 split]
Fair-value, inter-segment and other income aggregate	A$51.530m [derived]	A$141.847m [derived]	A$75.387m [derived]	21.0% over 2 years	–46.9%	Total Segment Income less contract revenue; [data_package §3, corrected EMEA rows]
Total Segment Income	A$110.000m [§3 EMEA TSI row]	A$180.000m [§3 EMEA TSI row]	A$147.000m [§3 EMEA TSI row]	15.6% over 2 years	–18.3%	[data_package §3, EMEA table; FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1]
EBIT	A$42.000m [§3 EMEA EBIT row]	A$103.000m [§3 EMEA EBIT row]	A$39.000m [§3 EMEA EBIT row]	–3.6% over 2 years	–62.1%	[data_package §3, EMEA table; FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1]
EBIT margin on Total Segment Income	38.2% [calculated]	57.2% [calculated]	26.5% [calculated]	–11.7 ppt over 2 years	–30.7 ppt	[data_package §3, EMEA table, EBIT margin row]
Arbitration, class actions, enforcement and other investment types	True non-disclosure [§4 investment-type table]	True non-disclosure [§4 investment-type table]	True non-disclosure [§4 investment-type table]	n/a [§4 investment-type table]	n/a [§4 investment-type table]	[data_package §4, investment-type disclosure table]

Arithmetic tie-outs:

- EMEA contract revenue: A$38.153m × 1.877 = A$71.613m, within rounding tolerance.
- Claims-portfolio revenue: A$34.533m × 1.956 = A$67.547m, within 0.02% of A$67.556m because the displayed 95.6% is rounded.
- Fee revenue: A$3.620m × 1.121 = A$4.058m, within 0.03% of A$4.057m.
- Derived non-contract aggregate: A$110.000m – A$58.470m = A$51.530m in FY2024; A$180.000m – A$38.153m = A$141.847m in FY2025; and A$147.000m – A$71.613m = A$75.387m in FY2026. Its two-year CAGR is 21.0%, but the latest-year decline is 46.9%.
- Total Segment Income: (A$147.000m / A$110.000m)^(1/2) – 1 = 15.6% over two years; A$180.000m × 0.817 = A$147.060m, within 0.05% of A$147.000m for the latest year.
- EMEA EBIT: (A$39.000m / A$42.000m)^(1/2) – 1 = –3.6% over two years; A$103.000m × 0.379 = A$39.037m, within 0.1% of A$39.000m for the latest year.
- EBIT margin: A$42.000m / A$110.000m = 38.2% in FY2024, A$103.000m / A$180.000m = 57.2% in FY2025, and A$39.000m / A$147.000m = 26.5% in FY2026.

The central base-rate message is volatility, not smooth compounding. Contract revenue fell 34.7% in FY2025 and then rose 87.7% in FY2026; the derived non-contract aggregate rose 175.3% and then fell 46.9%; and Total Segment Income rose from A$110m to A$180m before falling to A$147m. The corrected two-year Total Segment Income CAGR of 15.6% coexisted with a –3.6% EBIT CAGR because margin moved from 38.2% to 57.2% to 26.5%. A five-year projection that simply compounds the latest growth rate, or any one of these short CAGRs, would ignore the completion and mark cycle.

7. Management guidance — quoted from data package §6

Management does not provide EMEA-specific revenue, EBIT, deployments, completion, mark or margin guidance. Every quotation below is Group/platform guidance that informs, but does not mechanically allocate, the EMEA forecast.

Data-package row	Verbatim management quotation	EMEA interpretation
§6 row 1	“Continued increase of fee income, driven by AUM growth and improving fee terms.”	Supports recurring fee growth, but EMEA’s FY2026 disclosed fee base is only A$4.057m.
§6 row 2	“Together with controlled opex, on track for FY28 cost coverage target.”	Implies operating leverage at Group level; no geographic cost-coverage split is disclosed.

Data-package row	Verbatim management quotation	EMEA interpretation
§6 row 3	“Further capital raising for multiple sidecar arrangements.”	Sidecars can fund large EMEA matters with less parent capital, subject to closure and terms.
§6 row 4	“Managing extensive growth opportunities within parameters of capital-light strategy and cost coverage targets.”	Constrains parent co-investment and argues against an unconstrained volume forecast.
§6 row 5	“Fee income target for FY27 at A$40 – 45m, supported by AUM growth and improving fee terms.”	Group guide only; the base case raises EMEA fees from A$4.057m to A$4.600m, not a pro-rata allocation of the target.
§6 row 6	“Cash opex target for FY27 at A$72.5 – 75m, reflecting primarily inflation. No further material cost savings anticipated.”	Prevents extrapolating FY2026 cost cuts; the base EBIT margin dips in FY2027.
§6 row 7	“On track to achieve the target of 70% cost coverage by FY28.”	Requires fees to outgrow opex; it is a target, not achieved evidence.
§6 row 8	“Supported by the elimination of interest, increasing management fees, decreasing opex, lower deployments following Fund 9, and the increased portfolio maturity and momentum, the portfolio is currently on track to deliver positive free cash flow for the year.”	Supports better Group cash conversion, but European waterfalls can delay OBL-parent receipts.
§6 row 9	“US$1bn capital raising target reached for Funds 4/5 series II, making Omni Bridgeway the positive standout in global legal finance.”	Confirms fundraising capacity; Funds 4/5 are global and cannot be allocated to EMEA without disclosure.
§6 row 10	“Strong start to FY27.”	A$45.3m Group post-year-end proceeds are encouraging but too short and non-geographic to annualise.
§6 row 11	“The pipeline remains elevated, with 43 agreed exclusive term sheets representing an estimated A$407.8 million in new commitments if contracted - supporting continued momentum into 1Q27 and beyond.”	Pipeline is conditional; the model does not convert it directly into EMEA income.
§6 row 12	“Favourable market and competitive dynamics continue to support a strong pipeline with appropriate risk adjusted pricing.”	Positive for new-vintage returns, but not proof of near-term EMEA EBIT.

`[DATA GAP: no EMEA-specific management guide exists for FY2027 or the 2031 horizon.]`

8. Forward growth assumptions — explicit by modeled economic stream

The model begins with three reconstructable FY2026 streams: claims-portfolio contract revenue A$67.556m, fee revenue A$4.057m, and a derived A$75.387m aggregate of fair-value, inter-segment and other income. Corrected FY2024 Total Segment Income also permits the third stream to be derived as A$51.530m in FY2024 and A$141.847m in FY2025, but it is not presented as a separately disclosed product. Its 21.0% two-year CAGR masks a 175.3% increase followed by a 46.9% decline, so it remains the least cash-like and most timing-sensitive component and is forecast conservatively.

Base-case growth assumptions

Product / economic stream	Available historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM to 2031	Concise justification
Claims-portfolio contract revenue	n/a; one-year disclosure	95.6%	None for EMEA	7.3%	FY2026’s near-doubling is normalised; mature Fund 6 and enforcement activity support growth, while large-case timing prevents a straight-line extrapolation.
Management, service and transaction fees	n/a; one-year disclosure	12.1%	Group fees A$40-45m in FY2027	15.1%	EMEA starts from only A$4.057m; AUM, sidecars and better terms permit mid-teens growth without mechanically allocating Group guidance.
Fair-value, inter-segment and other income aggregate	21.0% derived over 2 years	–46.9% derived	None for EMEA	5.0%	The short CAGR is distorted by a 175.3% rise and 46.9% fall; discount unwind and maturity are offset by MLE, FX, duration and legacy-waterfall volatility.

The base case deliberately shows a near-flat FY2027 Total Segment Income of A$146.600m before re-acceleration. This reconciles management's "strong start" with the FY2027 opex rebound and avoids treating A$45.3m Group post-year-end proceeds as EMEA revenue. The annual stream cadence is:

Base case, A$m	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Claims-portfolio contract revenue	67.556	70.000	76.000	82.000	89.000	96.000
Management, service and transaction fees	4.057	4.600	5.200	6.000	7.000	8.200
Fair-value, inter-segment and other income aggregate	75.387	72.000	78.000	84.000	90.000	96.000
Total Segment Income	147.000	146.600	159.200	172.000	186.000	200.200

Bull-case growth assumptions

Product / economic stream	Available historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM to 2031	Concise justification
Claims-portfolio contract revenue	n/a; one-year disclosure	95.6%	None for EMEA	13.7%	A diversified harvest, Fund 8 enforcement wins and faster settlements preserve part of FY2026 momentum without assuming another 95.6% year.
Management, service and transaction fees	n/a; one-year disclosure	12.1%	Group fees A$40-45m in FY2027	21.0%	Sidecars close, fee terms improve and EMEA wins more institutional mandates from a very small base.
Fair-value, inter-segment and other income aggregate	21.0% derived over 2 years	–46.9% derived	None for EMEA	11.2%	Positive MLEs, discount unwind and improving duration reverse the latest decline without repeating FY2025's 175.3% jump.

The bull case is a harvest case, not a perpetual multiple of one court win. It requires several unrelated cases to progress, conversion near or above 100%, Fund 6 legacy cash to clear its waterfall, Fund 8 to produce successful enforcement outcomes and regulatory change to remain proportionate.

Bull case, A$m	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Claims-portfolio contract revenue	67.556	80.000	90.000	101.000	114.000	128.000
Management, service and transaction fees	4.057	5.000	6.100	7.400	8.900	10.500
Fair-value, inter-segment and other income aggregate	75.387	88.000	97.000	107.000	117.000	128.000
Total Segment Income	147.000	173.000	193.100	215.400	239.900	266.500

Bear-case growth assumptions

Product / economic stream	Available historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM to 2031	Concise justification
Claims-portfolio contract revenue	n/a; one-year disclosure	95.6%	None for EMEA	1.3%	A few large matters slip or settle below expectation; FY2027 drops sharply before a slow recovery from the installed portfolio.
Management, service and transaction fees	n/a; one-year disclosure	12.1%	Group fees A$40-45m in FY2027	8.1%	Existing mandates grow, but capital raising and fee-term improvement disappoint and compliance costs slow deployment.
Fair-value, inter-segment and other income aggregate	21.0% derived over 2 years	–46.9% derived	None for EMEA	–0.1%	Adverse MLEs, duration extensions and FX erase discount unwind; terminal income merely returns to the FY2026 level after a deeper timing shock.

The bear case contains a genuine earnings shock. FY2027 Total Segment Income falls 35.9% to A$94.200m because claims recoveries are delayed and the non-contract aggregate absorbs adverse marks. It then recovers, but terminal EBIT remains below FY2026. This is more faithful to legal-finance tail risk than a gentle recession haircut.

Bear case, A$m	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Claims-portfolio contract revenue	67.556	45.000	50.000	56.000	64.000	72.000
Management, service and transaction fees	4.057	4.200	4.500	4.900	5.400	6.000
Fair-value, inter-segment and other income aggregate	75.387	45.000	52.000	60.000	68.000	75.000
Total Segment Income	147.000	94.200	106.500	120.900	137.400	153.000

Thesis-consistency check

The base case's 7.3% five-year claims CAGR is far below FY2026's 95.6% growth, but the deceleration is not an arbitrary maturation curve. It reflects the actual reversal between FY2025 and FY2026, the absence of quarterly EMEA disclosure, the binary timing of large legal matters, and Burford's contemporaneous evidence that strong origination can coexist with extended durations and weaker marks. The bull case retains a 13.7% claims CAGR only because it assumes multiple successful matters and a stronger harvest. The bear case does not force a permanently shrinking franchise; it assumes a timing shock followed by recovery, consistent with the long-duration installed portfolio.

9. Forward EBIT margin assumptions — exact issuer-disclosed EBIT basis

The current EMEA EBIT margin is 26.5% on Total Segment Income. Product-level EBIT is not disclosed, so assigning audited margins to claims, fees and fair-value income would be fabrication. The segment margin is therefore modeled at the aggregate level, after the three income streams reconcile to Total Segment Income. No Corporate expense, statutory rounding residual, finance cost or tax is allocated into EMEA.

Case	FY2026 EBIT margin	FY2031 EBIT margin	Change	Specific mechanism
Bear	26.5%	13.0%	–1,350 bps	Adverse marks and delayed completions reduce income faster than specialist staffing, case-management cost and amortisation can reset.
Base	26.5%	29.0%	+250 bps	Fee mix and scale improve, but FY2027 opex inflation and continued case investment limit leverage.
Bull	26.5%	35.0%	+850 bps	Multiple completions, positive conversion and higher fee share produce operating leverage; still below FY2024's corrected 38.2% and FY2025's 57.2%.

The base margin exceeds the current rate by 250 basis points, justified by rising fees and higher throughput across an established team, but its 29.0% terminal level remains below both the corrected FY2024 margin of 38.2% and FY2025's 57.2% peak. The bull margin is materially higher because completion and mark income has limited incremental platform cost, yet at 35.0% it also remains below both historical comparatives. The bear margin more than halves because OBL cannot remove legal specialists and infrastructure at the same speed that binary income disappears.

EBIT margin cadence	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Bear	26.5%	5.0%	8.0%	10.0%	12.0%	13.0%
Base	26.5%	24.0%	25.0%	27.0%	28.0%	29.0%
Bull	26.5%	28.0%	31.0%	33.0%	34.0%	35.0%

10. Segment rollup — bottom-up arithmetic and annual cadence

Each annual Total Segment Income figure equals the sum of the three economic streams in Section 8. Forecast-year EBIT equals Total Segment Income multiplied by the scenario margin in Section 9 and reconciles with zero residual. The FY2026 anchor preserves issuer-disclosed A$39.000m EBIT on A$147.000m Total Segment Income: the exact 26.5306% margin is displayed as 26.5%, so multiplying the rounded display margin is not the historical source tie-out.

Bear rollup

Bear case	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Claims revenue	67.556	45.000	50.000	56.000	64.000	72.000
Fee revenue	4.057	4.200	4.500	4.900	5.400	6.000
Fair-value, inter-segment and other income aggregate	75.387	45.000	52.000	60.000	68.000	75.000
Total Segment Income	147.000	94.200	106.500	120.900	137.400	153.000
EBIT margin on Total Segment Income	26.5%	5.0%	8.0%	10.0%	12.0%	13.0%
Exact EBIT	39.000	4.710	8.520	12.090	16.488	19.890

Base rollup

Base case	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Claims revenue	67.556	70.000	76.000	82.000	89.000	96.000
Fee revenue	4.057	4.600	5.200	6.000	7.000	8.200
Fair-value, inter-segment and other income aggregate	75.387	72.000	78.000	84.000	90.000	96.000
Total Segment Income	147.000	146.600	159.200	172.000	186.000	200.200
EBIT margin on Total Segment Income	26.5%	24.0%	25.0%	27.0%	28.0%	29.0%
Exact EBIT	39.000	35.184	39.800	46.440	52.080	58.058

Bull rollup

Bull case	FY2026 TTM	FY2027	FY2028	FY2029	FY2030	FY2031
Claims revenue	67.556	80.000	90.000	101.000	114.000	128.000
Fee revenue	4.057	5.000	6.100	7.400	8.900	10.500
Fair-value, inter-segment and other income aggregate	75.387	88.000	97.000	107.000	117.000	128.000
Total Segment Income	147.000	173.000	193.100	215.400	239.900	266.500
EBIT margin on Total Segment Income	26.5%	28.0%	31.0%	33.0%	34.0%	35.0%
Exact EBIT	39.000	48.440	59.861	71.082	81.566	93.275

Terminal arithmetic checks:

- Bear: A$72.000m + A$6.000m + A$75.000m = A$153.000m; A$153.000m × 13.0% = A$19.890m EBIT.
- Base: A$96.000m + A$8.200m + A$96.000m = A$200.200m; A$200.200m × 29.0% = A$58.058m EBIT.
- Bull: A$128.000m + A$10.500m + A$128.000m = A$266.500m; A$266.500m × 35.0% = A$93.275m EBIT.

The implied five-year Total Segment Income CAGRs are 0.8% bear, 6.4% base and 12.6% bull. Exact EBIT CAGRs are –12.6%, 8.3% and 19.1% respectively. Probability-weighted terminal Total Segment Income is A$199.300m and probability-weighted terminal EBIT is A$53.651m. These probability-weighted values are decision aids, not a fourth scenario and not a substitute for the skewed scenario distribution.

Parent-common and cash-conversion overlay

Segment EBIT is a consolidated operating measure. It does not establish the amount or timing of parent-common cash. At Group level, A$3.836bn total portfolio fair value includes only A$0.725bn OBL-only fair value; A$350.5m total cash investment

proceeds included A$47.5m of OBL co-investment proceeds, while a separate A$6.6m cash carry lifted combined OBL investment receipts to A$54.1m; and controlled funds create NCI. European waterfalls can place investor capital and preferred returns ahead of OBL receipts. The synthesis must therefore apply ownership, NCI, debt, fund-waterfall and parent-cash adjustments after aggregating segments. It must not multiply EMEA EBIT by a blanket parent ownership percentage. [data_package §0a, Managed-versus-owned economic bridge]

Fund 8's debt is non-recourse at parent level except for specified collateral and a capped standby-equity commitment, but debt service remains relevant to fund distributions. Fund 6 is in harvest and carries the legacy European-waterfall timing issue. Fund 9 moved old co-investment interests into a continuation structure and created separate parent-level warrant dilution; those warrants belong in the security-level capital-structure bridge, not inside EMEA EBIT. Westgem's last A$28m legacy liability was settled, with the final FY2027 instalment reflected in Group liquidity planning; it is not treated as recurring EMEA cost. [data_package §8, balance sheet and dilution; data_package §9, catalysts and legacy items]

11. Key risks and wildcards

Risk or wildcard	Primary case	Transmission into EMEA forecast	Monitoring signal
One or more large cases lose, settle low or slip beyond 2031	Bear	Claims revenue falls; adverse MLEs hit the non-contract aggregate; fixed costs compress EBIT margin	EMEA-specific MLE disclosure, completion count and regional proceeds if introduced
EMEA investment-level concentration is higher than Group concentration	Bear	Group top-ten statistics understate regional tail exposure	`[DATA GAP: EMEA top-ten fair value and commitments]`
UK LFA enforceability or regulation remains unsettled	Bear / Base	Contract re-papering, disclosure, claimant-protection and compliance costs slow origination	Enacted PACCAR repair, Lord Chancellor regulations and SRA final rules
EU and national rules fragment further	Bear	Different licensing, conflicts, disclosure and award-sharing rules reduce scalable economics	Commission follow-up to the TPLF mapping study and Member State implementation
Fund 6 European waterfall delays parent receipts	Bear / Base	Segment EBIT or fair value rises before OBL co-investment and carry cash arrives	Fund-level distributions and OBL-only cash receipts
Fund 8 enforcement portfolio matures successfully	Bull	More claims revenue, fair-value uplift and operating leverage	Fund 8 completions, facility draw, conversion and insured-loss outcomes
Conversion remains at or above carrying value	Base / Bull	Supports confidence in marks and lowers write-down risk	Multi-year fair-value conversion, not one-year conversion alone
Adverse FX against AUD	Bear	Non-cash fair-value reductions and translation volatility	Regional currency mix and disclosed FX bridge
Sidecar capital closes on favorable terms	Bull	Higher fee income and more capacity without proportional parent capital	Closed fee-paying capital, fee rates and OBL co-investment requirement
Specialist staff turnover or underwriting drift	Bear	Origination quality and case monitoring deteriorate before losses become visible	Senior investment-manager retention and vintage outcome dispersion
Faster court, arbitration or enforcement timelines	Bull	Accelerates proceeds, IRR, carry and fee recycling	Duration by vintage and year-eight-plus exposure
Cash conversion remains negative despite EBIT	Bear	Parent book and liquidity fail to compound; valuation discount persists	OBL-only free cash flow, CFO, deployments and parent distributions

Large-case concentration deserves special emphasis. The [FY2026 results presentation, p. 10](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6) shows EMEA at 35% of total portfolio fair value and the Group's ten largest investments at 23% of fair value and 15% of commitments. Those Group figures are consistent with useful diversification, but they do not reveal the overlap between EMEA and the top ten. A single large enforcement matter can still dominate an annual regional result. The model's 30% bear probability and severe FY2027 shock compensate for this hidden concentration rather than pretending it is diversified away.

The main upside wildcard is faster harvesting of mature Fund 6 and other legacy matters while Fund 8 begins converting enforcement investments. The main downside wildcard is the opposite sequencing: old matters consume time, external investors retain early waterfall cash, Fund 8 draws more debt, and adverse MLEs reduce fair value before the platform can shrink costs. Regulation can amplify either outcome by improving market legitimacy or raising friction.

Scenario summary

Case	Segment TTM+5y Total Segment Income	Exact profit metric	Segment TTM+5y EBIT margin	Segment TTM+5y EBIT	Probability
Bear	A$153.000m	EBIT	13.0%	A$19.890m	30%
Base	A$200.200m	EBIT	29.0%	A$58.058m	50%
Bull	A$266.500m	EBIT	35.0%	A$93.275m	20%

Data gaps and evidence discipline

- `[DATA GAP: no EMEA quarterly revenue, Total Segment Income, EBIT, margin or YoY series.]` No quarterly series has been inferred from Group proceeds.
- `[DATA GAP: no EMEA-specific investment-level fair value, top-ten concentration, deployments, liquidity, OBL-only ownership or NCI schedule.]`
- `[DATA GAP: no EMEA revenue dollars by arbitration, class actions, enforcement, group claims, intellectual property, law-firm finance or single-party disputes.]`
- `[DATA GAP: no EMEA-specific management guidance for FY2027 or 2031.]`
- `[DATA GAP: no product-level EBIT margins.]` The model forecasts exact segment EBIT only after streams reconcile to Total Segment Income.
- The FY2022-FY2023 regional taxonomy is not comparable and has not been back-cast.
- The fair-value, inter-segment and other income aggregate is a transparent modeling residual from cleared Total Segment Income less cleared EMEA contract revenue; it is not relabeled as an issuer-disclosed product.
- Live FMP's stage profile confirmed the listing and business description. Its stock-peer list contains market-cap peers rather than legal-finance competitors, so no FMP peer metric was used in the forecast.

The external current evidence used for regulation and competition was retrieved from the issuer, UK Judiciary and Parliament, the SRA, the European Commission and EUR-Lex, plus competitor investor-relations pages. Fresh copies of the current issuer results page, UK CJC review page, European Commission TPLF page and live FMP responses are archived under `raw/pulse-cio-20260905T000207+0800/B_emea/`. Historical and management inputs remain governed by the DR-cleared package and sealed statutory bridge.

Americas — Segment Deep Dive

Company: Omni Bridgeway Limited (OBL.AX) **Forecast base:** TTM ended 2026-06-30, identical to FY2026 **Forecast horizon:** 2031-06-30, exactly five years from the TTM anchor **Reporting currency:** Australian dollars; all forecast amounts are A$ millions unless stated otherwise **Exact issuer-disclosed segment profit metric: EBIT Revenue denominator for segment-margin analysis: Total Segment Income**

The DR-cleared `data_package.md` and QFR-sealed statutory bridge (`eb56b6ad1729bcbfae2200ccab33b9c6c368b008f4c0ab0f1f2c502c70c8afcb`) control all OBL historical amounts, quotations, and classifications. “Revenue” in the summary means Total Segment Income, the denominator paired with issuer-disclosed EBIT. Contract revenue is separate and never substitutes in the margin. The FY2026 trough and FY2025 peak require a wide, explicit scenario range.

0. Segment boundary and taxonomy note

Americas is OBL’s investment-management business in the United States, Canada, and Latin America. The geographic label and composition are stable versus FY2025, but the accounting perimeter is not comparable over a conventional five-year history. Fund 1 was deconsolidated in May 2023, the Fund 4 intellectual-property portfolio in December 2023, and Funds 2/3 plus Funds 4/5 Series I and II in February 2025 through the Fund 9 transaction. Residual interests are now carried through associates or fair-value financial assets. The current basis is clean only from FY2024, so this appendix does not splice FY2022-FY2023 into the current taxonomy or treat the FY2025 Fund 9 gain as a recurring operating run rate. [Data package §1, reporting-structure paragraph and taxonomy note]

1. What the Americas segment actually is

Americas is not a conventional service territory in which invoice revenue scales smoothly with headcount. It originates, underwrites, funds, monitors, and seeks to monetize legal assets across the United States, Canada, and Latin America. The customer can be a company, a law firm, a claimant, or an investment vehicle. Capital is generally non-recourse to the claimant: OBL earns a contractual return only if the legal asset produces a settlement, judgment, award, enforcement recovery, or other agreed realization. It can also earn management, service, transaction, and performance-related fees from third-party capital structures.

The product set is economically broader than the two IFRS 15 lines visible in the accounts. It can include single-case commercial disputes, portfolios of disputes, law-firm finance, arbitration, intellectual-property claims, class or group actions, enforcement and recovery of judgments, and monetization of a portion of an expected claim. OBL does not disclose Americas revenue by these product categories. The data package therefore classifies each investment-type dollar series as a true non-disclosure rather than fabricating regional allocations. [Data package §4, investment-type disclosure table rows 1-7]

The go-to-market engine is relationship-led. Investment managers and lawyers source opportunities from external counsel, in-house legal departments, claimants, insolvency practitioners, and capital partners. Underwriting then considers legal merits, likely damages, enforceability, defendant credit, jurisdiction, duration, legal budget, adverse-cost exposure, and settlement behavior. OBL’s funding proposal competes on price, speed, certainty, reputation, ability to commit follow-on capital, and the credibility to stay invested through appeals or enforcement. The customer does not simply buy a commodity loan: it transfers part of a binary, long-duration legal risk and often values certainty and expertise alongside headline economics.

Pricing can be a multiple of deployed cost, a share of proceeds, a priority return, or a combination. Total Segment Income includes inter-segment income, fair-value gains, and other income, so reported income can change sharply even when contract revenue improves. A milestone can move fair value without cash; a delay or loss can reverse it. A smooth-margin framework is therefore inappropriate.

OBL increasingly supplies capital through managed funds and sidecars rather than only from parent cash. That changes the economics. Third-party capital can enlarge the addressable book, generate fees, and reduce parent deployment intensity, but most managed AUM and portfolio fair value do not belong to common shareholders. Fund waterfalls, OBL co-investment percentages, carried interest, management fees, and controlled-fund noncontrolling interests determine what is retained. The segment forecast is therefore a forecast of consolidated issuer-disclosed Americas EBIT, not a claim that every dollar of managed proceeds or fair value accrues to OBL’s parent.

2. Current economics at the TTM anchor

FY2026 is both the latest completed year and the TTM base. Americas generated A$12.239m of contract revenue, A$9.000m of Total Segment Income, and A$–27.000m of issuer-disclosed EBIT. The EBIT margin on Total Segment Income was –300.0%. Contract revenue grew 61.7% from A$7.568m, but Total Segment Income fell 95.6% from A$203m and EBIT fell from A$186m. That divergence is the segment in miniature: invoiced service or claims activity can improve while fair-value and completion timing overwhelms the statutory result. [Data package §3, Americas table rows 1-4]

FY2026 Americas anchor	A$m	Data-package source	Interpretation
Contract revenue	12.239	Data package §3, Americas row “Contract revenue”	Narrow IFRS 15 regional line
Total Segment Income	9.000	Data package §3, Americas row “Total Segment Income”	Segment revenue denominator including fair value and other income
Implied non-contract income residual	–3.239	Calculation: A$9.000m less A$12.239m	Analytical bridge only; not a disclosed product line
EBIT	–27.000	Data package §3a, TTM bridge row “Americas”	Exact issuer-disclosed segment profit metric
Implied segment expense base	36.000	Calculation: A$9.000m less A$–27.000m	Analytical cost bridge, not a disclosed expense line
EBIT margin on Total Segment Income	–300.0%	Data package §3, Americas margin row	Denominator depressed by negative fair-value/other income

The implied A$–3.239m non-contract-income residual is not a reclassification of an OBL historical amount. It is the only arithmetic residual that reconciles disclosed regional contract revenue to disclosed Total Segment Income. It likely contains a mixture of investment income, fair-value movements, inter-segment items, and other income, but OBL does not disclose the split for Americas. The forward model uses the residual as an analytical driver so every scenario can tie; it does not call it product revenue and does not assign a specific case or fund to it.

Current capital intensity is best understood in two layers. Physical capex is negligible at group level, but investment deployments are economic capital expenditure. The platform must fund case costs before realizations, sometimes for years. Group OBL-only deployments were A$28.3m in FY2026 and the OBL-only total cash movement was A$–15.6m despite positive A$22.4m realized EBIT/net cash generation before deployments and other items. [Data package §2, statutory-versus-cash table; §7, capital-allocation note] Americas’ exact share is not disclosed, so no regional allocation is invented.

The group-level managed-versus-owned bridge is essential context. A$5.9bn of AUM is a fee base, not a shareholder-owned asset. Of A$3.836bn total portfolio fair value, only A$0.725bn was OBL-only, about 18.9%. Of A$350.5m of cash investment proceeds, A$47.5m was OBL co-investment and A$6.6m was OBL cash carried interest. Fee income of A$35.4m is an OBL platform line and must be counted once, while A$67.1m cash opex supports the platform. [Data package §0a, managed-versus-owned economic bridge] These are group figures, not regional amounts; they constrain the Americas ownership interpretation but are not allocated into the forecast.

The parent/common implication is straightforward. Americas EBIT is consolidated operating performance before parent attribution, fund-level NCI allocation, tax, and share dilution. The corrected 8.604m outstanding performance rights have no effect on segment Total Segment Income or EBIT and therefore do not appear in the regional forecast. They are a group-level contingent dilution input for synthesis, alongside warrants and ordinary shares, not a basis for setting or inferring group diluted shares here. [Data package §8, dilution table]

3. Unit economics, capital intensity, and cash conversion

How an originated matter becomes income

The unit begins with origination and screening. Many opportunities consume professional time but never reach commitment. A matter that passes underwriting may require a commitment larger than near-term cash deployment because legal expenses are funded over time. The segment then earns little or no cash while counsel develops the case. Management and transaction fees can offset some of that carrying cost, but the expected economics largely remain embedded in the asset until milestones or realization.

For fair-valued interests, the statutory result can recognize changes in expected outcome, duration, discount rate, currency, or legal milestones before cash arrives. Positive milestones, progress toward hearing or settlement, passage of time, or improved enforceability may raise fair value. Adverse rulings, cost overruns, appeals, counterparty deterioration, or delayed

enforcement can lower it. When a matter completes, cash proceeds are compared with the last reported fair value plus related deployment. The FY2026 group conversion ratio was 105% across 80 completions, evidence that the completed cohort modestly exceeded carrying value. But the same year included A$–333m of Material Litigation Event effects and A$–317m of FX effects on the portfolio bridge. [Data package §2, fair-value and completion paragraph]

For fee-bearing structures, revenue may be earned for management, administration, monitoring, underwriting, transactions, or performance. The economic attraction is that recurring or commitment-linked fees can grow with third-party AUM without requiring equal parent deployment. The limitation is that funds take time to raise and deploy, improving fee terms may not apply to the whole back book, and carry remains contingent on realized fund performance and waterfall terms. The segment also needs senior investment managers, legal staff, data, valuation control, compliance, and local infrastructure; these costs are more fixed than matter-level proceeds.

Margin mechanics

Three variables dominate EBIT: lumpy portfolio realization and fair-value income, smaller but more repeatable fee and contract revenue, and the professional cost base that persists when cases do not complete.

FY2024-FY2026 show all three regimes. FY2024 Americas Total Segment Income was A$127m and EBIT A$20m, implying about A$107m of expense or negative items on the coarse arithmetic basis. FY2025 income was A$203m and EBIT A$186m, implying just A$17m, but that year included the Fund 9 transaction and perimeter effects. FY2026 income collapsed to A$9m while implied expenses were A$36m. These simple residuals are not a consistent cost-accounting series because deconsolidations and transactions changed what passed through the segment. They nevertheless demonstrate why neither the FY2025 91.6% margin nor the FY2026 −300.0% margin is a sustainable terminal anchor.

The base case assumes expense growth from the current-perimeter FY2026 arithmetic base of A$36m to A$47.5m by FY2031, roughly 5.7% annually. This A$36m is Total Segment Income less EBIT, not a separately disclosed regional cash-cost measure, so it should not be described as a normalized or independently verified cost base. The bear, base, and bull terminal expense paths imply five-year CAGRs of about 5.0%, 5.7%, and 7.0%, respectively. They allow for wage and compliance inflation and some growth investment; they do not extrapolate the FY2026 cost reduction indefinitely. The bull case spends more to originate and manage a larger book, reaching A$50.5m. The bear case still reaches A$46.0m because failed origination and delayed matters do not make the platform costless. The asymmetry matters: income can disappear much faster than the cost base.

Duration and capital recycling

Legal assets often take multiple years from commitment to cash, and appeals or enforcement can extend duration further. A nominally high MOIC can produce a mediocre IRR if the cash is delayed. Conversely, a manager with diversified vintages can recycle capital from mature matters into new commitments while collecting fees. Americas has exposure to complex U.S. commercial disputes and class actions, Canadian proceedings, arbitration, and Latin American enforcement, all of which can introduce jurisdiction-specific duration and collectability risk. OBL does not disclose regional duration or an Americas-specific maturity ladder, which is a material data gap.

The base case therefore does not mechanically allocate group AUM growth or the A$407.8m conditional pipeline to Americas. It assumes the large portfolio and recently closed third-party capital gradually produce a more normal completion cadence, with Total Segment Income reaching A$45m in FY2027 and A$125m by FY2031. The bear case assumes several years of delay, adverse marks, and only partial fee offset. The bull case assumes mature matters convert, sidecars close and deploy, and regional origination retains pricing discipline. None assumes that conditional term sheets are signed commitments or that commitments immediately become statutory income.

Cash conversion discipline

EBIT is not cash. A positive fair-value mark can raise EBIT with no cash receipt; a completion can generate cash while reversing previously recognized unrealized income; and new deployments absorb cash outside ordinary physical capex. The base case treats improving EBIT as credible only if conversion remains near or above 100%, OBL-only cash generation turns positive after deployments, and management makes progress toward its group fee-coverage target. Because no Americas cash-flow statement exists, the regional forecast cannot produce an exact cash conversion ratio without false precision.

At the parent level, sidecars and fund capital can reduce direct deployment requirements, but fund economics create ownership complexity. The shareholder receives only OBL’s co-investment proceeds, fees, and carried interest after fund waterfalls and costs. This appendix therefore does not translate Americas EBIT into distributable parent cash or parent book

value. Synthesis must perform the ownership and NCI bridge once for the group.

4. Competitive dynamics and regulation

Competitive structure

Americas is strategically important because the United States contains a very large pool of litigation spend, corporate claims, contingent-fee practices, and complex commercial disputes. It also has the deepest competitor set. Pure-play legal-finance firms, private-credit managers, hedge funds, specialty finance firms, law-firm portfolio lenders, and insurers can all compete for some opportunities. Named dedicated competitors include Burford Capital, Therium, Harbour, GLS Capital, Parabellum Capital, Longford Capital, and Validity Finance, while multi-strategy managers may participate without disclosing a dedicated legal-finance book.

Burford is the clearest public benchmark. Its 2025 Form 10-K describes a US$7.5bn group-wide legal-finance portfolio, more than US$12.1bn of lifetime commitments, and financing inquiries or engagement involving 95 of the 100 largest U.S. law firms by revenue. It says competition turns on investment performance, execution, access to capital and talent, reputation, product range, innovation, and pricing. [Burford 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1714174/000171417426000007/bur-20251231.htm) That breadth gives Burford an origination and data advantage in the Americas and establishes that OBL cannot claim uncontested leadership.

OBL reports A$5.9bn of AUM, about 160 professionals in more than 20 locations and 15 countries, and calls itself the largest and most diversified platform across legal-asset jurisdictions and areas of law. [OBL FY2026 results page](https://omnibridgeway.com/investors/reports-and-presentations/results-reporting-and-investor-presentations) Burford separately calls itself the world’s largest dedicated provider by portfolio size. The claims use different measures and are issuer assertions. No audited, like-for-like Americas market-share dataset exists. This appendix therefore does not assign OBL a percentage share or assume share gains.

Complex, long-dated matters can still support attractive economics for well-capitalized specialists. Management’s statement that competitive dynamics support risk-adjusted pricing is directionally helpful, but regional pricing and win-rate data are absent. [Data package §6, management-commentary row 12]

Pricing power is strongest for complex, large, long-duration matters and weakest for competitive single-case bids or sophisticated law-firm portfolios. Base assumes stable risk-adjusted terms; bull requires improved fees and scaled third-party capital; bear assumes capital inflows compress pricing as duration and disclosure costs rise.

Regulation and legal-process risk

U.S. regulation remains fragmented across federal courts, local standing orders, states, ethics rules, and proposed legislation. An April 2026 U.S. Courts agenda book included a pending suggestion to amend Federal Rule of Civil Procedure 26 to require disclosure of non-party funders and funding documentation. The official suggestion status was still “Pending consideration,” so it is not treated as enacted law. [U.S. Courts Rule 26 suggestion 26-CV-8](https://www.uscourts.gov/forms-rules/records-rules-committees/suggestions/lawyers-civil-justice-us-chamber-commerce-institute-legal-reform-26-cv-8) Broader disclosure can raise compliance cost, expose economics or control terms, enable discovery disputes, and make some clients less willing to use funding. It could also favor scaled providers with stronger compliance systems.

Washington HB 2255 proposed disclosure and conduct rules, but its official history shows it returned to the House Rules “X” file on 19 February 2026 rather than becoming law. [Washington Legislature HB 2255 status](https://app.leg.wa.gov/billsummary/?billNumber=2255&initiative=False&year=2026) It illustrates uneven jurisdictional change and potential documentation, disclosure, control, data-security, and foreign-capital costs.

Canada and Latin America add separate court-approval, champerty, class-action, arbitration, enforcement, currency, sanctions, and sovereign-risk questions. A favorable legal judgment is not the same as collectible cash. Cross-border enforcement can take years, while local currency movements can affect reported Australian-dollar fair value. These risks are represented through the wide non-contract-income scenarios rather than a false single discount-rate adjustment.

5. Segment-level moat

Americas has a real but not impregnable moat. The strongest elements are accumulated underwriting data, reputation with law firms and corporate legal departments, a long realization track record, experienced legal personnel, access to both parent and third-party capital, and a global enforcement network. The value of experience is not just identifying cases that can win; it is structuring economics, budgeting legal cost, detecting adverse selection, managing counsel, navigating appeals, and

collecting across borders. A provider that underfunds a meritorious claim or cannot fund an appeal can destroy value.

Scale supports diversification, specialist teams, institutional fund raising, and sidecars. But it is not automatically a shareholder moat when most AUM is third-party capital and fees do not cover platform cost. The key is retained economics per unit of parent capital, not gross managed assets.

The moat is constrained by talent mobility and non-exclusive deal flow. Lawyers and investment managers can move, claimant relationships are not permanent, and competitors can offer cheaper terms. Legal precedents and public case data are not proprietary. Large asset managers can enter with capital, while specialist funders can focus on niches. A poor outcome record damages reputation and fund raising. OBL's FY2026 105% conversion is supportive, but one cohort is not enough to establish durable underwriting superiority.

The most important red-team evidence comes from the public peer. In 1Q26 Burford recorded a US$1.476bn pre-tax Burford-only fair-value impact from the adverse YPF appellate development, and its shareholder equity and leverage moved sharply. [Burford 1Q26 Form 10-Q](https://www.sec.gov/Archives/edgar/data/1714174/000171417426000068/bur-20260331.htm) The case is not evidence that OBL has the same concentration, but it demonstrates that expertise, scale, and a sophisticated valuation process cannot remove legal binary risk or duration shocks. The moat should therefore be described as an origination, selection, and capital-access advantage—not a guarantee of smooth profits.

Americas can defend attractive returns if conversion validates marks, fee-bearing AUM outgrows platform cost, and concentration stays controlled. Stalled fee coverage, talent loss, weaker pricing, or repeated negative milestones would erode the moat. Current evidence supports a moderate moat with high earnings volatility, not a predictable compounder.

6. Historical growth rates reproduced from the data package

Only three years are comparable on the present taxonomy. No Americas investment-type dollar revenue is disclosed, and FMP's annual and quarterly product-segmentation pulls were empty. The table therefore uses the finest honest disclosed levels: Americas contract revenue and Total Segment Income. "Three-year CAGR" means annualized change from FY2024 to FY2026, a two-interval calculation across three fiscal-year observations.

Product / sub-segment	FY2024 revenue	FY2025 revenue	FY2026 revenue	3-year CAGR	Most recent YoY	Data-package cite
Americas contract revenue	A$5.785m [data_package §3, Americas row "Contract revenue"]	A$7.568m [data_package §3, Americas row "Contract revenue"]	A$12.239m [data_package §3, Americas row "Contract revenue"]	45.45% [calculated from data_package §3, same row]	61.72% [calculated from data_package §3, same row]	data_package §3, Americas contract-revenue row 1
Americas Total Segment Income	A$127m [data_package §3, Americas row "Total Segment Income"]	A$203m [data_package §3, Americas row "Total Segment Income"]	A$9m [data_package §3, Americas row "Total Segment Income"]	–73.38% [calculated from data_package §3, same row]	–95.57% [calculated from data_package §3, same row]	data_package §3, Americas Total-Segment-Income row 2
Investment-type products	[DATA GAP: not separately disclosed; data_package §4, product table rows 1-7]	[DATA GAP: not separately disclosed; data_package §4, product table rows 1-7]	[DATA GAP: not separately disclosed; data_package §4, product table rows 1-7]	n/m [data_package §4, no dollar history]	n/m [data_package §4, no YoY series]	data_package §4, investment-type disclosure table rows 1-7

Arithmetic checks pass. Contract revenue: A$5.785m × 1.3082 = A$7.568m, then A$7.568m × 1.6172 = A$12.239m, within rounding. Total Segment Income: A$127m × 1.5984 = A$203m, then A$203m × 0.04433 = A$9m, within the A$1m reporting scale. No figures were back-solved. The 45.45% contract-revenue CAGR is real but starts from a small base; the –73.38% income CAGR is mathematically correct but economically unhelpful because it spans a transaction-rich peak and a fair-value trough.

Exact profit-metric history	FY2024	FY2025	FY2026 / TTM	Source
EBIT	A$20m	A$186m	A$–27m	data_package §3, Americas row "EBIT"
EBIT margin on Total Segment Income	15.7%	91.6%	–300.0%	data_package §3, Americas margin row

EBIT growth is not expressed as a CAGR because the series crosses zero. FY2025's 91.6% margin reflects exceptional transaction and fair-value effects; FY2026's –300.0% margin reflects a denominator compressed to A$9m while the cost base persisted. Forecasting either endpoint as a steady state would be an analytical error.

7. Management guidance from data-package Section 6

Management gives group/platform guidance, not Americas revenue, EBIT, deployments, completions, or fair-value guidance. Every quote below is reproduced from the DR-cleared package and carries its original date and speaker attribution; no transcript was re-fetched.

Data-package row and source	Verbatim management quote	Americas interpretation
§6 row 1; FY26 presentation, 2026-08-27; company management	“Continued increase of fee income, driven by AUM growth and improving fee terms.”	Supports higher capital-light revenue, but regional allocation and timing are undisclosed.
§6 row 2; FY26 presentation, 2026-08-27; company management	“Together with controlled opex, on track for FY28 cost coverage target.”	Requires fee growth to absorb a larger share of platform cost; it does not specify Americas margin.
§6 row 3; FY26 presentation, 2026-08-27; company management	“Further capital raising for multiple sidecar arrangements.”	Could lower parent capital intensity if the vehicles close and deploy.
§6 row 4; FY26 presentation, 2026-08-27; company management	“Managing extensive growth opportunities within parameters of capital-light strategy and cost coverage targets.”	Disciplines direct deployment and makes fee economics more important than gross commitments.
§6 row 5; FY26 presentation, 2026-08-27; company management	“Fee income target for FY27 at A$40 – 45m, supported by AUM growth and improving fee terms.”	Group guidance anchors the base case, but no Americas share is assigned.
§6 row 6; FY26 presentation, 2026-08-27; company management	“Cash opex target for FY27 at A$72.5 – 75m, reflecting primarily inflation. No further material cost savings anticipated.”	Prevents extrapolation of FY2026 cost reductions; regional costs are assumed to rise.
§6 row 7; FY26 presentation, 2026-08-27; company management	“On track to achieve the target of 70% cost coverage by FY28.”	A measurable group milestone; miss would weaken the Americas operating-leverage thesis.
§6 row 8; FY26 presentation, 2026-08-27; company management	“Supported by the elimination of interest, increasing management fees, decreasing opex, lower deployments following Fund 9, and the increased portfolio maturity and momentum, the portfolio is currently on track to deliver positive free cash flow for the year.”	Cash-flow direction is favorable, but statutory CFO and regional cash conversion may differ.
§6 row 9; FY26 presentation, 2026-08-27; company management	“US$1bn capital raising target reached for Funds 4/5 series II, making Omni Bridgeway the positive standout in global legal finance.”	Closed capital supports activity; the superlative is management framing, not market-share evidence.
§6 row 10; FY26 presentation, 2026-08-27; company management	“Strong start to FY27.”	A$45.3m post-year-end group proceeds support the comment, but cannot be annualized or assigned regionally.
§6 row 11; 4Q26 portfolio report, 2026-07-31; company management	“The pipeline remains elevated, with 43 agreed exclusive term sheets representing an estimated A$407.8 million in new commitments if contracted - supporting continued momentum into 1Q27 and beyond.”	The words “if contracted” are decisive; pipeline is probability-weighted, not booked as income.
§6 row 12; 4Q26 portfolio report, 2026-07-31; company management	“Favourable market and competitive dynamics continue to support a strong pipeline with appropriate risk adjusted pricing.”	Supports stable terms, but needs validation through commitment conversion and realized returns.

[DATA GAP: management discloses no geographic FY2027 or longer-term target for Americas Total Segment Income, contract revenue, EBIT, deployments, completions, fair-value movement, or cash conversion.] This absence is why the model uses a broad scenario range and does not pretend the group A$40-45m fee target can be allocated mechanically.

8. Forward growth assumptions

The analytical driver model has two income lines. “Americas contract revenue” is disclosed. “Portfolio realization, fair-value, inter-segment and other income” is the arithmetic difference between Total Segment Income and contract revenue; it is not a disclosed product line. The latter cannot be grown from its negative FY2026 value with a meaningful CAGR, so each scenario uses absolute annual amounts tied to completion, mark, and duration assumptions.

Base case growth assumptions

Product / analytical driver	3-year historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM→2031	Justification
Americas contract revenue	45.45%	61.72%	No regional guide; group FY27 fees A$40-45m	10.10%	Small-base growth decelerates as fee scaling meets competition and no regional guide exists.
Portfolio realization, fair-value, inter-segment and other income	n/m from A$–3.239m implied base	n/m	No regional guide; group portfolio mature and FCF outlook positive	n/m; rises to A$105.2m	Normalization is staged over five years rather than compounded from a negative trough.

Product / analytical driver	3-year historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM→2031	Justification
Total Segment Income	–73.38%	–95.57%	No regional guide	69.25% mathematically	The CAGR is trough-distorted; the actual base path is A$45m, A$65m, A$85m, A$105m, A$125m.

Base contract revenue slows from 61.7% latest growth to 10.3% in FY2027, 10.4% in FY2028, 10.1% in FY2029, 9.8% in FY2030, and 10.0% in FY2031. This is a deliberate normalization, not a generic maturity haircut. The segment has a small disclosed base and can benefit from AUM and fee terms, but OBL supplies no geographic fee split, competitor capital is abundant, and regional legal activity does not translate directly into invoices.

The base non-contract-income path is A$31.5m, A$50.1m, A$68.6m, A$87.0m, and A$105.2m. It assumes the FY2026 negative residual was below normal, portfolio maturation produces a steadier realization schedule, and sidecars add fee-bearing activity. It does not regain the FY2025 A$203m Total Segment Income peak by the horizon; FY2031 reaches A$125m, slightly below FY2024's A$127m. That is conservative relative to a "return to peak" thesis but still requires substantial improvement from FY2026.

Bull case growth assumptions

Product / analytical driver	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM→2031	Justification
Americas contract revenue	45.45%	61.72%	No regional guide; group FY27 fees A$40-45m	14.98%	More sidecars close, fee terms improve, and Americas wins share without returning to small-base historical growth.
Portfolio realization, fair-value, inter-segment and other income	n/m from A$–3.239m implied base	n/m	Strong FY27 start and elevated conditional pipeline	n/m; rises to A$200.4m	Mature matters convert near or above marks and favorable milestones outweigh losses.
Total Segment Income	–73.38%	–95.57%	No regional guide	90.37% mathematically	The explicit path is A$75m, A$115m, A$155m, A$190m, A$225m; CAGR is trough-distorted.

The bull case still decelerates disclosed contract-revenue growth sharply: 15.2%, 14.9%, 14.8%, 15.1%, and 15.0% by year. Its upside comes mainly from a deep maturity harvest rather than perpetual 60% fee growth. By FY2031 Total Segment Income reaches A$225m, 10.8% above FY2025's A$203m peak. This requires multiple successful completions and favorable fair-value milestones, not a single windfall. It also requires that closed capital deploys and that "appropriate risk adjusted pricing" survives competition.

Bear case growth assumptions

Product / analytical driver	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM→2031	Justification
Americas contract revenue	45.45%	61.72%	No regional guide; group FY27 fees A$40-45m	3.02%	Fee share disappoints, capital deploys slowly, and pricing/compliance pressure limits growth.
Portfolio realization, fair-value, inter-segment and other income	n/m from A$–3.239m implied base	n/m	Positive FCF statement is group-wide and conditional	n/m; rises to A$35.8m	Adverse milestones and longer duration delay recovery; small positive marks emerge late.
Total Segment Income	–73.38%	–95.57%	No regional guide	40.91% mathematically	The explicit path is A$15m, A$25m, A$35m, A$42m, A$50m, all well below FY2024.

Bear contract revenue grows only 2-4% annually, below wage inflation in some years. This is not a collapse in demand; it represents lower regional fee realization, slower fund deployment, and more negotiating pressure. The non-contract residual becomes positive but remains modest because legal duration extends and negative outcomes offset completions. Total Segment Income is still more than five times the depressed FY2026 denominator by FY2031, illustrating why the 40.91% mathematical CAGR should never be read as a strong business outcome.

9. Forward EBIT margin assumptions on Total Segment Income

Case	FY2026 EBIT margin	FY2031 Total Segment Income	FY2031 implied segment expense	FY2031 EBIT	FY2031 EBIT margin	Specific mechanism
Bear	–300.0%	50.0	46.0	4.0	8.0%	Income recovers slowly while fixed professional, compliance, and origination costs rise.
Base	–300.0%	125.0	47.5	77.5	62.0%	Portfolio income normalizes and fee growth adds operating leverage over a controlled cost base.
Bull	–300.0%	225.0	50.5	174.5	77.6%	Strong harvest and improved fee mix absorb added growth staff; margin approaches but stays below FY2025.

All margins use Total Segment Income, never contract revenue. The change from –300.0% exceeds 100 basis points in every case because the current denominator is anomalously low. The mechanism is not cost cutting alone: the FY2027 group cash-opex guide explicitly says no further material savings are anticipated. Margin normalization requires more completion, fair-value, and fee income over a largely fixed platform.

The bear terminal margin of 8.0% assumes the segment barely earns its cost of operating after five years. It remains below FY2024's 15.7%, appropriate for a case with delayed completions, adverse marks, greater disclosure burden, and weak fee cost coverage. The base 62.0% is above FY2024 but below the transaction-rich FY2025 91.6%. That is plausible only because the FY2026 perimeter has a much lower implied cost base than FY2024 and because sidecars move the model toward fee and carry economics. The bull 77.6% remains 14 percentage points below FY2025 and requires portfolio harvest rather than accounting reclassification.

The 62.0% and 77.6% margins are deliberately treated as event-heavy EBIT outcomes, not recurring service margins. In the base and bull endpoints, the analytical portfolio/fair-value/other residual supplies A$105.2m and A$200.4m—84.2% and 89.1% of Total Segment Income—while disclosed contract revenue supplies only A$19.8m and A$24.6m. The high margins therefore stand or fall on diversified realization and fair-value conversion against the explicit A$47.5m/A$50.5m expense paths. Because OBL does not disclose an Americas cost bridge, portfolio concentration, or maturity ladder, neither margin is independently observable; Sections 10-11 supply annual cadence and falsification tests rather than presenting either endpoint as a normalized margin.

No corporate or statutory-bridge adjustment is embedded in these margins. Corporate is a separate issuer segment. The A$0.493m source-table rounding residual is reconciliation metadata, not an Americas operating item. Finance costs, tax, and NCI are downstream group items and must not be allocated here. [Data package §3a, forecast-driver schedule]

10. Segment rollup: annual cadence and arithmetic tie-out

Bear case

Fiscal year ending 30 June	Contract revenue	Portfolio/FV/other analytical residual	Total Segment Income	Implied segment expense	Exact metric: EBIT	EBIT margin
2026 TTM anchor	12.239	–3.239	9.000	36.000	–27.000	–300.0%
2027	12.500	2.500	15.000	38.000	–23.000	–153.3%
2028	12.800	12.200	25.000	40.000	–15.000	–60.0%
2029	13.200	21.800	35.000	42.000	–7.000	–20.0%
2030	13.700	28.300	42.000	44.000	–2.000	–4.8%
2031	14.200	35.800	50.000	46.000	4.000	8.0%

The bear rollup ties in every year: contract revenue plus the analytical residual equals Total Segment Income; Total Segment Income less implied segment expense equals issuer-disclosed EBIT. The segment remains loss-making through FY2030 and produces only A$4.0m in FY2031. This is the appropriate case if regulatory and competitive friction slows fees while one or more material matters suffer adverse milestones or extended enforcement.

Base case

Fiscal year ending 30 June	Contract revenue	Portfolio/FV/other analytical residual	Total Segment Income	Implied segment expense	Exact metric: EBIT	EBIT margin
2026 TTM anchor	12.239	–3.239	9.000	36.000	–27.000	–300.0%
2027	13.500	31.500	45.000	38.000	7.000	15.6%
2028	14.900	50.100	65.000	40.000	25.000	38.5%
2029	16.400	68.600	85.000	42.500	42.500	50.0%
2030	18.000	87.000	105.000	45.000	60.000	57.1%
2031	19.800	105.200	125.000	47.500	77.500	62.0%

The base case returns to positive EBIT in FY2027 but does not recover FY2025's A$186m EBIT peak. Total Segment Income compounds rapidly only because the TTM denominator is A$9m. In absolute terms, the path adds A$20m of income per year after FY2027 and reaches slightly below FY2024 revenue. Expense rises every year, which honors management's warning that material cost savings are largely finished.

Bull case

Fiscal year ending 30 June	Contract revenue	Portfolio/FV/other analytical residual	Total Segment Income	Implied segment expense	Exact metric: EBIT	EBIT margin
2026 TTM anchor	12.239	–3.239	9.000	36.000	–27.000	–300.0%
2027	14.100	60.900	75.000	38.500	36.500	48.7%
2028	16.200	98.800	115.000	41.500	73.500	63.9%
2029	18.600	136.400	155.000	44.500	110.500	71.3%
2030	21.400	168.600	190.000	47.500	142.500	75.0%
2031	24.600	200.400	225.000	50.500	174.500	77.6%

The bull case assumes broad portfolio success rather than one disclosed mega-case. FY2031 income is only 10.8% above FY2025, while EBIT remains 6.2% below FY2025 because the cost base grows. That construction prevents the bull from relying on a margin above the observed current-perimeter peak. It nevertheless requires a favorable multi-year completion schedule, continued conversion around or above carrying value, and capital-light fundraising that translates into fees.

Probability-weighted operating endpoint

The assigned probabilities are 30% bear, 50% base, and 20% bull. The heavier bear weight reflects undisclosed regional portfolio composition, the magnitude of fair-value volatility, legal duration, and absence of geographic guidance. It also prevents the single FY2025 peak from dominating expectations.

Probability-weighted FY2031 item	A$m	Calculation
Contract revenue	19.080	30% × 14.2 + 50% × 19.8 + 20% × 24.6
Portfolio/FV/other analytical residual	103.420	30% × 35.8 + 50% × 105.2 + 20% × 200.4
Total Segment Income	122.500	30% × 50.0 + 50% × 125.0 + 20% × 225.0
Implied segment expense	47.650	30% × 46.0 + 50% × 47.5 + 20% × 50.5
EBIT	74.850	30% × 4.0 + 50% × 77.5 + 20% × 174.5
EBIT margin on weighted amounts	61.1%	A$74.850m divided by A$122.500m

The weighted margin is calculated from weighted EBIT divided by weighted Total Segment Income; it is not the average of scenario margins. The operating endpoint remains only one segment input. It does not imply parent distributable cash, parent ROE, or per-share earnings because ownership, NCI, corporate EBIT, finance costs, tax, and dilution sit outside this appendix.

11. Key risks, wildcards, and falsification tests

Fair-value marks and concentration — bear/base

The largest risk is that reported income reflects estimates that later reverse. FY2026 group conversion of 105% is reassuring for completed matters, but A$–333m of Material Litigation Events and A$–317m of FX effects show that portfolio marks can move violently. A concentrated adverse ruling can overwhelm fee progress. Burford's 1Q26 YPF experience is a live peer

demonstration of this tail. The base case is falsified if OBL's rolling conversion falls materially below 100% for two reporting periods, if negative existing-portfolio marks recur without offsetting realization, or if a single undisclosed Americas exposure proves large enough to dominate segment fair value.

Legal duration and enforcement — bear

Case duration is only partly under OBL's control. Courts, tribunals, defendants, appeals, and collection proceedings set the clock. Longer duration raises legal cost, delays cash recycling, increases discount sensitivity, and may force new capital commitments. The bear case is increasingly likely if the company's completion count or proceeds fall while portfolio maturity rises, if post-judgment enforcement repeatedly extends, or if the positive-free-cash-flow outlook slips because realizations move right.

Capital intensity and fund ownership — all cases

Capital-light growth is attractive only if fees and retained carry compensate for economics ceded to fund investors. Gross AUM and managed fair value can grow while parent cash returns stagnate. The bull case is falsified if sidecars fail to close, if fee terms do not improve, or if parent deployment rises in proportion to managed commitments. The base case is weakened if OBL-only cash generation remains negative after deployments despite fee growth. Conversely, evidence that fee income grows inside the A$40-45m FY2027 target, FY2028 cost coverage approaches 70%, and OBL-only cash generation turns sustainably positive would move weight away from bear.

Competitive pricing and origination — bear/bull

The Americas opportunity may attract more capital faster than high-quality claims grow. That could compress returns, encourage weaker underwriting, or transfer value to sophisticated law firms. Exclusive term sheets are conditional and do not measure win quality. The bear case is supported if commitment growth comes with lower expected multiples, longer duration, or higher loss rates. The bull requires sustained origination at comparable or better risk-adjusted pricing, not volume alone. A useful test is whether new commitments translate into fair value and later cash at or above carrying value without a disproportionate increase in headcount or deployments.

Regulation, disclosure, and privilege — bear/base

Rules requiring disclosure of funders, agreements, foreign ownership, or control rights could increase costs and reduce demand from clients concerned about strategy or privilege. Fragmentation also raises compliance expense because the U.S. federal, district-court, and state landscape may differ. The risk is manageable for a scaled operator but not free. The model does not assume a specific pending proposal becomes law. A broad federal disclosure requirement, restrictions on foreign-backed capital, adverse privilege precedent, or multiple state regimes would justify lower contract growth and a higher cost path.

Currency and sovereign exposure — bear/bull

Americas includes Canada and Latin America, while OBL reports in Australian dollars and may finance matters in U.S. dollars or other currencies. FX can move fair value even when legal progress is unchanged. Sovereign and quasi-sovereign enforcement can produce very large returns but unusually long duration and political risk. The bear case captures negative FX and enforcement outcomes through lower non-contract income. A bull outcome requires actual cash conversion, not an Australian-dollar translation benefit alone.

Talent, controls, and reputation — all cases

Underwriting is human-capital intensive. Senior departures can weaken origination, case monitoring, and investment-committee judgment. Valuation control is equally important because reported EBIT depends on estimates. Evidence of control failures, repeated methodology restatements, or unexplained divergence between marks and cash would damage both fund raising and customer trust. The thesis is falsified if growth depends on relaxing underwriting standards or if compensation and compliance costs outpace fee income without better realization.

Annual monitoring scorecard

Test	Bear signal	Base signal	Bull signal
Americas Total Segment Income	Below A$15m in FY2027 or prolonged negative residual	Tracks A$45m then A$65m	Exceeds A$75m with diversified completions

Test	Bear signal	Base signal	Bull signal
Americas EBIT	Remains below A$–23m or costs exceed plan	Turns positive and reaches about A$25m by FY2028	Reaches about A$73.5m by FY2028 without one-off concentration
Group fee income	Misses A$40m FY2027 floor	A$40-45m target achieved	Above range with documented improved terms
Group fee cost coverage	Off path to 70% in FY2028	Approaches 70% as guided	Exceeds 70% through fees, not underinvestment
Fair-value conversion	Sustained materially below 100%	Near 100% over rolling cohorts	Above 100% with broad cohort evidence
OBL-only cash conversion	Negative after deployments persists	Sustainable positive cash movement emerges	Positive with lower parent deployment intensity
Pipeline conversion	A$407.8m conditional pipeline does not contract	Selective conversion at stable pricing	Strong conversion and maintained underwriting returns
Regulatory burden	Broad disclosure/control restrictions raise costs	Manageable compliance adaptation	Scale creates share gains from weaker competitors

12. Segment judgment

Americas offers high upside because it combines a large legal market, complex claims, a maturing portfolio, and the possibility of capital-light fee growth. It also has the weakest earnings visibility of a normal compounder. The historical record—A$127m, A$203m, and A$9m of Total Segment Income in three years—shows that timing and fair value dominate any smooth revenue trend. The correct response is not to average those observations mechanically or forecast a return to peak; it is to make the realization, cost, ownership, and duration assumptions explicit.

The base case stays below the FY2025 income peak and requires evidence through conversion and cash. The bear leaves the segment barely profitable; the bull approaches the FY2025 EBIT peak only after allowing expense growth. OBL’s history, teams, third-party capital, and enforcement capabilities support a real franchise, but competitive capital, opaque regional ownership, regulation, and binary outcomes preclude a high-confidence quality-compounder label. Valuation confidence should rise only after fee coverage and cash conversion improve, not merely because A$1.555 is below parent book.

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	A$50.000m Total Segment Income	EBIT	8.0%	A$4.000m	30%
Base	A$125.000m Total Segment Income	EBIT	62.0%	A$77.500m	50%
Bull	A$225.000m Total Segment Income	EBIT	77.6%	A$174.500m	20%

The probabilities sum to 100%. Every profit value is reconstructed as Total Segment Income less the explicit implied segment expense in Section 10. Corporate EBIT, the statutory rounding residual, finance costs, tax, NCI, and group dilution remain outside the Americas segment rollup and must be bridged once at synthesis.

APAC — Segment Deep Dive

Company: Omni Bridgeway Limited **Ticker:** OBL.AX **Segment:** APAC **Reporting currency:** Australian dollars; A$ millions unless stated otherwise **Forecast anchor:** FY2026 and TTM ended 2026-06-30 **Exact five-year horizon:** 2031-06-30 **Governed share-price anchor:** A$1.555 on 2026-09-04 **Exact issuer-disclosed segment profit basis: EBIT Required EBIT denominator: Total Segment Income**

This appendix uses the DR-cleared `data_package.md` and QFR-sealed `statutory_bridge.json` for all Omni Bridgeway historical figures, management quotations and accounting classifications. The statutory bridge SHA-256 is `eb56b6ad1729bcbfae2200ccab33b9c6c368b008f4c0ab0f1f2c502c70c8afcb`, and the data package records `STATUTORY_BRIDGE_STATUS: VERIFIED — CLEARED FOR FORECASTING`. External primary sources are used only for current competitive, regulatory and accounting-risk context. The FY2026 refresh is decisive: it replaces the old 2025-12-31 TTM anchor, removes the extraordinary Fund 9 transaction from the trailing year, and makes A$83m of Total Segment Income and A$66m of EBIT the starting point. The forecast therefore does not carry the earlier August cadence forward mechanically.

0. Segment boundary and taxonomy note

APAC covers Australia, Asia and New Zealand. The CODM taxonomy of Americas, APAC, EMEA and Corporate is stable between FY2025 and FY2026, but it is clean for historical comparison only from FY2024. Fund 1 was deconsolidated in May 2023, the Fund 4 intellectual-property portfolio in December 2023, and Funds 2/3 and Funds 4/5 Series I and II were deconsolidated or derecognised in February 2025 through the Fund 9 transaction. Residual interests are now held through associates or financial assets at fair value. FY2022-FY2023 APAC figures are therefore non-comparable and are not reconstructed. FY2025 is available under the current reporting labels but contains the one-off Fund 9 transaction and related fair-value/perimeter effects. FY2026 is the first full post-transaction year and management calls the Group result more normalised, although APAC income remains inherently outcome- and mark-dependent. [data_package §1, taxonomy paragraph and segment table; FY2026 Annual Report, operating and financial review](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5)

The boundary has two modeling consequences. First, the segment is forecast on issuer-disclosed EBIT, not adjusted EBITDA and not consolidated statutory operating income. Corporate remains a separate issuer segment; no share of Corporate EBIT, finance costs, tax or a bridge plug is allocated into APAC. Second, Total Segment Income is the only compatible margin denominator. Narrow `Revenue from contracts` is a useful operating indicator, but dividing APAC EBIT by that line would manufacture an impossible pseudo-margin because investment income, fair-value gains, inter-segment income and other income sit outside it. The FY2026 rounded segment sum differs from exact statutory operating income by A$0.493m, within the A$1m source rounding tolerance; it is reconciliation metadata, not forecast economics. [data_package §3a, rows 165–216; statutory_bridge.json, FY2026 and TTM periods]

1. What APAC actually is

APAC is a specialist legal-asset origination, underwriting, funding and investment-management platform. It provides non-recourse capital to claimants, corporates, insolvency practitioners, law firms and groups of claimants in Australia, New Zealand and Asian jurisdictions. The financed asset can be a class action, commercial dispute, arbitration, enforcement claim, group claim, intellectual-property matter, law-firm portfolio or single-party case. Capital pays legal fees, experts, disbursements or claimant working capital. In exchange, the relevant OBL fund or balance-sheet vehicle receives a contractual return if the legal asset succeeds and is collectible; a failed investment can return nothing and may create adverse-cost exposure.

The economics have three overlapping but distinct layers. The first is investment return on legal assets. That return can be recognised when cash is received, when a legal milestone changes probability-weighted value, or when a controlled or unconsolidated interest changes classification. The second is fund-management economics: management, service and transaction fees paid by external capital. Those fees are less binary than investment returns, but they still depend on fee-bearing commitments, deployments, fund terms and the timing of fund closes. The third is carried interest or performance participation, which is capital-light but contingent on fund-level hurdles and waterfalls. A realised win at the gross portfolio level is not automatically APAC EBIT, and APAC EBIT is not automatically parent-common profit.

Fund 9 is central to understanding the recent record but should not dominate the forecast. The February 2025 continuation transaction transferred a majority interest to Ares-supported capital, left OBL with a retained interest and moved several

vehicles into a different accounting perimeter. FY2025 APAC Total Segment Income of A$495m and EBIT of A$458m therefore represented a transaction-rich year, not a stable annual earnings level. FY2026 APAC Total Segment Income fell to A$83m and EBIT to A$66m even though Group proceeds, fees, commitments and AUM improved. The collapse is not evidence that APAC's underlying franchise disappeared; it is evidence that financial-reporting income is dominated by transaction, completion and fair-value timing. Any model that grows FY2025, or the old August TTM containing FY2025, is unsupported. [data_package §1 taxonomy paragraph and §3 APAC table]

Australia is the mature core. OBL has a long local operating history and offices in Melbourne, Perth and Sydney, while its Asian footprint includes Hong Kong and Singapore. Asian arbitration and enforcement opportunities can diversify legal regimes and counterparties, but they also introduce cross-border recognition, sovereign, collection and currency risk. New Zealand broadens the regional network but is not separately quantified. The issuer does not disclose APAC AUM, commitments, deployments, portfolio fair value, proceeds, fees or carry by country. Country-level growth rates and ownership percentages would therefore be invented; the forecast treats Australia/Asia/New Zealand as a single sealed segment and uses qualitative conditions for regional mix.

2. Current economics — FY2026/TTM

The exact TTM anchor is FY2026 ended 2026-06-30. APAC reported A$8.732m of contract revenue, A$83m of Total Segment Income and A$66m of EBIT, producing a 79.5% EBIT margin on Total Segment Income. APAC supplied only 9.1% of Group contract revenue but 27.2% of Group Total Segment Income and 134.7% of the rounded A$49m sum of segment EBIT; the last percentage exceeds 100% because Americas and Corporate were loss-making. That is a useful warning: geographic EBIT shares can flip dramatically with outcomes and corporate items and should not be treated as stable contribution margins. [data_package §1, FY2026 segment table, rows 83–91; §3, APAC table, rows 140–145]

The same-year comparison is more informative than the prior TTM. FY2025 APAC contract revenue was A$2.802m, Total Segment Income A$495m and EBIT A$458m. FY2026 contract revenue more than tripled, yet Total Segment Income fell 83.2% and EBIT fell 85.6%. Segment cost inferred as Total Segment Income less EBIT declined from A$37m to A$17m, but this residual is not disclosed cash opex and should not be treated as a permanent fixed-cost run rate. It can contain allocations or expenses on the segment reporting basis. The key conclusion is that growing fee/service activity can coexist with a sharp decline in statutory segment income when the prior year contained a continuation transaction and large marks. [data_package §3, APAC table, rows 140–145]

No APAC-specific AUM, active commitment, deployment, completion, MOIC, fair-value conversion, fee-income, carry or OBL-only cash series is disclosed. Group measures can constrain judgment but cannot be mechanically allocated. At FY2026 Group AUM was A$5.9bn, active commitments A$2.4bn, active deployments A$1.2bn and portfolio fair value A$3.836bn, of which A$725m was OBL-only. The Group reported 80 full and partial completions, A$350.5m of proceeds, a 2.3x period MOIC and 105% fair-value conversion. Fee income reached A$35.4m and cash opex fell to A$67.1m, producing 53% fee cost coverage. Those facts support portfolio maturity and improved platform efficiency, but none proves that APAC's A$66m EBIT repeats. [data_package §0a, material KPI history and managed-versus-owned bridge; FY2026 results presentation, pp. 6, 9, 10 and 17](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6)

Capital intensity operates at both the fund and parent levels. External investors fund much of the portfolio, while OBL may retain a co-investment, general-partner participation and conditional carry. On the Group's OBL-only FY2026 bridge, A$54.1m of investment proceeds plus A$35.4m of fees less A$67.1m cash opex produced A$22.4m realised EBIT. Adding A$27m of net unrealised income brought OBL-only total EBIT to A$49.4m. Yet after A$28.3m of deployments, working capital and non-recurring items, total OBL-only cash movement was negative A$15.6m; consolidated CFO was negative A$18.343m. This is the best evidence against using APAC EBIT as cash or parent distributable profit. [data_package §0a managed-versus-owned bridge; §2 statutory-versus-cash conversion]

3. Unit economics

The economic unit is an individually underwritten legal asset, not a recurring subscription. Expected value begins with the probability and size of recovery, then deducts budgeted legal cost, adverse-cost protection, time value, collection risk and any priority due to external capital. A simple analytical identity is:

`expected full-investment value = probability-weighted collectible proceeds − remaining legal cost − adverse-cost exposure − time-value discount`.

That is not an issuer KPI and is not substituted for fair value. It merely shows the variables that determine whether new commitments create value. An attractive headline multiple can be offset by long duration; a legally successful award can still be slow or impossible to collect; a favourable milestone can improve a mark without generating cash; and a larger portfolio can worsen liquidity if deployments precede realizations.

Duration is the first-order variable. Courts, tribunals, appeals, settlement negotiations and enforcement schedules are not controlled by OBL. A new FY2027 commitment may generate management fees quickly but need four or more years to produce investment cash. Because legal-asset duration is dynamic, a completion forecast for less than twelve months would carry false precision. That is why the annual cadence below is deliberately jagged rather than a CAGR interpolation. Bear assumes that several mature Australian matters slip, adverse outcomes force mark reductions, and Asian enforcement adds collection time. Base assumes that the mature book produces several outcome clusters across FY2027-FY2031 without repeating Fund 9. Bull assumes faster qualified outcomes and successful Asian/Australian overlap, but still includes a FY2029 dip to show that event income is not recurring.

Fair value changes reported EBIT ahead of cash. OBL's 105% FY2026 conversion across 80 completions is constructive because aggregate cash proceeds plus related deployments modestly exceeded the prior reported fair value of completed assets. It is evidence against a blanket claim that marks are systematically inflated. It is not proof that every region or open cohort is conservatively marked. FY2026 Group portfolio fair value included negative A$333m of Material Litigation Events and negative A$317m of FX effects, offset by discount unwind and other movements. A small number of adverse legal events can therefore reverse many positive milestones. The model's bear path includes two low-income years and an EBIT loss; base assumes roughly full-cycle conversion rather than fresh multiple expansion; bull requires conversion above plan but does not recognize another continuation-sale windfall. [data_package §2, statutory-versus-cash-conversion discussion]

Peer evidence shows why the downside must remain live. Litigation Capital Management's FY2025 report recorded A$43.6m of net realised gains but A$206.8m of net unrealised losses at the consolidated level. On its LCM-only bridge, the company reassessed duration, group-claim profit assumptions and risk adjustments after adverse outcomes, resulting in A$100.1m of negative fair-value movement; cash fell while debt increased as realizations failed to offset deployments and expenses. The comparison does not map LCM's figures into OBL. It demonstrates that an established Australian platform can have good origination and still suffer abrupt mark, cash and balance-sheet stress. [LCM FY2025 Annual Report, operating review, fair-value review and principal risks](https://lcmfinance.com/wp-content/uploads/2025/10/FY25-Annual-report-2.pdf)

Fee economics are less volatile but not fully recurring. Management and service fees can be charged on commitments or deployments, transaction fees can depend on closing activity, and fund terms vary. Sidecars can broaden eligible opportunities without requiring a new flagship fund. Group fee income grew 17% to A$35.4m in FY2026 and management targets A$40–45m in FY2027, supported by AUM growth and improved terms. The APAC share is undisclosed. The model therefore grows APAC contract revenue from the verified A$8.732m but never claims that it equals APAC fee income. Contract revenue also may contain claims-portfolio activity, and a portion of fee economics may appear elsewhere in Total Segment Income. [data_package §0a material KPI history; §6 FY2027 fee guidance]

Carry is the most nonlinear stream. It is earned only after applicable investor capital, preferred returns or hurdles are satisfied under the relevant waterfall. Fund-level performance can therefore be strong while current OBL cash carry is nil. The forecast includes carry only inside the non-contract economic-income line and does not separately apply a generic carry percentage. Likewise, a retained co-investment percentage is not multiplied through all APAC income. Fees belong to the manager, investment proceeds belong according to ownership, and consolidated fund economics can include external investors before the NCI attribution below net income.

Operating costs include regional investment professionals, origination, legal and damages diligence, investment committee work, monitoring, fund administration, finance and controls. These costs are partly fixed and partly scalable. Underwriting quality is labor-intensive; cutting the team too far can destroy sourcing and oversight. Conversely, the FY2026 segment-cost residual of A$17m is unlikely to be a safe long-run cost floor given Group guidance that FY2027 cash opex rises with inflation and no further material savings are expected. The terminal cost deductions of A$33m bear, A$29m base and A$36m bull reflect different scale and control burdens. Bear is not the lowest cost because delayed cases still require monitoring and remediation. Bull is the highest absolute cost because a larger portfolio and more sidecars require staff and administration, even while the margin is highest. [data_package §3 APAC table; §6 FY2027 cost guidance]

4. Competitive dynamics

Australia is a mature third-party funding market with sophisticated law firms and experienced funders. OBL competes with Litigation Capital Management and private or specialist providers on funding price, adverse-cost support, certainty of capital,

diligence speed, reputation and the ability to manage complex class actions or insolvency matters. Capital alone is not a durable advantage: institutional investors can allocate to competitors, and claimants can run funding tenders. Local legal expertise and a long outcome record can improve selection and sourcing, but neither guarantees pricing power. LCM's experience also shows that competition can fall when weaker providers exit, yet a smaller field does not remove case risk.

Asia is structurally attractive but fragmented. Singapore and Hong Kong provide established frameworks for third-party funding in international arbitration, and OBL has local offices in both. That creates access to cross-border disputes and enforcement work that may be less correlated with Australian class actions. It also requires jurisdiction-specific compliance, funding disclosures, conflict management and enforceability analysis. Singapore's judiciary states that a third-party funder may finance SICC proceedings in prescribed categories and that the funding contract can be relevant to costs; this makes the opportunity legal but not frictionless. [Singapore Judiciary, Third-party funding](https://www.judiciary.gov.sg/singapore-international-commercial-court/third-party-funding) Hong Kong's Arbitration Ordinance contains the statutory framework for third-party funding of arbitration. [Hong Kong e-Legislation, Arbitration Ordinance Cap. 609](https://www.elegislation.gov.hk/hk/cap609)

Global competitors have deeper capital and can bid for large arbitration or corporate claims. Burford's scale, product range and institutional capital can matter in high-budget cases. Local competitors may be nimbler on smaller Australian or Asian claims. OBL's capital-light strategy counters this by pairing regional underwriting with fund and sidecar capital, but third-party capital is not captive. If realized results disappoint, investors can demand lower fees, more co-investment or tighter fund terms. If too much capital pursues a small pool of meritorious claims, funding returns compress even when commitment growth looks strong.

Regulation cuts both ways. ASIC's current instruments provide relief from specified credit, managed-investment-scheme, licensing and disclosure requirements for qualifying litigation-funding and conditional-cost arrangements. ASIC extended that relief only to 31 January 2029 while the Australian Government considers its policy position. This gives near-term operating certainty but creates a real policy cliff before the 2031 horizon. New licensing, capital, disclosure, scheme or claimant-return rules could raise cost or change economics; proportionate rules could also raise barriers to smaller competitors. [ASIC CS 31 and final extension](https://www.asic.gov.au/regulatory-resources/find-a-document/consultations/cs-31-proposed-extension-of-relief-for-litigation-funding-arrangements-and-conditional-costs-schemes/)

5. Moat at the segment level

The APAC moat is a moderate, process-based advantage rather than a monopoly. Its strongest components are reputation with law firms and insolvency practitioners, accumulated legal-outcome data, institutional underwriting routines, local teams and access to third-party capital. A funder that can assess legal merit, damages, defendant solvency and enforcement faster than a generalist may reject more bad cases and price selected matters more accurately. Repeat relationships can produce proprietary or early looks, and the ability to finance adverse costs can make an offer more credible.

The moat is reinforced by portfolio breadth. Diversification across countries, legal areas and structures reduces dependence on one court or claim type, while a global platform can route capital and expertise. Yet diversification is not the same as parent ownership. Much of the A$5.9bn AUM and A$3.836bn portfolio fair value belongs economically to fund investors. OBL's advantage is the fee/carry/co-investment architecture and decision process, not ownership of all assets. A valuation that treats gross AUM as parent assets would overstate the moat's monetization. [data_package §0a managed-versus-owned economic bridge]

The five-to-ten-year durability test is not simply whether APAC AUM grows. It is whether new vintages achieve acceptable realized MOIC and IRR after losses, whether fair-value conversion remains near or above 100%, whether fee income increasingly covers the platform, whether external capital renews on attractive terms, and whether OBL retains enough economics without overcommitting parent cash. The segment earns a better moat assessment if these metrics survive the January 2029 Australian regulatory cliff and a weak legal-outcome year. Until then, the correct conclusion is a defensible but unproven moat with substantial event risk.

6. Historical growth rates

The table reproduces the finest APAC disclosure available in the DR-cleared data package. FY2024-FY2026 are the only current-taxonomy years. Every numeric cell cites a specific data-package row; no product dollars are back-solved. `n/c` means the issuer did not provide a comparable figure, and `n/m` means a growth calculation is not meaningful.

Product / sub-segment	FY2024	FY2025	FY2026	FY2024–FY2026 CAGR	Most recent YoY	Data package cite
APAC contract revenue	A$1.112m [§3 row 142]	A$2.802m [§3 row 142]	A$8.732m [§3 row 142]	180.2% [calculated from §3 row 142]	211.6% [calculated from §3 row 142]	data_package §3, APAC contract-revenue row 142
APAC Total Segment Income	A$26m [§3 row 143]	A$495m [§3 row 143]	A$83m [§3 row 143]	78.7% [calculated from §3 row 143]	–83.2% [calculated from §3 row 143]	data_package §3 row 143; FY2025 Annual Report Note 1 FY2024 comparative
APAC EBIT	–A$12m [§3 row 144]	A$458m [§3 row 144]	A$66m [§3 row 144]	n/m [§3 row 144]	–85.6% [calculated from §3 row 144]	data_package §3, APAC EBIT row 144
EBIT margin on Total Segment Income	–46.2% [§3 row 145]	92.5% [§3 row 145]	79.5% [§3 row 145]	n/m [§3 row 145]	–13.0ppt [calculated from §3 row 145]	data_package §3 rows 143–145; calculated on Total Segment Income

Arithmetic tie-outs: A$1.112m × 2.5198 = A$2.802m and A$2.802m × 3.1163 = A$8.732m, both within the 2% internal-check tolerance. FY2024 EBIT of –A$12m divided by A$26m of Total Segment Income is –46.2%; A$26m to A$83m over two years is a 78.7% CAGR. A$495m × 0.1677 = A$83m for Total Segment Income, and A$458m × 0.1441 = A$66m for EBIT. FY2024's negative EBIT prevents a meaningful multi-year EBIT CAGR. The contract-revenue and Total Segment Income CAGRs are mathematically correct but economically misleading if read as normalized earnings-growth rates: the former began at only A$1.112m, while the latter crosses the one-off Fund 9 year.

The data package separately identifies one APAC service description: management, service and transaction fees with FY2025 revenue of A$2.802m and FY2026 revenue of A$8.732m. It does not disclose APAC dollar revenue for arbitration, class actions, enforcement, group claims, intellectual property, law-firm finance or single-party disputes. [data_package §4, product table row 228 and non-disclosure rows 232–242] These categories cannot be modeled as independent revenue products without false precision.

`[DATA GAP: current-taxonomy APAC Total Segment Income is not disclosed before FY2024.]`

`[DATA GAP: no APAC investment-type dollar revenue, AUM, commitment, deployment, completion, proceeds, MOIC, fair-value conversion, fee-income or carry series is disclosed.]`

7. Management guidance

Management provides Group/platform guidance rather than geographic APAC targets. Every relevant data-package quotation is reproduced below with its row and used only as a scenario constraint. None is allocated mechanically to APAC.

- **Fees — data_package §6 row 269.** “Continued increase of fee income, driven by AUM growth and improving fee terms.” Interpretation: supports growth in the APAC contract-revenue diagnostic, but offers no geographic amount or timing.
- **Operating leverage — row 270.** “Together with controlled opex, on track for FY28 cost coverage target.” Interpretation: base assumes improved fee absorption by FY2028, but APAC EBIT still depends on realizations and marks.
- **Capital formation — row 271.** “Further capital raising for multiple sidecar arrangements.” Interpretation: sidecars can increase fee-paying capacity and diversify matters; unclosed capital is excluded.
- **Capital discipline — row 272.** “Managing extensive growth opportunities within parameters of capital-light strategy and cost coverage targets.” Interpretation: forecast growth must not require unlimited parent co-investment.
- **FY2027 fees — row 273.** “Fee income target for FY27 at A$40 – 45m, supported by AUM growth and improving fee terms.” Interpretation: Group target anchors recurring economics, but the APAC share is undisclosed.
- **FY2027 costs — row 274.** “Cash opex target for FY27 at A$72.5 – 75m, reflecting primarily inflation. No further material cost savings anticipated.” Interpretation: the model does not perpetuate FY2026 cost reductions or hold the A$17m APAC segment-cost residual flat.
- **FY2028 coverage — row 275.** “On track to achieve the target of 70% cost coverage by FY28.” Interpretation: base assumes progress at the Group platform, not a 70% APAC EBIT margin guarantee.

- **Cash flow — row 276.** “Supported by the elimination of interest, increasing management fees, decreasing opex, lower deployments following Fund 9, and the increased portfolio maturity and momentum, the portfolio is currently on track to deliver positive free cash flow for the year.” Interpretation: constructive Group OBL-only direction, but statutory CFO and APAC cash can still differ.

- **Fundraising — row 277.** “US$1bn capital raising target reached for Funds 4/5 series II, making Omni Bridgeway the positive standout in global legal finance.” Interpretation: closed capital expands capacity; management's superlative is not independent evidence of APAC market share.

- **Early FY2027 completions — row 278.** “Strong start to FY27.” Interpretation: supported by A$45.3m of Group post-year-end proceeds, but too little information exists to annualise or assign it to APAC.

- **Pipeline — row 279.** “The pipeline remains elevated, with 43 agreed exclusive term sheets representing an estimated A$407.8 million in new commitments if contracted - supporting continued momentum into 1Q27 and beyond.” Interpretation: `if contracted` is the key condition; commitments are not revenue or cash, and geography is undisclosed.

- **Pricing — row 280.** “Favourable market and competitive dynamics continue to support a strong pipeline with appropriate risk adjusted pricing.” Interpretation: base assumes rational terms; bull requires conversion without weaker underwriting; bear tests renewed competition or regulation.

`[DATA GAP: management provides no APAC-specific revenue, Total Segment Income, EBIT, deployment, completion, fee, carry or fair-value guidance.]`

8. Forward growth assumptions

The bottom-up forecast uses two lines that add to the exact EBIT denominator. APAC `contract revenue` is issuer-disclosed. `Non-contract economic income` is an analyst bridge equal to Total Segment Income less contract revenue; it captures investment, fair-value, inter-segment and other income without pretending those components are separately disclosed. The FY2026 starting residual is A$74.268m, calculated from verified A$83m Total Segment Income less A$8.732m contract revenue. It is not a product or cash-flow line. Terminal Total Segment Income equals the two modeled lines exactly.

Bear growth assumptions

Modeled line	Historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM→TTM+5y	FY2031 value	Concise justification
APAC contract revenue	180.2% FY24–FY26	211.6%	No APAC guide; Group fees A$40–45m	6.6%	A$12m	Small-base growth persists, but fund closes and pricing slow
Non-contract economic income	72.7% FY24–FY26 inferred	–84.9% inferred	No APAC guide	–15.0%	A$33m	Delays, adverse marks and weak carry reduce event income
Total Segment Income	78.7% FY24–FY26	–83.2%	No APAC guide	–11.5%	A$45m	Two realization troughs outweigh recurring-fee improvement

Bear deliberately allows contract revenue to grow while total economics shrink. That is not contradictory: fees can improve as litigation outcomes, fair-value movements and carry disappoint. The 6.6% contract-revenue CAGR is far below the historical small-base rate and below Group double-digit AUM ambition because the regional allocation is unknown. Non-contract economic income falls from A$74.268m to A$33m as Australian matters slip, Asian enforcement lengthens and mark conversion falls below plan. The terminal is not a liquidation case; APAC retains a viable platform and some realizations.

Base growth assumptions

Modeled line	Historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM→TTM+5y	FY2031 value	Concise justification
APAC contract revenue	180.2% FY24–FY26	211.6%	No APAC guide; Group fees A$40–45m	15.6%	A$18m	Fee-bearing AUM and sidecars grow from a small regional base

Modeled line	Historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM→TTM+5y	FY2031 value	Concise justification
Non-contract economic income	72.7% FY24–FY26 inferred	–84.9% inferred	No APAC guide	5.5%	A$97m	Mature cohorts realize near marks without another Fund 9 event
Total Segment Income	78.7% FY24–FY26	–83.2%	No APAC guide	6.7%	A$115m	Fees grow faster than lumpy portfolio income; income remains jagged

Base does not extrapolate FY2026 contract-revenue growth; it decelerates sharply from 211.6% to a five-year 15.6% CAGR because the denominator is larger and no APAC target exists. The Group's FY2027 fee guidance and FY2028 coverage target support continued fee growth, while the A$407.8m conditional pipeline and new sidecars provide opportunity rather than booked revenue. Non-contract income grows only 5.5% annually and includes an explicit FY2029 dip. This assumes current mature portfolios convert around their marks and new commitments feed later years, but no continuation-sale repeat.

Bull growth assumptions

Modeled line	Historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM→TTM+5y	FY2031 value	Concise justification
APAC contract revenue	180.2% FY24–FY26	211.6%	No APAC guide; Group fees A$40–45m	26.2%	A$28m	Sidecars close and Asia/Australia fee-bearing capital scales
Non-contract economic income	72.7% FY24–FY26 inferred	–84.9% inferred	No APAC guide	19.6%	A$182m	Faster outcomes, favourable marks and hurdle-cleared carry overlap
Total Segment Income	78.7% FY24–FY26	–83.2%	No APAC guide	20.4%	A$210m	Several cohorts mature while underwriting standards hold

Bull requires several favourable conditions at once: elevated pipeline converts into high-quality funded commitments; Australian and Asian cohorts reach resolution within the horizon; 105%-plus Group conversion proves durable; and external capital expands without adverse fee concessions. Contract revenue still grows far more slowly than its historical small-base rate. The 20.4% Total Segment Income CAGR is an aggressive event-rich outcome, not a steady recurring rate, and FY2031 is deliberately labelled a favourable realization year.

Thesis-consistency and duration check

The sharp deceleration in contract-revenue growth is justified by base effects and disclosure limits, not generic maturation. A$8.732m is already 7.9 times FY2024, and management supplies no APAC fee allocation. The repaired FY2024 comparative implies 78.7% FY2024–FY2026 Total Segment Income growth and 72.7% growth in the inferred non-contract residual, but both rates cross the one-off Fund 9 year and are not run-rate anchors. Conversely, non-contract income is not forced to decline forever after the FY2026 reset. Group active commitments, deployments and portfolio maturity support future harvests, but four-to-five-year legal duration means FY2026 commitments contribute mostly in the later forecast years. The annual tables therefore show fee growth every year and portfolio-income oscillation. This is more defensible than either a smooth 6.7% Total Segment Income curve or a repetition of FY2025's A$495m.

9. Forward EBIT margin assumptions on Total Segment Income

The exact profit metric is EBIT. The current FY2026 margin is 79.5% on A$83m of Total Segment Income. This is a high outcome-year margin, not a conventional service gross margin. Product-level EBIT margins are not disclosed, so this appendix does not assign separate margins to contract revenue and non-contract economic income. Instead, each case explicitly deducts a regional segment-cost assumption from the same-case Total Segment Income. Corporate EBIT, finance cost, tax and NCI remain outside APAC.

Case	FY2026 Total Segment Income	FY2026 EBIT margin	FY2031 Total Segment Income	FY2031 segment cost	FY2031 EBIT	FY2031 EBIT margin	Margin mechanism
Bear	A$83m	79.5%	A$45m	A$33m	A$12m	26.6667%	Fixed monitoring cost, adverse marks and delayed cash compress economics

Case	FY2026 Total Segment Income	FY2026 EBIT margin	FY2031 Total Segment Income	FY2031 segment cost	FY2031 EBIT	FY2031 EBIT margin	Margin mechanism
Base	A$83m	79.5%	A$115m	A$29m	A$86m	74.7826%	Fee scale and mature outcomes offset inflation without repeating FY25
Bull	A$83m	79.5%	A$210m	A$36m	A$174m	82.8571%	Multiple realizations and carry overlap while costs scale more slowly

Bear compression: the 5,283bp decline is intentional. Legal and collection work continues even when realizations slip. Mark reductions flow through income faster than the team can resize, and regulatory compliance adds cost. The case includes a FY2028 EBIT loss and only partial recovery by FY2031. It does not assume the platform disappears or that every investment fails.

Base normalization: the terminal margin is 474bp below FY2026 despite higher income. Contract revenue grows and a mature portfolio continues to realize, but inflation and control investment raise the cost base from the FY2026 A$17m segment residual. A$86m of terminal EBIT is 30.3% above FY2026, a 5.4% CAGR, while Total Segment Income grows 6.7%. This is a more conservative conversion than holding the current 79.5% margin.

Bull operating leverage: the terminal margin rises 331bp above FY2026 because several cohort outcomes, marks and carry coincide in FY2031. Absolute segment cost more than doubles from the FY2026 residual to A$36m, reflecting personnel, monitoring and administration for a larger portfolio. The case requires strong cash conversion after the event year; the margin alone does not prove parent value.

The margins should not be compared with adjusted EBITDA or statutory operating margin. EBIT is the issuer's segment measure; Total Segment Income is its compatible denominator. Depreciation, finance cost, tax, NCI and parent/common dilution are handled downstream on their proper lines. This separation is essential because the Group's exact statutory operating income was A$49.493m while rounded reportable-segment EBIT summed to A$49m.

10. Segment rollup and annual cadence

Bear annual cadence

Year ended	Contract revenue	Non-contract economic income	Total Segment Income	APAC segment cost	Exact EBIT	EBIT margin
2026-06-30 actual	A$8.732m	A$74.268m	A$83m	A$17m	A$66m	79.5181%
2027-06-30	A$9.2m	A$35.8m	A$45m	A$28m	A$17m	37.7778%
2028-06-30	A$10.0m	A$15.0m	A$25m	A$30m	–A$5m	–20.0000%
2029-06-30	A$10.7m	A$45.3m	A$56m	A$31m	A$25m	44.6429%
2030-06-30	A$11.3m	A$23.7m	A$35m	A$32m	A$3m	8.5714%
2031-06-30	A$12.0m	A$33.0m	A$45m	A$33m	A$12m	26.6667%

The bear resets immediately rather than treating A$66m as recurring. FY2027 contains some mature outcomes but no transaction repeat. FY2028 is the stress year: Australian litigation slips or loses, Asian collection is delayed, and marks fall while staff and monitoring cost remain. FY2029 captures one delayed recovery; FY2030 has another timing gap. The five forward years produce cumulative EBIT of A$52m. That is adverse enough to test liquidity and valuation without assuming a zero-value regional franchise.

Base annual cadence

Year ended	Contract revenue	Non-contract economic income	Total Segment Income	APAC segment cost	Exact EBIT	EBIT margin
2026-06-30 actual	A$8.732m	A$74.268m	A$83m	A$17m	A$66m	79.5181%
2027-06-30	A$10.2m	A$74.8m	A$85m	A$24m	A$61m	71.7647%
2028-06-30	A$11.6m	A$93.4m	A$105m	A$25m	A$80m	76.1905%
2029-06-30	A$13.3m	A$78.7m	A$92m	A$27m	A$65m	70.6522%
2030-06-30	A$15.5m	A$109.5m	A$125m	A$28m	A$97m	77.6000%
2031-06-30	A$18.0m	A$97.0m	A$115m	A$29m	A$86m	74.7826%

Base is deliberately uneven. FY2027 resembles FY2026 but carries a higher cost base, consistent with Group guidance that FY2027 cash opex rises with inflation. FY2028 benefits from fee coverage and a mature Australian/Asian outcome cluster. FY2029 steps down because completion calendars do not become subscription schedules. FY2030 captures a larger harvest; FY2031 is lower but still above FY2026, showing that the terminal value does not require selecting the single peak year. Cumulative forward EBIT is A$389m. No year includes a new Fund 9 continuation transaction.

Bull annual cadence

Year ended	Contract revenue	Non-contract economic income	Total Segment Income	APAC segment cost	Exact EBIT	EBIT margin
2026-06-30 actual	A$8.732m	A$74.268m	A$83m	A$17m	A$66m	79.5181%
2027-06-30	A$11.0m	A$104.0m	A$115m	A$26m	A$89m	77.3913%
2028-06-30	A$13.5m	A$131.5m	A$145m	A$28m	A$117m	80.6897%
2029-06-30	A$17.0m	A$108.0m	A$125m	A$31m	A$94m	75.2000%
2030-06-30	A$22.0m	A$163.0m	A$185m	A$34m	A$151m	81.6216%
2031-06-30	A$28.0m	A$182.0m	A$210m	A$36m	A$174m	82.8571%

Bull assumes that several sidecars close, fee-bearing capital scales, and Australia/Asia cohorts realize with favourable mark conversion. It still includes a FY2029 decline. The FY2031 terminal is an event-rich outcome, not a perpetual annual guarantee; cumulative five-year EBIT is A$625m. The case should receive a low probability because faster duration, high-quality pipeline conversion, strong outcomes, attractive pricing and hurdle-cleared carry all must occur together.

Terminal rollup

Case	FY2031 contract revenue	FY2031 non-contract economic income	FY2031 Total Segment Income	FY2031 segment cost	Exact FY2031 EBIT	EBIT margin	Probability
Bear	A$12m	A$33m	A$45m	A$33m	A$12m	26.6667%	35%
Base	A$18m	A$97m	A$115m	A$29m	A$86m	74.7826%	50%
Bull	A$28m	A$182m	A$210m	A$36m	A$174m	82.8571%	15%

Every row ties exactly: contract revenue plus non-contract economic income equals Total Segment Income, and Total Segment Income less segment cost equals EBIT. The probability-weighted FY2031 result is A$104.750m of Total Segment Income and A$73.300m of EBIT, a 69.9761% weighted margin calculated from weighted dollars rather than by averaging scenario margins. Weighted contract revenue is A$17.4m and weighted non-contract economic income A$87.35m.

Parent/common ownership and cash-conversion guardrails

APAC EBIT is a consolidated segment measure, not parent-common earnings. The segment can contain economics from controlled funds, associates, fair-value assets, co-investments and fee/carry arrangements with different ownership. The statutory bridge reaches Group profit after tax before an explicit NCI attribution; FY2026 parent net income exceeded Group profit because NCI recorded a loss. Synthesis must forecast NCI and ownership by vehicle or justified schedule rather than applying a blanket percentage to APAC EBIT. It must also count management fees once and avoid treating gross managed AUM or full-investment proceeds as shareholder assets.

The segment model does not deduct parent co-investment deployments from EBIT because deployments create legal assets rather than current operating expense. They matter to cash and common book. Group FY2026 OBL-only realised EBIT was A$22.4m, yet total OBL-only cash movement was negative A$15.6m after deployments, working capital and non-recurring items. Thus a base APAC EBIT path can still consume cash in a deployment-heavy year. The bear condition is weak conversion plus follow-on funding; base requires completions and fees to cover a growing share of platform cash; bull requires strong proceeds without proportional parent capital. Exact post-deployment APAC cash is not quantified because the issuer provides no regional cash, ownership or deployment schedule.

Parent dilution is likewise downstream, not a segment cost. FY2026 diluted weighted-average shares included 1.899m dilutive performance rights, while 8.604m rights were outstanding subject to hurdles; the full outstanding amount must not be assumed issued automatically. The 37.333m Fund 9 warrants are separately in the money at A$1.555 and expire before the 2031 horizon, with exercise cash and share issuance requiring one coherent parent-equity bridge. None changes APAC EBIT, but all can dilute the common holder's share of group value. [data_package §8, dilution table and warrant discussion]

What changed versus the prior August cadence

The prior model began at a 2025-12-31 TTM APAC EBIT of A$544m because it still contained the FY2025 Fund 9 transaction and then reset sharply to low forward values. That anchor is now obsolete. Audited FY2026 replaces it with A$66m EBIT and A$83m Total Segment Income, both outside the extraordinary transaction year. The new forecast therefore begins near the FY2026 economic scale in base, not at 5% of an event-distorted TTM. It also removes prior unsupported point assumptions for APAC success rates, duration, fee income and carry where the issuer still supplies no geographic data.

The revised bear terminal EBIT is A$12m rather than the old negative A$10m because FY2026 demonstrates that APAC produced positive EBIT in the first full post-Fund-9 year, while Group conversion was 105% and contract revenue improved. Bear remains severe through a FY2028 loss and only A$52m cumulative EBIT. Revised base terminal EBIT is A$86m rather than A$115m: the FY2026 evidence supports a durable platform, but there is still no APAC maturity ladder or fee allocation to justify the higher endpoint. Bull is reduced from A$275m to A$174m because A$275m would be more than four times the refreshed FY2026 EBIT and would again make endpoint luck load-bearing. These repairs are deliberately conservative and evidence-linked.

11. Key risks and wildcards

- **[Bear/Base] Australian realization timing.** Appeals, court calendars and settlements can move a large matter across fiscal years. A one-year delay depresses current EBIT and cash without changing ultimate legal merit; repeated delays raise funding and discount costs.

- **[Bear] Asian enforcement and sovereign collection.** An arbitration win is not cash. Cross-border recognition, set-aside proceedings and asset tracing can extend duration or reduce collectability, especially when counterparties are states or assets are difficult to attach.

- **[Bear] Adverse legal outcomes and clustered write-offs.** A handful of large claims can overwhelm fee growth. LCM's FY2025 experience shows that realized losses and mark revisions can coexist with an established franchise.

- **[Bear/Base] Fair-value model risk.** OBL's 105% FY2026 conversion is constructive but Group-wide and completion-selected. Open APAC matters may have different risk. Repeated conversion below 90% or large negative Material Litigation Events would challenge base.

- **[All] Fund 9 harvest and ownership.** OBL's retained interest, management fees and potential carry are separate economic claims; the data package does not disclose an APAC-specific retained percentage. External capital, hurdles and waterfalls determine what reaches OBL. No scenario repeats the FY2025 continuation transaction.

- **[Bear/Bull] Competition and pricing.** Consolidation may improve terms, but large global firms and local specialists remain credible. Bull requires high-quality pipeline conversion; bear assumes excess capital or claimant bargaining compresses economics.

- **[Bear/Base] Australian regulatory cliff.** ASIC relief runs only to 31 January 2029, before the terminal date. New licensing, scheme, capital, disclosure or claimant-return rules could increase cost or alter funding agreements.

- **[All] Singapore and Hong Kong compliance.** Arbitration-funding frameworks widen opportunity but impose disclosure, conflicts, costs and conduct requirements. Compliance failures can impair enforceability or reputation.

- **[All] Gross-to-parent leakage.** Managed AUM, full-investment proceeds and segment EBIT include economics not wholly owned by parent common. NCI, fund investors, co-investment shares and carry hurdles must be bridged once and explicitly.

- **[Bear] Cash-conversion and liquidity mismatch.** Fair-value gains can lift EBIT before collections. Follow-on deployments, legal budgets and working capital can consume cash even in a profitable year. The kill signal is rising fair value and EBIT alongside persistently negative OBL-only cash generation.

- **[Base/Bull] Fee target execution.** Group FY2027 fee guidance and FY2028 coverage depend on AUM, improving terms and sidecar closings. Failure to reach A$40–45m Group fees or progress toward 70% coverage weakens the recurring layer supporting APAC cost.

- **[Bear] Underwriting talent.** Local judgment and relationships are part of the moat. Senior departures or rapid hiring can damage sourcing, monitoring and investment discipline before financial results reveal the loss.

- **[All] Currency.** APAC spans AUD and Asian currencies; Group FY2026 portfolio fair value suffered a large negative FX effect. No regional currency ladder exists, so FX is a scenario condition rather than a separately quantified line.

- **[Bull] Endpoint concentration.** FY2031 bull EBIT of A$174m assumes several outcomes and carry coincide. It is not a recurring annuity. Valuation should test a normalized multi-year EBIT average rather than capitalizing one harvest year without adjustment.

Summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	A$45m Total Segment Income	EBIT	26.6667%	A$12m	35%
Base	A$115m Total Segment Income	EBIT	74.7826%	A$86m	50%
Bull	A$210m Total Segment Income	EBIT	82.8571%	A$174m	15%

APAC remains valuable but not smooth. The FY2026 refresh proves that the franchise can produce positive EBIT after Fund 9 while income remains event-sensitive. Base grows contract revenue and a mature portfolio but preserves a volatile cadence and higher cost. Bear includes two troughs and one loss year; bull requires favourable outcomes, marks, fees and carry but is reduced from the old endpoint. The central question is whether APAC can convert legal-asset value into parent-common cash across a full cohort while regulation, external ownership and dilution are handled honestly.

Data gaps carried forward

- `[DATA GAP: current-taxonomy APAC Total Segment Income is not disclosed before FY2024.]`
- `[DATA GAP: no APAC-specific AUM, active commitments, deployments, completions, proceeds, MOIC, fair-value conversion, fee income or carry is disclosed.]`
- `[DATA GAP: no APAC investment-type dollar revenue history is disclosed.]`
- `[DATA GAP: no APAC-specific management revenue, Total Segment Income, EBIT, deployment or realization guidance exists.]`
- `[DATA GAP: no investment-by-investment OBL ownership attribution, APAC NCI schedule or APAC cash-flow statement is disclosed.]`

Corporate - Segment Deep Dive

Company: Omni Bridgeway Limited **Ticker:** OBL.AX **Segment:** Corporate **Forecast base:** TTM ended 2026-06-30, identical to FY2026 **Forecast horizon:** 2031-06-30, exactly five calendar years **Reporting currency:** Australian dollars; all amounts A$ millions unless stated otherwise **Exact segment profit basis:** EBIT on Total Segment Income **Scenario probabilities:** Bear 25%; Base 50%; Bull 25% **Sealed statutory bridge SHA-256:** `eb56b6ad1729bcbfae2200ccab33b9c6c368b008f4c0ab0f1f2c502c70c8afcb`

This appendix uses the DR-cleared `data_package.md` and the QFR-sealed `statutory_bridge.json` as the only sources for Omni Bridgeway historical amounts, management quotations, accounting classifications, and forecast anchors. Fresh live evidence was used only for current qualitative context and was archived under `raw/pulse-cio-20260905T000207+0800/B_corporate`. The live FMP profile was also copied without overwrite to the investing data warehouse. The governed share price is A$1.555 on 2026-09-04, but no security valuation is performed here.

0. Segment boundary and taxonomy note

Corporate is one of Omni Bridgeway's four issuer-disclosed reportable segments, alongside Americas, APAC, and EMEA. It covers group operations and cross-geographic activity. It is not an analyst-created residual, a generic head-office allocation, or the corporate/unallocated line in the statutory bridge. The sealed bridge includes Corporate EBIT directly in the sum of reportable-segment EBIT and has empty corporate/unallocated and operating-adjustment arrays. The FY2026 Note 1 Corporate column itself reports A$2m of Total Segment Income, A$20m of operating expenses, A$11m of other expenses, nil rounded depreciation/amortisation, and negative A$29m of EBIT. Accordingly, every number forecast here stays inside the Corporate segment; synthesis must add it once to the other three segment EBIT forecasts and must not deduct a second corporate-cost plug.

The current regional taxonomy is stable versus FY2025, but the accounting perimeter is not comparable across five years. Fund 1 was deconsolidated in May 2023, the Fund 4 intellectual-property portfolio in December 2023, and Funds 2/3 plus Funds 4/5 Series I and II in February 2025 through the Fund 9 transaction. FY2025 Corporate Total Segment Income of negative A$218m and EBIT of negative A$240m include cross-geographic transaction and fair-value effects associated with that transition. They are not a normalized cost run rate. Current-taxonomy values are clean from FY2024, while FY2022-FY2023 cannot be reconstructed honestly. This appendix therefore shows FY2024-FY2026 where disclosed, flags non-comparability, and anchors the forward model only to FY2026/TTM.

1. What the Corporate segment actually is

The Corporate segment is the connective tissue of a global legal-assets manager. The regional segments originate, underwrite, manage, and realize legal investments in their jurisdictions. Corporate provides or houses the group-level functions and cross-border mechanisms that let those activities operate as one platform: executive leadership, finance, capital formation, investor relations, legal and compliance, risk oversight, valuation governance, technology, human resources, remuneration architecture, entity and fund administration, and cross-geographic service activity. Corporate also captures intersegment income and some cross-geographic foreign-exchange, transaction, fair-value, and other items. That last feature makes its Total Segment Income substantially more volatile than a conventional headquarters cost center.

The customer set is dual. Legal claimants, law firms, corporates, insolvency practitioners, sovereigns, and other case counterparties are the operating customers of the broader group. External fund investors and strategic capital partners are the customers of the fee-management platform. Corporate helps package the regional opportunity set into funds, continuation vehicles, and sidecars; negotiates fund terms; supplies reporting, valuation, compliance, and portfolio oversight; and allocates group capital. The FY2026 annual report describes the group as managing and co-investing in funds focused on legal finance, with an asset-management overlay that provides services to third-party capital, earns management/service/transaction fees, and may earn carried interest. The live issuer results index confirms FY2026 annual, results-presentation, and analyst-pack materials remain the current reporting set ([Omni Bridgeway results page](https://omnibridgeway.com/investors/reports-and-presentations/results-reporting-and-investor-presentations)).

Pricing is therefore not a simple per-unit subscription. Fee economics can include management fees, service and transaction fees, and performance-linked carried interest. The group-level FY2026 fee income of A$35.4m is a platform KPI, but it is not Corporate segment revenue in full. Note 2 separately discloses A$3.728m of Corporate contract revenue; other fee revenue was reported in the regional segments. That A$3.728m line must not be added mechanically to Note 1 Total Segment Income or used to derive an undisclosed balancing item: Note 1's segment presentation and Note 2's IFRS 15 contract-revenue

presentation do not provide a Corporate-specific reconciliation. Similarly, the A$5.9bn of managed AUM is not Corporate revenue, not an asset owned by ordinary shareholders, and not a balance-sheet amount that can be multiplied by a fee rate without respecting fund terms and ownership. This distinction is the central modeling discipline for Corporate.

The go-to-market model for capital is institutional and relationship-intensive. Management must persuade investors that a portfolio of idiosyncratic legal assets can deliver attractive risk-adjusted returns despite long durations, uncertain case outcomes, Level 3 valuation judgments, and complex waterfalls. Fundraising is supported by the operating teams' sourcing record, historic realization outcomes, portfolio diversification, legal expertise, and reporting infrastructure. Once capital is raised, deployment quality and completion performance determine whether investors recommit and whether improved fee terms prove durable. Corporate is thus economically closer to an alternative-asset-manager platform than to a passive administrative center, even though its disclosed EBIT remains negative.

2. Current economics at the TTM anchor

At FY2026/TTM, Corporate recorded A$3.728m of contract revenue in Note 2, A$2.000m of Total Segment Income in Note 1, and negative A$29.000m of issuer-disclosed segment EBIT. Contract revenue fell 42.3% from A$6.463m in FY2025. EBIT margin on Total Segment Income was negative 1,450%, a mathematically correct but economically weak ratio because the A$2m denominator is close to zero. The A$31.000m Corporate expense stack is not a plug: Note 1 discloses A$20m of operating expenses and A$11m of other expenses, with no rounded intersegment expense or depreciation/amortisation in Corporate; A$2.000m less A$31.000m equals negative A$29.000m EBIT. This segment expense is not the same as group cash opex.

That separation matters. Group/platform FY2026 cash opex was A$67.1m, down 20%, while group fee income was A$35.4m and fee cost coverage was 53%. Corporate EBIT also includes intersegment and non-cash cross-geographic effects; group cash opex includes costs borne across the operating platform. Treating all A$67.1m as Corporate expense would double count costs already reflected in regional EBIT. Treating all A$35.4m of fee income as Corporate income would likewise double count fee revenue disclosed in geographic segments. The Corporate model therefore uses the A$31.0m implied segment expense and A$2.0m disclosed Total Segment Income as its statutory-compatible base, while the group fee/opex figures act only as external controls on operating leverage.

Current corporate capital intensity is low in plant-and-equipment terms but high in economic and governance terms. FY2026 plant/equipment capex was only A$0.132m at group level, yet the platform requires specialized employees, data and valuation systems, compliance, fund reporting, legal infrastructure, and parent co-investment capital. OBL-only deployments were A$28.3m in FY2026. The platform's capital-light claim means that third-party commitments and sidecars should fund a growing share of new legal assets, not that the parent can operate without liquidity or co-investment.

The balance-sheet context is adequate but not frictionless. The data package reports A$158.607m consolidated cash, A$124.5m OBL-only cash and receivables, A$35.395m borrowings associated with a Fund 8 non-recourse facility, A$9.891m lease liabilities, and A$113.321m consolidated net cash after borrowings and leases. Consolidated cash includes controlled-fund cash and therefore is not interchangeable with parent liquidity. Parent-common equity is A$676.637m, while total equity of A$858.585m includes A$181.948m of NCI. These ownership boundaries are essential to capital allocation and later valuation.

3. Unit economics

Corporate economics must be read through two parallel issuer presentations rather than an analyst-created bridge. Note 2's cross-geographic contract-revenue line is a narrow, recurring-looking service line. Note 1 directly reports segment revenue, intersegment income, fair-value gain/loss, other income, Total Segment Income, expense categories, and EBIT; foreign-exchange and secondary-market effects can sit in its other-income line. The issuer does not reconcile the A$3.728m Note 2 contract-revenue amount to the rounded A$2m Note 1 Corporate revenue/Total Segment Income amount. The forecast therefore models Note 1 Total Segment Income and expense directly, while using Note 2 contract revenue only as a non-additive operating indicator. Corporate is expected to remain a cost center even when the fee-management platform improves at group level.

The recurring fee platform can create operating leverage if AUM and fee terms grow faster than cash opex. FY2026 group fee income of A$35.4m covered 53% of A$67.1m group cash opex. Management's FY2027 targets of A$40-45m fees and A$72.5-75m cash opex imply coverage ranging from 53.3% at the weak endpoints to 62.1% at the strong endpoints. Reaching 70% in FY2028 therefore requires another material fee step-up or better-than-guided cost control. The base case treats 70% as achievable but not automatic. The bear case assumes it is missed because fee growth and deployment lag while

compliance and talent expenses rise. The bull case assumes closed capital, improving terms, and sidecars raise fees quickly while central staffing is held broadly flat. (Sources: DR-cleared `data_package` Sections 0a and 6; FY2026 results presentation dated 2026-08-27.)

This fee coverage is not the Corporate EBIT margin. Fee income is distributed across reportable segments, and cash opex is an OBL-only non-IFRS platform measure. It is instead a diagnostic of whether the central platform is becoming less dependent on realization and fair-value income. Better coverage lowers the economic burden that must be carried by volatile portfolio outcomes, which should indirectly improve the quality of Corporate and consolidated earnings even when the Corporate segment remains negative.

The central cost base is primarily people and governance infrastructure rather than physical capital. Legal-asset underwriting requires scarce legal, investment, enforcement, valuation, and fund-structuring expertise. The group had 156 employees at FY2026 after headcount fell from 167, while corporate overheads benefited from the non-recurrence of Fund 9 transaction costs. That explains why another large FY2026-style cost reduction is not assumed. Inflation, compensation normalization, audit and valuation controls, cyber security, regulatory coverage, and technology investment all create upward pressure. AI may reduce document review, knowledge retrieval, and administrative effort, but safe use in privileged, confidential, and jurisdiction-specific legal workflows also requires control spending. (Sources: DR-cleared `data_package`; FY2026 Annual Report operating review dated 2026-08-27.)

Carried interest changes the cost equation. The FY2026 remuneration framework introduced a Team Carried Interest Plan under which participants can receive a capped 25% share of carried interest actually received by the company, leaving 75% for the company and shareholders. Points convert with realized value, early distributions can be retained in escrow, and malus/clawback provisions apply. This can turn fixed compensation into performance-linked expense and improve retention, but it also means headline carried-interest receipts are not wholly attributable to shareholders. The Corporate forecast does not gross up EBIT for carry and then deduct employee participation separately; it assumes the issuer-disclosed EBIT captures the accounting treatment once.

The largest unit-economic risk is that apparent operating leverage is created by accounting geography rather than economic progress. A fee booked in a regional segment, a fair-value movement in Corporate, and an OBL-only cash presentation can describe the same platform from different angles. The model therefore avoids combining them into a synthetic revenue total. It forecasts Corporate on the exact disclosed EBIT/Total Segment Income basis and uses group platform KPIs only as cross-checks.

4. Competitive dynamics

Corporate competes for two scarce inputs: attractive legal assets and patient third-party capital. Competition comes from public legal-finance managers such as Burford Capital, private funders such as Harbour, diversified alternative-asset managers willing to back specialist teams, credit providers offering law-firm facilities, and in-house corporate or law-firm financing. The competitive product is not merely money. It is a bundle of underwriting judgment, jurisdictional expertise, speed, confidentiality, structuring flexibility, enforcement capability, portfolio monitoring, and credible capital through the life of a matter.

Burford is the clearest public comparison. Its current reporting separates Principal Finance from Asset Management and Other Services, the latter capturing fee income from private funds and other service operations. Burford also publishes a shareholder-owned basis that removes private fund entities consolidated under accounting standards despite third-party economic ownership. That approach validates the importance of separating owned economics, managed capital, fees, and consolidation perimeter rather than valuing gross AUM. It also raises the disclosure bar for Omni Bridgeway: investors can reasonably demand a transparent bridge from managed assets to shareholder-retained economics. See Burford's [segment-reporting framework](https://investors.burfordcapital.com/news/news-details/2025/Burford-Announces-Date-for-Release-of-4Q24-and-FY24-Financial-Results-and-Previews-Changes-to-Financial-Reporting-Framework/default.aspx).

Burford's February 2026 results also illustrate the shared industry constraint. It reported strong new commitments but said cash results were affected by extended case durations and unrealized fair-value adjustments. The lesson is not to import Burford's numbers into OBL. It is that even a scaled peer cannot fully control legal realization timing. Corporate planning, liquidity, and fee coverage must absorb that duration risk. See Burford's [FY2025 results release](https://investors.burfordcapital.com/news/news-details/2026/Annual-Results-for-Year-Ended-December-31-2025/default.aspx).

Private competitors can be formidable despite lower disclosure. Harbour emphasizes repeat investors, repeat law-firm relationships, and the hybrid legal-and-commercial skill set required of funders. That suggests the market is

relationship-driven and reputation-sensitive, but not winner-take-all. Capital can move between managers when realized returns, governance, or service deteriorate. AUM scale helps fund a broader team and diversify cases, yet it does not prevent a rival from winning a particular mandate or raising a specialized vehicle.

Pricing power comes from scarcity and differentiation. OBL can earn better terms where it offers unique enforcement expertise, cross-border capability, rapid diligence, portfolio capacity, or capital certainty. Management says favorable competitive dynamics support risk-adjusted pricing, but that statement is not evidence that fee rates will rise indefinitely. Large institutional investors negotiate aggressively, may demand lower management fees or stronger hurdles, and can use continuation transactions to reprice economics. The forecast assumes modest improvement rather than structurally expanding take rates.

Regulation is both barrier and risk. Australia's current Corporations Regulations declare qualifying litigation-funding schemes not to be managed investment schemes, subject to defined conditions, and the relevant subregulation is scheduled to sunset in 2032. That can reduce licensing and scheme-registration burdens for qualifying structures, but it does not remove court oversight, conflicts obligations, consumer protections, disclosure expectations, or global jurisdictional variation. Regulatory expertise is therefore a scale benefit, while adverse fee caps or licensing changes can lower returns and raise Corporate cost. See the [Australian Corporations Regulations 2001, regulation 5C.11.01](https://www.legislation.gov.au/F2001B00274/2025-07-01/2025-07-01/text/original/epub/OEBPS/document_1/document_1.html).

5. Moat at the segment level

Corporate has a conditional, moderate moat rather than an impregnable one. Its strongest assets are the institutional relationships and control infrastructure accumulated across jurisdictions. An investor considering a long-duration legal-assets fund must trust the manager's underwriting, valuations, conflicts process, reporting, liquidity planning, and willingness to recognize losses. Those capabilities take time to build and are costly to replicate across the Americas, APAC, and EMEA. OBL's ability to raise the US$1bn Funds 4/5 Series II target and complete Fund 9 with a major external capital provider is evidence of institutional acceptance, not proof of permanent advantage.

Data can deepen the moat if historic outcomes improve underwriting. A large portfolio generates information about case duration, settlement behavior, counsel performance, enforcement paths, damages, costs, and jurisdiction-specific conversion. Yet the data advantage is not self-executing. Legal matters are heterogeneous, outcomes can hinge on idiosyncratic judicial decisions, and models can become overconfident when trained on selective or non-comparable vintages. The 105% FY2026 fair-value conversion is encouraging for that cohort, but it cannot validate every current mark.

Capital relationships may be stickier than claimant relationships. Fund investors face diligence and monitoring costs when changing managers, and repeat vehicles can lower transaction friction. The cost of switching is still lower than in software: investors can simply decline a new fund. Corporate therefore earns retention one vintage at a time through realized returns and credible reporting. The A$407.8m conditional term-sheet pipeline at FY2026 indicates demand for funding, not committed fee-paying AUM and not investor loyalty.

The platform's main anti-moat is complexity. Multiple funds, co-investments, sidecars, waterfalls, deconsolidated residual interests, controlled entities, NCI, Level 3 valuations, warrants, and performance plans make shareholder economics hard to read. Complexity can be operationally necessary, but it also raises the risk that reported scale outruns transparency. A durable Corporate moat requires simpler disclosure of fees, retained carry, parent co-investment, fund-level ownership, and cash conversion. If disclosure remains difficult while peers improve owned-versus-managed reporting, the platform discount should persist.

AI is more likely to alter Corporate efficiency than eliminate the need for the platform. It can accelerate document triage, research, portfolio monitoring, and reporting. It may also lower entry barriers by giving smaller funders access to better analytical tools. The defensible layer is the combination of proprietary outcomes, experienced legal judgment, capital relationships, compliance, and execution. A credible moat test is whether AI reduces unit costs without degrading confidentiality, privilege, model governance, or underwriting discipline. No such quantified productivity proof is in the cleared package, so the model assigns no explicit AI margin uplift.

6. Historical growth rates

Only one Corporate product/service line is dollar-disclosed: management, service, and transaction fees reported as cross-geographic contract revenue. The issuer does not disclose a finer Corporate product split or quarterly Corporate revenue. Total Segment Income and EBIT are shown separately because Note 1 and Note 2 are distinct disclosure bases and

the issuer supplies no Corporate-specific reconciliation between them. FY2022-FY2023 are not comparable under the current perimeter.

Product / sub-segment	FY2024 revenue	FY2025 revenue	FY2026 / TTM revenue	2-year CAGR	Most recent YoY	Data package cite
Corporate management/ service/transaction fees; cross-geographic contract revenue	5.680	6.463	3.728	-19.0%	-42.3%	DR-cleared `data_package` Sections 3-4; FY2025 Annual Report Note 2, p.42; FY2026 Annual Report Note 2, p.48

Corporate segment metric	FY2024	FY2025	FY2026 / TTM	Historical interpretation	Data package cite
Total Segment Income	15.000	-218.000	2.000	FY2025 dominated by Fund 9 and cross-geographic effects; no meaningful CAGR	DR-cleared `data_package` Section 3; FY2025 Annual Report Note 1 FY2024 comparative, p.45/PDF; FY2026 Annual Report Note 1, p.47
EBIT	-40.000	-240.000	-29.000	Exact issuer-disclosed segment profit basis; negative values make CAGR meaningless	DR-cleared `data_package` Section 3; FY2025 Annual Report Note 1 FY2024 comparative, p.45/PDF; FY2026 Annual Report Note 1, p.47
EBIT margin on Total Segment Income	-266.7%	n/m	-1,450.0%	Ratio is unstable near a zero or negative income denominator	Calculation from the two preceding rows

Arithmetic checks: A$5.680m multiplied by 1.1379 equals A$6.463m, within rounding. A$6.463m multiplied by 0.5769 equals A$3.728m, within rounding. The two-year CAGR is `(3.728 / 5.680)^(1/2) - 1 = -19.0%`. No figure is back-solved from management growth commentary. Total Segment Income and EBIT are not subjected to percentage-growth tests because negative and near-zero bases make such rates economically meaningless.

[DATA GAP: Omni Bridgeway does not disclose FY2022-FY2023 Corporate revenue, Total Segment Income, or EBIT on the current taxonomy, and it does not disclose quarterly Corporate revenue or EBIT.]

7. Management guidance

Management provides group/platform targets rather than Corporate segment guidance. The absence of a Corporate target is important: the group fee and opex targets constrain the model, but they cannot be allocated mechanically to Corporate.

Data package row	Verbatim management quote	Corporate interpretation
Section 6, Fees row	“Continued increase of fee income, driven by AUM growth and improving fee terms.”	Supports platform fee growth; does not specify how much revenue lands in Corporate rather than regional segments.
Section 6, Operating leverage row	“Together with controlled opex, on track for FY28 cost coverage target.”	Base case allows fee coverage to reach 70% in FY2028; bear explicitly misses it.
Section 6, Capital formation row	“Further capital raising for multiple sidecar arrangements.”	Sidecars can expand fee-paying capital with lower parent co-investment; unclosed capital is excluded.
Section 6, Discipline row	“Managing extensive growth opportunities within parameters of capital-light strategy and cost coverage targets.”	Parent capital use must remain bounded; AUM growth alone is not the objective.
Section 6, FY2027 fee guidance row	“Fee income target for FY27 at A$40 – 45m, supported by AUM growth and improving fee terms.”	Group control for FY2027; not Corporate segment revenue guidance.
Section 6, FY2027 cost guidance row	“Cash opex target for FY27 at A$72.5 – 75m, reflecting primarily inflation. No further material cost savings anticipated.”	Prevents extrapolating FY2026 cost cuts; Corporate segment expense rises in all cases initially.
Section 6, FY2028 target row	“On track to achieve the target of 70% cost coverage by FY28.”	A target, not achieved fact; requires fee growth to outpace opex after FY2027.
Section 6, Cash-flow row	“Supported by the elimination of interest, increasing management fees, decreasing opex, lower deployments following Fund 9, and the increased portfolio maturity and momentum, the portfolio is currently on track to deliver positive free cash flow for the year.”	Directional group outlook; Corporate EBIT is not equated to cash flow.
Section 6, Fundraising row	“US$1bn capital raising target reached for Funds 4/5 series II, making Omni Bridgeway the positive standout in global legal finance.”	Closed capital improves fee capacity, but deployment pace, terms, and retained economics remain decisive.

Data package row	Verbatim management quote	Corporate interpretation
Section 6, Early FY2027 row	“Strong start to FY27.”	A$45.3m post-year-end proceeds support near-term liquidity but are not annualized or assigned to Corporate.
Section 6, Pipeline row	“The pipeline remains elevated, with 43 agreed exclusive term sheets representing an estimated A$407.8 million in new commitments if contracted - supporting continued momentum into 1Q27 and beyond.”	Conditional origination supports capital demand; it is neither revenue nor AUM until contracted and funded.
Section 6, Pricing row	“Favourable market and competitive dynamics continue to support a strong pipeline with appropriate risk adjusted pricing.”	Supports disciplined new-vintage economics, but no numeric pricing uplift is assumed.

[DATA GAP: Management has disclosed no Corporate-specific revenue, Total Segment Income, EBIT, expense, or margin guidance for FY2027-FY2031.]

8. Forward growth assumptions

The forecast keeps the two issuer presentations separate. Corporate contract revenue compounds from the exact A$3.728m Note 2 TTM base as a non-additive operating control. Note 1 Total Segment Income is modeled directly from its exact A$2.000m TTM base because the issuer does not disclose a Corporate bridge from Note 2 contract revenue to Note 1 segment revenue or Total Segment Income. No A$1.728m balancing residual is created, and no group fee income, AUM, portfolio fair value, or regional income is inserted into Corporate.

Base-case growth assumptions

Product / income line	Historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR or path, TTM to 2031	Justification
Cross-geographic contract revenue	-19.0% over FY2024-FY2026	-42.3%	No Corporate guide	7.0% CAGR to 5.229	Recovery is well below group fee-growth ambition because most group fees sit in regions; modest scale and better terms offset a volatile small base.
Total Segment Income; direct Note 1 forecast basis	n/m	n/m	No Corporate guide	2.000 in TTM to 3.989, 5.768, 7.567, 9.387, 11.229	FY2025 cannot be extrapolated; direct path assumes post-Fund 9 normalization and limited positive cross-geographic contribution without importing regional marks. It is not contract revenue plus a residual.

The base contract-revenue growth rate is deliberately not based on FY2026's negative latest growth. A small Corporate allocation can move materially when service contracts or transfer-pricing locations change. Seven percent is a normalized judgment: it gives Corporate only A$1.501m of additional contract revenue over five years, while the group platform is expected to grow fees much faster. The direct Total Segment Income path moves gradually to A$11.229m by 2031, still tiny relative to group AUM, portfolio fair value, and historical transaction effects; it is not obtained by adding contract revenue to a synthetic other-income line.

Bull-case growth assumptions

Product / income line	Historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR or path, TTM to 2031	Justification
Cross-geographic contract revenue	-19.0% over FY2024-FY2026	-42.3%	No Corporate guide	12.0% CAGR to 6.570	Strong sidecar and fund-service growth raises cross-geographic fees, but the terminal amount only returns modestly above FY2025 because regional segments retain most fee revenue.
Total Segment Income; direct Note 1 forecast basis	n/m	n/m	No Corporate guide	2.000 in TTM to 6.175, 9.676, 13.238, 16.866, 20.570	Favorable transactions and cross-border activity recur at moderate scale; no Fund 9-sized gain and no regional portfolio mark is reassigned. It is not contract revenue plus a residual.

The bull case requires successful deployment of the US$1bn fund raise, sidecar closings on favorable terms, repeat investor demand, and disciplined pricing. It does not assume that all capital becomes fee-paying immediately, that carry is recurring, or that AUM is shareholder revenue. It also assumes central reporting and control capacity can support the larger platform without proportional hiring.

Bear-case growth assumptions

Product / income line	Historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR or path, TTM to 2031	Justification
Cross-geographic contract revenue	-19.0% over FY2024-FY2026	-42.3%	No Corporate guide	-5.0% CAGR to 2.885	Delayed deployment, tougher fee negotiations, and allocation to regional segments keep the Corporate line shrinking, though not at FY2026's exceptional rate.
Total Segment Income; direct Note 1 forecast basis	n/m	n/m	No Corporate guide	2.000 in TTM to 0.042, -1.135, -2.304, -3.464, -4.615	Adverse FX, transaction costs, and cross-geographic fair-value effects persist; no unsupported Fund 9 repetition is assumed. It is not contract revenue plus a residual.

The bear case is not a return to negative A$218m Total Segment Income because that would mechanically repeat an extraordinary transaction year. It is a persistent low-grade drag combined with central-cost inflation. This is severe enough to expose the downside without pretending that an exceptional accounting event is a normal annual run rate.

9. Forward EBIT margin assumptions

The exact profit metric is **EBIT**, and the denominator is **Total Segment Income**. The TTM A$31m expense anchor is directly supported by the Note 1 Corporate expense rows (A$20m operating plus A$11m other), not invented as a corporate allocation. Forward Corporate segment expense is modeled explicitly and stays inside the segment. Group cash opex is shown only as a reasonableness control and is never substituted for this expense. Because Total Segment Income can be close to zero or negative, the arithmetic EBIT margin can become extremely large or flip sign; `n/m` is the economically correct interpretation in those periods.

The Base expense path rises from A$31.0m to A$32.5m in FY2027, consistent with inflation and management's statement that no further material savings are expected, then reaches A$36.5m in FY2031. The Bull path reaches only A$33.5m as technology, fund scale, and variable compensation contain fixed-cost growth. The Bear path reaches A$46.0m as regulation, duplicated regional infrastructure, weak fee coverage, retention costs, and remediation spending compound.

Scenario	TTM Corporate segment expense	FY2027	FY2028	FY2029	FY2030	FY2031	Mechanism versus TTM
Bear	31.000	34.000	37.000	40.000	43.000	46.000	Roughly 8.2% CAGR; persistent compliance, talent, FX, and under-absorption pressure.
Base	31.000	32.500	33.500	34.500	35.500	36.500	Roughly 3.3% CAGR; inflation plus controlled investment, with no second cost-reset assumption.
Bull	31.000	31.500	32.000	32.500	33.000	33.500	Roughly 1.6% CAGR; scale and automation offset most inflation without cutting controls.

The base terminal EBIT margin improves by more than 1,200 percentage points from the TTM ratio, but this does not represent conventional margin expansion. Most of the change is denominator recovery from A$2.0m to A$11.229m. The underlying cost reduction is modest: expense rises rather than falls. The bull improvement similarly comes from more income on a nearly flat cost base. The bear ratio becomes positive when both income and EBIT are negative; that sign has no profitable interpretation.

10. Segment rollup and annual scenario cadence

The 25% Bear / 50% Base / 25% Bull weights are deliberately non-uniform. Base receives the highest weight because FY2026 fee coverage improved to 53%, conversion was 105%, and management supplied explicit FY2027 fee/opex and FY2028 coverage targets. Bear retains 25% because the 4Q26 pipeline eased, FY2027 opex is guided to rebound, Corporate has no segment-specific guidance, and MLE/FX effects remain volatile. Bull also receives 25% because the US$1bn fund close and sidecars create a credible upside mechanism, but deployment and fee conversion remain unproven. All annual calculations use full-precision scenario paths; tables display amounts to three decimals, so margin calculations can differ slightly from a ratio recomputed only from the rounded cells.

Bear case - 25% probability

Period ending 30 June	Contract revenue; non-additive control	Total Segment Income; direct forecast	Corporate segment expense	EBIT	EBIT margin on Total Segment Income
2026 TTM	3.728	2.000	31.000	-29.000	-1,450.0%
2027	3.542	0.042	34.000	-33.958	-81,630.8%; n/m
2028	3.365	-1.135	37.000	-38.135	3,358.5%; n/m
2029	3.196	-2.304	40.000	-42.304	1,836.3%; n/m
2030	3.036	-3.464	43.000	-46.464	1,341.5%; n/m
2031	2.885	-4.615	46.000	-50.615	1,096.7%; n/m

The Bear case assumes Corporate contract revenue declines 5% annually as a non-additive control, direct Total Segment Income remains adverse, and central expense grows faster than inflation. EBIT deteriorates from negative A$29.0m to negative A$50.615m. The apparently positive terminal margin is a sign artifact because Total Segment Income is negative; it must not be read as profitability.

Base case - 50% probability

Period ending 30 June	Contract revenue; non-additive control	Total Segment Income; direct forecast	Corporate segment expense	EBIT	EBIT margin on Total Segment Income
2026 TTM	3.728	2.000	31.000	-29.000	-1,450.0%
2027	3.989	3.989	32.500	-28.511	-714.7%
2028	4.268	5.768	33.500	-27.732	-480.8%
2029	4.567	7.567	34.500	-26.933	-355.9%
2030	4.887	9.387	35.500	-26.113	-278.2%
2031	5.229	11.229	36.500	-25.271	-225.1%

The Base case assumes platform progress reduces Corporate's net burden slowly. It does not force the segment to break even merely because group fee coverage improves. Corporate EBIT reaches negative A$25.271m in 2031, an improvement of A$3.729m from TTM. That restrained outcome recognizes that the fee platform is distributed geographically and that stronger institutional scale requires ongoing control investment.

Bull case - 25% probability

Period ending 30 June	Contract revenue; non-additive control	Total Segment Income; direct forecast	Corporate segment expense	EBIT	EBIT margin on Total Segment Income
2026 TTM	3.728	2.000	31.000	-29.000	-1,450.0%
2027	4.175	6.175	31.500	-25.325	-410.1%
2028	4.676	9.676	32.000	-22.324	-230.7%
2029	5.238	13.238	32.500	-19.262	-145.5%
2030	5.866	16.866	33.000	-16.134	-95.7%
2031	6.570	20.570	33.500	-12.930	-62.9%

The Bull case assumes the Corporate platform processes substantially more capital and fee activity without proportional central-cost growth. Even here, EBIT remains negative A$12.930m. A positive Corporate EBIT would require more of the fee pool to be reported in Corporate, unusually favorable cross-geographic items, or an expense allocation change; none has adequate evidence in the cleared package.

Each annual row satisfies `Total Segment Income - Corporate segment expense = EBIT`. Contract revenue is displayed only as a non-additive Note 2 control and is not used to create a balancing product line. The issuer discloses no Corporate product schedule that can be summed to Note 1 Total Segment Income, so the rollup is direct on the sealed EBIT denominator rather than a fabricated product reconciliation. The probability-weighted 2031 values are A$9.603m Total Segment Income, A$38.125m Corporate segment expense, and negative A$28.522m EBIT. These expected values are diagnostics only; synthesis should preserve the discrete scenarios rather than replace them with a blended case.

Group platform control - not an additive Corporate forecast

Control metric	Bear interpretation	Base interpretation	Bull interpretation
FY2027 group fee income	Bottom of A$40-45m guide	A$42.5m midpoint	Top of A$40-45m guide
FY2027 group cash opex	A$75.0m top of guide	A$73.75m midpoint	A$72.5m bottom of guide
FY2028 fee coverage	Misses 70%; remains near high-50s	Reaches about 70%	Exceeds 70% through fees and cost control
2031 platform state	Fees remain insufficient to absorb central platform	Fees cover a materially larger share of opex	Recurring fees broadly absorb central opex before realizations

This control table does not feed the Corporate arithmetic. Its purpose is falsification. If FY2027 fees fall below A$40m or cash opex exceeds A$75m without a discrete reason, even the Corporate Base expense path becomes too optimistic. If FY2028 cost coverage reaches or exceeds 70% with stable accounting allocation, the Bull path becomes more credible.

Corporate capital allocation, funding, dilution, and governance

Capital allocation is a Corporate responsibility but not Corporate revenue. FY2026 OBL-only deployments were A$28.3m, down from A$43.8m, while fee income rose and cash opex fell. No ordinary dividend was declared or paid. The board retains discretion between semiannual dividends and buybacks based on cash needs, income source, share price relative to intrinsic value, and franking credits. The forecast assumes no capital return and does not reduce Corporate expense for prospective buybacks. Parent liquidity must first support co-investment, working capital, fund obligations, and platform resilience through unpredictable completion periods.

The US$1bn Funds 4/5 Series II close and A$72.5m of fee-paying sidecar capital are strategically positive because they can grow managed assets without proportional parent deployment. About A$175m of additional sidecar capital was in diligence, but it is excluded until closed. Capital-light growth improves shareholder economics only if management fees and retained carry compensate for underwriting, monitoring, and corporate costs, while parent co-investment remains within liquidity capacity. Gross AUM growth without fee conversion or cash realization is not value creation.

Funding must be read by legal perimeter. Consolidated cash cannot be treated as fully parent-accessible, and the A$35.395m Fund 8 facility is described as non-recourse to the parent, with recourse limited to specified fund assets, insurance, and a capped standby equity commitment. The model does not deduct facility interest in Corporate EBIT because finance costs sit below segment EBIT in the sealed statutory bridge. Synthesis should model finance costs once in the below-line schedule.

The Fund 9 warrants are economically material. There are 37.333m options with a A$0.9375 exercise price, issued in March 2025 and expiring before the 2031 horizon. At the governed A$1.555 price they are in the money and represent 12.9% of FY2026 issued shares. Exercise would provide about A$35m of cash but materially dilute ordinary holders. The annual report classifies the A$29.462m warrant value as a financial liability while management expects equity settlement. Corporate EBIT does not subtract the liability remeasurement or add exercise proceeds. Later valuation must use one coherent treatment: model diluted shares and exercise cash, or retain a liability/cash-settlement bridge as appropriate, but never subtract the liability and apply full equity dilution without reconciling settlement.

Performance rights are a second dilution claim. The data package reports 8.604m outstanding rights, equal to about 3.0% of issued shares, while FY2026 diluted weighted-average shares include 1.899m dilutive rights. The current annual report says existing rights vest subject to service and performance conditions, and the proposed Executive Plan would use relative TSR, three-year average ROE, and three-year average AUM growth. Those metrics improve alignment but create tension: rewarding AUM growth can encourage scale, while ROE and TSR should penalize uneconomic growth. Because vesting is contingent, the segment model leaves performance-right dilution to the security-level share bridge and keeps share-based compensation inside issuer-reported expense.

Governance has substantive controls and a structural watchpoint. The board includes a non-executive chair, two other non-executive directors, and the managing director/CEO. The Audit and Risk Committee receives risk reporting, and Level 3

valuation methodologies and inputs are reviewed by a valuation committee and periodically by the Audit and Risk Committee. The FY2026 financial statements reported no related-party transactions. The carried-interest plan uses realization-based conversion, escrow for fund-level clawback, and malus/clawback powers, which are stronger than an award based solely on unrealized marks.

The watchpoint is that the valuation team reports directly to the CEO while the business and compensation framework depend heavily on Level 3 fair values. Committee and audit oversight mitigate but do not eliminate this conflict. The 105% FY2026 conversion ratio supports the current framework, yet adverse Material Litigation Events and FX effects of A$333m and A$317m show how much judgment and volatility remain. A durable governance case requires repeated fair-value conversion near or above 100%, transparent write-downs, and incentive outcomes that follow realized cash rather than AUM or marks alone.

Consolidation and NCI perimeter

Corporate EBIT is consolidated segment EBIT before the below-line attribution to NCI. The sealed FY2026 bridge sums Americas negative A$27m, APAC positive A$66m, EMEA positive A$39m, and Corporate negative A$29m to A$49m of reportable-segment EBIT. The A$0.493m difference to exact statutory operating income is within the A$1m source-rounding tolerance. There is no economic corporate bridge line to forecast after the four segments.

At FY2026, total equity included A$181.948m of NCI, while parent-common equity was A$676.637m. FY2026 group profit after tax was A$45.929m, parent-attributable profit was A$53.697m, and negative A$7.768m was attributed to NCI. A blanket NCI percentage would be wrong: fund waterfalls and ownership determine attribution, and a loss allocated to NCI can make parent profit exceed group profit in one year. Synthesis must forecast NCI below net income using a fund-specific ownership schedule, not allocate it into Corporate EBIT.

Fund 9 changed the consolidation perimeter. Funds 2/3 and Fund 4 were deconsolidated after loss of control in February 2025; residual interests are recognized as financial assets rather than consolidated gross assets and liabilities. Fund 6 remains the material NCI balance, and Fund 8 includes external interests and non-recourse funding structures. The model does not reverse deconsolidation, add managed AUM to assets, or treat external fund cash as parent liquidity. These are not presentational niceties; they determine who owns the earnings and cash.

11. Key risks and wildcards

Risk or wildcard	Predominant case	Transmission into Corporate	Observable test
Group fee income misses A$40m in FY2027	Bear	Weak fee absorption makes Corporate expense and negative EBIT more persistent	FY2027 fee income versus A$40-45m target
Cash opex exceeds A$75m without a discrete investment case	Bear	Central cost path is understated and FY2028 coverage target becomes unlikely	FY2027 cash opex and headcount
Sidecar or fund capital fails to close or deploy	Bear	Less fee-paying AUM and lower transaction income; parent may carry more deployment burden	Closed capital, deployment pace, fee terms
Existing-portfolio MLE or FX losses continue	Bear	Direct Total Segment Income stays weak or negative and liquidity planning becomes harder	Fair-value movement bridge and conversion
Fee terms improve faster than expected	Bull	Contract revenue and group fee coverage rise without proportional cost	Management/service/transaction fee disclosures
AI produces verified productivity gains	Bull	Corporate expense grows below inflation while control quality holds	Cost per AUM, headcount, error and control metrics
AI or cyber failure compromises privileged data	Bear	Remediation, litigation, regulatory, and reputational cost	Material incident disclosure and audit findings
Incentives favor AUM over realized return	Bear	Lower-quality deployment raises future marks and weakens investor retention	ROE, conversion, carry realization, forfeitures
Warrant exercise near the horizon	All cases	Adds cash but dilutes ordinary shareholders; security bridge must be coherent	Exercise notices and diluted share count
Performance-right vesting exceeds diluted-share assumptions	Bear/Base	Higher common dilution; no change to segment EBIT	Rights outstanding, vesting, new grants
Regulatory tightening or fee caps	Bear	Higher compliance cost and lower fund economics	Legislative and court changes by jurisdiction

Risk or wildcard	Predominant case	Transmission into Corporate	Observable test
Repeated investor commitments and stronger owned-versus-managed disclosure	Bull	Reinforces fundraising moat and lowers perceived governance discount	Re-ups, fund closes, retained-economics bridge
NCI attribution modeled as a blanket rate	All cases	Produces a false parent-earnings result outside Corporate	Fund-specific NCI and waterfall disclosure

The most fragile Base assumption is that other Corporate segment income normalizes to a modest positive A$6m by 2031 while expenses grow only about 3.3% annually. The most important falsifier is not a single quarter of legal completions; it is a two-year combination of fee income below plan, cash opex above plan, and weak fair-value conversion. That combination would indicate the platform is not achieving recurring cost coverage and that the Bear Corporate EBIT path is more appropriate.

The upside wildcard is a genuinely self-funding asset-management platform: recurring fees cover most or all central cash opex, third-party capital funds growth, parent deployments remain controlled, and carried interest converts to cash after employee participation. The segment forecast does not assume this endpoint because current disclosed Corporate revenue is too small and group fee allocations are geographic. If OBL begins disclosing a clean owned-versus-managed segment similar to peer practice, future forecasts could move from direct Total Segment Income modeling to direct fee-platform economics.

Summary

Case	Corporate TTM+5y Total Segment Income	Exact profit metric	Corporate TTM+5y EBIT margin	Corporate TTM+5y EBIT	Probability
Bear	-4.615	EBIT on Total Segment Income	1,096.7%; n/m because income is negative	-50.615	25%
Base	11.229	EBIT on Total Segment Income	-225.1%	-25.271	50%
Bull	20.570	EBIT on Total Segment Income	-62.9%	-12.930	25%

Terminal cross-geographic contract revenue is A$2.885m in Bear, A$5.229m in Base, and A$6.570m in Bull. The headline terminal income above is Total Segment Income because that is the exact denominator for issuer-disclosed Corporate EBIT. Corporate remains a negative EBIT contributor in every scenario. The Base case improves only modestly from negative A$29.0m TTM EBIT to negative A$25.271m in 2031, while the probability-weighted terminal Corporate EBIT is negative A$28.522m. This conservative result respects the issuer segment, keeps fee-platform context distinct from statutory segment arithmetic, and prevents a second corporate/unallocated deduction in synthesis.

Data gaps retained: no current-taxonomy FY2022-FY2023 Corporate history; no quarterly Corporate revenue or EBIT; no Corporate-specific forward guidance; no disclosed bridge from Note 2 Corporate contract revenue to Note 1 Corporate revenue/Total Segment Income; no disclosed split of Corporate Total Segment Income among intersegment, FX, transaction, and fair-value items; and no direct allocation of group fee income or cash opex to Corporate. None is filled with a plug.

Omni Bridgeway Limited — Synthesis and Combined Earnings Model

Ticker: OBL.AX **Run ID:** `pulse-cio-20260905T000207+0800` **Assessment date:** 2026-09-05 **Reporting and quote currency:** Australian dollars **Model scale:** A$ millions except per-share data **Forecast anchor:** TTM ended 2026-06-30 **Exact horizon:** 2031-06-30, exactly 5.0 calendar years

This appendix mechanically consolidates the four reviewed operating appendices on the issuer-disclosed profit basis: **EBIT on Total Segment Income**. It then bridges statutory operating income to group profit, noncontrolling interests, parent-common net income, diluted ordinary-share equivalents, EPS, and parent-common equity. It does not choose an exit valuation method or multiple and does not calculate shareholder returns. The P/E 15 result is a separate entry-price gate.

The model should be read as a range for a legally and financially lumpy alternative-asset manager, not as a smooth subscription-company forecast. FY2026 Total Segment Income included fair-value movements, completion economics, fees and intersegment amounts. Group profit was positive while consolidated operating cash flow and OBL-only total cash movement were negative. The annual paths therefore preserve the segment appendices' uneven realization cadence and keep fair-value accounting, cash conversion, managed AUM, parent ownership, and statutory consolidation as distinct concepts.

1. Anchors and sealed inputs

The packet, bridge, data package and reviewed appendices were replayed before any forecast calculation. The quote packet validated at 2026-09-05T01:53:53+08:00 and remained within its next-session-close expiry. FY2026 is both the latest completed fiscal year and the TTM; no interim splice is required.

Anchor	Governed value	Reconciliation or treatment
Today / information date	2026-09-05	Asia/Singapore
Fiscal year end	30 June	FY2026 is the latest completed FY
TTM anchor	2026-06-30	Audited FY2026, no overlapping interim period
TTM quarters	FY2026 Q1 + Q2 + Q3 + Q4	Annual statement is the reproducible twelve-month anchor
Horizon	2031-06-30	Exactly 5.0 calendar years after TTM end
Listing and security	XASX:OBL fully paid ordinary share	One financial ordinary share per listed ordinary share
Governed price	A$1.555	Raw ASX completed close for 2026-09-04
Quote expiry	2026-09-07T14:11:00+08:00	Next scheduled ASX session close policy
Raw quote hash	`c45484d17c5843a5a1bf18eebe8cde2cb60909de164694b2b42456d270fdb188`	FMP raw quote evidence
Quote-packet hash	`00a77b83eb28c9526854be7104a1e7986cbc6ce50d340c01376d66e30c14670c`	Exact replay matched
Statutory-bridge hash	`eb56b6ad1729bcbfae2200ccab33b9c6c368b008f4c0ab0f1f2c502c70c8afcb`	Validator returned `STATUTORY_BRIDGE_VALID`
Data-package hash	`4e522634e5bd297638ca721e000ae14b33f25b2502da7fe76e609e6afeac9f92`	Durable DR record matched
Price and reporting FX	1.000000 AUD per AUD	Identity same-currency bridge dated 2026-09-04

The quote-date split bridge is 290.951m financial-statement diluted shares multiplied by a 1.0 split factor, producing 290.951m quote-basis diluted financial shares. No intervening split was identified from 2026-06-30 to 2026-09-04. The listed-unit bridge divides those quote-basis shares by the 1.0 depositary ratio and 1.0 share-class factor, producing 290.951m listed ordinary-share equivalents. The EPS bridge therefore uses unit and FX factors of one, but reproduces them explicitly rather than assuming equivalence.

The durable gate manifest contains the current DR clearance `STATUTORY BRIDGE VERIFIED — CLEARED FOR FORECASTING`, the current data-package hash, and all four R gates with zero unresolved issues. Reviewed appendix hashes are Americas `0ce4790f720d8d9ffd7e7e85534031a0d7b66516299500017 95bb510b1f4c439`, APAC `4de91ad23466b02210efd0c2ec1ffa9603a504525304274c31e85f02708f1126`, EMEA `1483e285ce47a2d54c8ac99f4d140a8b67617593dd88fb6d66363ebc76b91ea7`, and Corporate

d1c436ce8831a297419b59af5882f9e99b6f061e623d259a28291b5b0c162067. Management and moat are both YELLOW, so the group underwriting distribution gives Bear materially more probability than Bull.

2. Segment-level forward assumptions

All “revenue” amounts below are Total Segment Income, the denominator paired with the issuer’s exact EBIT metric. They are not narrow IFRS 15 contract revenue. The terminal amounts and margins are reproduced, not re-derived, from Sections 8–10 of each reviewed appendix.

Segment	Exact profit metric	TTM income scale	Bear 2031 income	Base 2031 income	Bull 2031 income	Bear EBIT margin	Base EBIT margin	Bull EBIT margin
Americas	EBIT on Total Segment Income	9.000	50.000	125.000	225.000	8.0000%	62.0000%	77.5556%
APAC	EBIT on Total Segment Income	83.000	45.000	115.000	210.000	26.6667%	74.7826%	82.8571%
EMEA	EBIT on Total Segment Income	147.000	153.000	200.200	266.500	13.0000%	29.0000%	35.0000%
Corporate	EBIT on Total Segment Income	2.000	-4.615	11.229	20.570	n/m; negative denominator	-225.0503%	-62.8585%

Americas is the largest source of scenario spread. Its TTM income base was only A$9m after adverse marks and a persistent cost base; the Base path normalizes to A$125m but remains below FY2024 income of A$127m and below FY2025 EBIT of A$186m. APAC starts from strong FY2026 economics but explicitly includes future down-years. EMEA grows from the largest recurring contract-revenue base, with a Base terminal margin below its FY2024 and FY2025 outcomes. Corporate stays a cost center even in Bull. This is important: no scenario plugs a positive corporate contribution into group EBIT.

The segment appendices separate disclosed contract revenue from modeled non-contract economics where possible. Those analytical sub-lines add to Total Segment Income but are not treated as separately disclosed products. Product-level profit margins are unavailable, so the model does not invent weighted product margins. It uses the exact segment-level EBIT result already cleared by each R gate.

3. Combined revenue and annual income-scale build

The combined model sums the four segment Total Segment Income paths. No forward corporate elimination is introduced because the sealed forecast-driver ledger contains no such line. The historical control separately confirms that narrow contract revenue sums exactly to statutory contract revenue. The A$58.765m difference between A$241.000m of segment Total Segment Income and A$182.235m of statutory total income reflects different segment/statutory presentations, including intersegment amounts; it is a historical diagnostic, not a forward plug.

Year ended 30 June	Bear combined income	Base combined income	Bull combined income
2026 TTM anchor	241.000	241.000	241.000
2027	154.242	280.589	369.175
2028	155.365	334.968	462.776
2029	209.596	356.567	508.638
2030	210.936	425.387	631.766
2031 horizon	243.385	451.429	722.070

Terminal revenue-build line	Bear	Base	Bull
Sum of segment 2031 Total Segment Income	243.385	451.429	722.070
Forward corporate eliminations	0.000	0.000	0.000
Combined 2031 income scale	**243.385**	**451.429**	**722.070**
TTM-to-2031 CAGR over exactly 5.0 years	0.1971%	13.3743%	24.5410%

The Base first-year step from A$241.000m to A$280.589m is 16.43%, above the ordinary 10% recency band. It is not a silent extrapolation: A$39.589m of the increase is concentrated in the Americas rebound from an A$9m trough, while APAC is nearly flat, EMEA slightly declines, and Corporate remains small. The reviewed Americas appendix grounds the staged

recovery in A$45.3m of post-year-end Group proceeds, the FY2027 A$40–45m fee target, and an explicit A$45m regional income path without returning to the FY2025 peak. Because those facts are Group-wide, confidence remains bounded and is reflected in the 35% Bear weight.

4. Combined statutory operating-income build

The sealed common metric is EBIT. Corporate is one of the four reportable segments and is already in the segment sum; there is no second corporate charge. The sealed arrays for corporate/unallocated and operating bridge adjustments are empty. The A$0.493m historical difference between rounded segment EBIT and exact statutory operating income is within the A$1.0m source-rounding tolerance and is not forecast as an economic line.

Year ended 30 June	Bear statutory OI	Base statutory OI	Bull statutory OI
2026 TTM exact	49.493	49.493	49.493
2027	-35.248	74.673	148.615
2028	-49.615	117.068	228.037
2029	-12.214	127.007	256.320
2030	-28.976	182.967	358.932
2031 horizon	-14.725	196.287	428.845

Terminal operating bridge	Bear	Base	Bull
Americas EBIT	4.000	77.500	174.500
APAC EBIT	12.000	86.000	174.000
EMEA EBIT	19.890	58.058	93.275
Corporate EBIT	-50.615	-25.271	-12.930
Sum of segment EBIT	**-14.725**	**196.287**	**428.845**
Corporate/unallocated adjustments	0.000	0.000	0.000
Consolidated segment-profit metric	-14.725	196.287	428.845
Operating bridge adjustments	0.000	0.000	0.000
Combined statutory operating income	**-14.725**	**196.287**	**428.845**
Operating margin on combined income scale	-6.0501%	43.4813%	59.3911%

The Bear case is a viable but loss-making platform at the horizon. Positive regional EBIT of A$35.890m cannot cover Corporate’s A$50.615m burden. Base reaches A$196.287m of OI because Americas and APAC normalization overlap with a steadily growing EMEA franchise; it is still exposed to timing because a majority of income is non-contract and event-driven. Bull is a diversified harvest case and should not be treated as a recurring margin promise. Management YELLOW and Moat YELLOW both argue against elevating Bull to the confident case.

5. Pretax income, NCI, parent-common net income and EPS

Finance cost is forecast separately below EBIT. The path is an explicit assumption tied to the A$1.322m FY2026 finance-cost anchor, the A$35.395m Fund 8 non-recourse facility, and management’s statement that interest burden should decline. Bear rises to A$4.0m as facility use and duration increase; Base declines gradually to A$1.2m; Bull declines to A$0.5m but never assumes unsupported zero. No “other income” is added below OI because the segment Total Segment Income bases already contain the relevant investment and fair-value economics.

The normalized tax assumption is 20% of positive pretax income. It is deliberately above FY2026’s 4.65% effective tax rate and therefore does not capitalize a one-year tax benefit. Loss years receive no tax asset or refund. This is a transparent conservative modeling rule, not guidance.

NCI is handled as a separate attribution, not a percentage haircut. Current parent-common equity excludes A$181.948m of NCI. The data package does not provide a complete vehicle-by-vehicle forward attribution schedule. Accordingly, Bear receives no benefit from an NCI loss, while Base and Bull deduct a fixed A$7.768m annual NCI profit allocation, equal in absolute size to the audited FY2026 NCI loss. This source-bound absolute reserve is conservative versus simply setting NCI to zero in profitable cases; it is not claimed to predict a fund waterfall. Terminal NCI equity remains unavailable for EV work

and is never included in parent book.

Terminal earnings and EPS line	Bear	Base	Bull
Combined 2031 statutory OI	-14.725	196.287	428.845
Net finance cost	-4.000	-1.200	-0.500
Other below-line income	0.000	0.000	0.000
Pretax income	-18.725	195.087	428.345
Tax expense	0.000	-39.017	-85.669
Group net income	-18.725	156.070	342.676
NCI profit attribution deducted from Group	0.000	-7.768	-7.768
Parent-common net income	**-18.725**	**148.302**	**334.908**
Quote-basis diluted financial shares	329.126	332.137	335.579
EPS, AUD per quote-basis financial share	-0.056893	0.446507	0.998000
Financial shares per listed unit	1.000000	1.000000	1.000000
EPS, AUD per listed unit	-0.056893	0.446507	0.998000
FX, quote AUD per reporting AUD	1.000000	1.000000	1.000000
EPS, quote AUD per listed unit	**-0.056893**	**0.446507**	**0.998000**

The mandatory arithmetic is `parent NI / quote-basis diluted financial shares = reporting EPS per financial share`, then `EPS × 1.0 financial shares per listed unit × 1.0 AUD/AUD = quote-currency EPS per listed unit`. Parent, not Group, net income is the common-share EPS numerator. This corrects the risk of using A$45.929m FY2026 Group profit when the audited common numerator was A$53.697m.

Annual statutory-to-parent bridge

Case / year	OI	Finance cost	Pretax	Tax expense	Group NI	NCI profit	Parent-common NI
Bear 2027	-35.248	-2.000	-37.248	0.000	-37.248	0.000	-37.248
Bear 2028	-49.615	-2.500	-52.115	0.000	-52.115	0.000	-52.115
Bear 2029	-12.214	-3.000	-15.214	0.000	-15.214	0.000	-15.214
Bear 2030	-28.976	-3.500	-32.476	0.000	-32.476	0.000	-32.476
Bear 2031	-14.725	-4.000	-18.725	0.000	-18.725	0.000	-18.725
Base 2027	74.673	-1.500	73.173	-14.635	58.538	7.768	50.770
Base 2028	117.068	-1.500	115.568	-23.114	92.454	7.768	84.686
Base 2029	127.007	-1.400	125.607	-25.121	100.486	7.768	92.718
Base 2030	182.967	-1.300	181.667	-36.333	145.334	7.768	137.566
Base 2031	196.287	-1.200	195.087	-39.017	156.070	7.768	148.302
Bull 2027	148.615	-1.200	147.415	-29.483	117.932	7.768	110.164
Bull 2028	228.037	-1.000	227.037	-45.407	181.630	7.768	173.862
Bull 2029	256.320	-0.800	255.520	-51.104	204.416	7.768	196.648
Bull 2030	358.932	-0.600	358.332	-71.666	286.666	7.768	278.898
Bull 2031	428.845	-0.500	428.345	-85.669	342.676	7.768	334.908

Return-method input bridge for downstream VP and CS

S does not select PE, EV_NOPAT or PB_ROE. OBL is balance-sheet-led and parent book is economically relevant, but the downstream method decision must remain hash-bound to valuation preflight. Capital-structure items without a source-bound terminal path are explicitly unavailable rather than collapsed into “net debt.”

Terminal input	Bear	Base	Bull	Source-bound treatment
Statutory OI	-14.725	196.287	428.845	Reviewed segment consolidation

Terminal input	Bear	Base	Bull	Source-bound treatment
Normalized cash tax rate	20.0%	20.0%	20.0%	Conservative rule; no benefit on losses
Normalized NOPAT	-11.780	157.030	343.076	OI multiplied by 80%
Parent-accessible terminal cash	Unavailable	Unavailable	Unavailable	A$124.5m current OBL-only cash/receivables; no terminal cash-conversion path
Gross debt	Unavailable	Unavailable	Unavailable	A$35.395m current Fund 8 non-recourse borrowing only
Lease liabilities	Unavailable	Unavailable	Unavailable	A$9.891m current; no source-bound terminal schedule
Preferred equity	0.000	0.000	0.000	None disclosed at parent-common perimeter
Terminal NCI / minority claim	Unavailable	Unavailable	Unavailable	A$181.948m current NCI excluded from parent common
Fund 9 warrant liability	0.000	0.000	0.000	Assumed equity settlement in FY2030; see share/equity bridge
Other senior claims	Unavailable	Unavailable	Unavailable	No complete terminal fund-waterfall schedule
Separately valued non-operating assets	0.000	0.000	0.000	No separate value added; avoids double count
Diluted listed-equivalent shares, m	329.126	332.137	335.579	Period-end share stock plus full scenario rights and warrants

EV/NOPAT cannot control downstream without a complete terminal cash, debt, lease, NCI and senior-claim path. The reconciled EPS/P-E method remains arithmetically available. PB_ROE is also arithmetically available because the following parent-common-equity roll-forwards have zero residual, but VP must decide whether the simplifying NCI, OCI and warrant-liability assumptions are sufficient for that method to control.

6. Share-count and security-unit path

The point-in-time opening stock is 289.642m period-end issued ordinary shares. FY2026 diluted weighted-average shares of 290.951m remain the correct historical EPS flow denominator, but they are not an opening balance for terminal BVPS or share-stock roll-forwards. The 1.899m dilutive performance-right effect embedded in FY2026 weighted-average EPS is likewise a flow adjustment and is not subtracted from the 8.604m rights outstanding at year-end.

The corrected 8.604m outstanding-rights pool is modeled in full on each scenario’s vesting assumption: 2.151m, or 25%, in Bear; 5.1624m, or 60%, in Base; and 8.604m, or 100%, in Bull. Annual additions are 0.4302m, 1.03248m and 1.7208m respectively. The even five-year cadence is a transparent mechanical allocation, not a vesting forecast.

All 37.333m Fund 9 warrants are included in FY2030 because they are in the money at A$1.555 and expire on 2030-02-25, before the horizon. Exercise contributes A$35.0m cash at the exact A$0.9375 strike. This is deliberately conservative for EPS dilution. The current A$29.462m warrant liability is separately reclassified into parent common equity at settlement under the fixed-carrying-value assumption; later fair-value remeasurement is unavailable and not silently put into EBIT.

Case / year	Starting diluted shares	Buyback cash	Shares retired	Incremental rights	Warrant shares	Ending diluted shares
Bear 2027	289.642000	0.000	0.000000	0.430200	0.000	290.072200
Bear 2028	290.072200	0.000	0.000000	0.430200	0.000	290.502400
Bear 2029	290.502400	0.000	0.000000	0.430200	0.000	290.932600
Bear 2030	290.932600	0.000	0.000000	0.430200	37.333	328.695800
Bear 2031	328.695800	0.000	0.000000	0.430200	0.000	329.126000
Base 2027	289.642000	0.000	0.000000	1.032480	0.000	290.674480
Base 2028	290.674480	0.000	0.000000	1.032480	0.000	291.706960
Base 2029	291.706960	0.000	0.000000	1.032480	0.000	292.739440
Base 2030	292.739440	0.000	0.000000	1.032480	37.333	331.104920
Base 2031	331.104920	0.000	0.000000	1.032480	0.000	332.137400

Case / year	Starting diluted shares	Buyback cash	Shares retired	Incremental rights	Warrant shares	Ending diluted shares
Bull 2027	289.642000	0.000	0.000000	1.720800	0.000	291.362800
Bull 2028	291.362800	0.000	0.000000	1.720800	0.000	293.083600
Bull 2029	293.083600	0.000	0.000000	1.720800	0.000	294.804400
Bull 2030	294.804400	0.000	0.000000	1.720800	37.333	333.858200
Bull 2031	333.858200	0.000	0.000000	1.720800	0.000	335.579000

Buybacks are zero because FY2026 had no buyback, management has made no forward commitment, and positive post-deployment cash has not yet been demonstrated. Therefore average repurchase price is not applicable and the roll-forward cannot retire shares merely because the stock trades below book. The maximum simple count of 335.579m—289.642m issued plus 37.333m warrants plus 8.604m rights—is the Bull terminal diluted share stock. Bear and Base remain below it solely because their vesting assumptions are 25% and 60% of the full rights pool.

Parent-common-equity roll-forwards for PB_ROE readiness

Opening parent-common equity is A$676.637m and excludes NCI. Ordinary dividends and repurchases are zero in every scenario because neither is committed. OCI is zero as an explicit neutral assumption; the model does not fabricate FX or mark movements outside earnings. Performance-right vesting has nil issuance proceeds and is treated as a transfer within equity, not an increase in total common equity. FY2030 adds A$35.0m of warrant cash as common issuance proceeds and A$29.462m as the source-bound current liability reclassification. Each row has a zero residual under `ending equity = beginning equity + parent NI - dividends - repurchases + issuance + OCI + other`.

Case / year	Beginning common equity	Parent NI	Dividends	Repurchases	Issuance cash	OCI	Warrant-liability reclass	Ending common equity	Ending diluted shares	BVPS
Bear 2027	676.637	-37.248	0.000	0.000	0.000	0.000	0.000	639.389	290.072	2.204241
Bear 2028	639.389	-52.115	0.000	0.000	0.000	0.000	0.000	587.274	290.502	2.021581
Bear 2029	587.274	-15.214	0.000	0.000	0.000	0.000	0.000	572.060	290.933	1.966297
Bear 2030	572.060	-32.476	0.000	0.000	35.000	0.000	29.462	604.046	328.696	1.837705
Bear 2031	604.046	-18.725	0.000	0.000	0.000	0.000	0.000	585.321	329.126	1.778410
Base 2027	676.637	50.770	0.000	0.000	0.000	0.000	0.000	727.407	290.674	2.502481
Base 2028	727.407	84.686	0.000	0.000	0.000	0.000	0.000	812.094	291.707	2.783937
Base 2029	812.094	92.718	0.000	0.000	0.000	0.000	0.000	904.811	292.739	3.090842
Base 2030	904.811	137.566	0.000	0.000	35.000	0.000	29.462	1,106.839	331.105	3.342865
Base 2031	1,106.839	148.302	0.000	0.000	0.000	0.000	0.000	1,255.141	332.137	3.778980
Bull 2027	676.637	110.164	0.000	0.000	0.000	0.000	0.000	786.801	291.363	2.700417
Bull 2028	786.801	173.862	0.000	0.000	0.000	0.000	0.000	960.663	293.084	3.277777
Bull 2029	960.663	196.648	0.000	0.000	0.000	0.000	0.000	1,157.311	294.804	3.925690
Bull 2030	1,157.311	278.898	0.000	0.000	35.000	0.000	29.462	1,500.670	333.858	4.494933
Bull 2031	1,500.670	334.908	0.000	0.000	0.000	0.000	0.000	1,835.578	335.579	5.469884

The Bear case demonstrates why negative terminal EPS cannot mechanically imply zero equity: five years of modeled losses reduce common equity, yet A$585.321m remains. Base and Bull book growth is earnings-led, not AUM-led. No part of the A$5.9bn managed platform or A$3.111bn external share of portfolio fair value is inserted into common equity. No terminal P/B multiple or return is selected here.

7. P/E 15 entry-price gate

The following result was computed only after completing and clearing all 11 arithmetic checks in Section 12. Required terminal EPS at the governed A$1.555 price is A$1.555 divided by 15, or **A$0.103666667** per listed ordinary share.

Case	EPS, AUD per listed unit	EPS multiplied by 15	Governed price	Cushion	Pass?
Bear	-0.056893	-0.853397	1.555	-154.8808%	FAIL
Base	0.446507	6.697602	1.555	330.7139%	PASS
Bull	0.998000	14.970007	1.555	862.7014%	PASS

The binary company gate is **PASS** because the confident Base case clears A$0.103667 of required EPS with a 330.71% cushion. This is not a security-return conclusion and 15x is not an exit multiple. The large cushion is an earnings-volatility warning as much as an attraction: Base terminal EPS depends on material non-contract income, fair-value conversion, completion timing and a normalized Americas outcome. Management and moat remain YELLOW despite the entry-price gate.

8. Reflexivity and cash-conversion checks

Narrow contract revenue reconciles exactly at the anchor: Americas A$12.239m plus APAC A$8.732m plus EMEA A$71.613m plus Corporate A$3.728m equals A$96.312m, the audited consolidated IFRS 15 line. Segment Total Segment Income sums to A$241.000m. It is a broader management-reporting measure than statutory total income of A$182.235m, and the A$58.765m presentation difference is not forecast as a residual line.

Rounded segment EBIT reconciles within the sealed tolerance: negative A$27m plus A$66m plus A$39m minus A$29m equals A$49.000m versus exact statutory OI of A$49.493m. The A$0.493m difference is below the A$1.0m source rounding unit. Finance cost of A$1.322m takes exact OI to A$48.171m pretax; tax of A$2.242m takes pretax to A$45.929m Group profit. NCI loss of A$7.768m then explains parent-common net income of A$53.697m.

The economic cash overlay remains limiting. FY2026 parent NPAT of A$53.697m and OBL-only total EBIT of A$49.4m coexisted with negative A$18.343m consolidated CFO and negative A$15.6m OBL-only total cash movement. The model does not translate forecast EBIT into parent cash, distributions or buybacks. It leaves terminal cash, debt, leases and other senior claims unavailable for EV purposes and holds common dividends at zero. A later valuation stage must not infer cash conversion from the statutory earnings tie-out.

9. Interim-period bridge reconciliation

NOT TRIGGERED — four non-overlapping FY2026 quarters and the audited full-year statement define the TTM. The TTM is identical to FY2026 ended 2026-06-30. No half-year, cumulative YTD, or quarterly amount is added to the annual statement. The quarterly portfolio reports are operating evidence only; they are not combined into statutory segment income or profit. The horizon remains exactly 2031-06-30, five calendar years after the TTM end.

10. Sensitivity of Base terminal EPS

Sensitivity holds the other two modeled variables constant. The Americas revenue test changes its implied Base Total Segment Income CAGR of 69.2519% by 200 basis points and applies the unchanged 62% terminal EBIT margin. APAC margin sensitivity changes the exact EBIT margin on A$115m of terminal income. Share sensitivity applies to the fully diluted 332.1374m Base denominator. Tax sensitivity changes the 20% normalized rate by 300 basis points while retaining the A$7.768m NCI reserve.

Variable changed from Base	Down case EPS	Base EPS	Up case EPS	EPS movement from Base
Americas income CAGR -200 / +200 bps	0.435735	0.446507	0.457800	-0.010772 / +0.011293
APAC EBIT margin -200 / +200 bps	0.440967	0.446507	0.452047	-0.005540 / +0.005540
Diluted share count -5% / +5%	0.470007	0.446507	0.425245	+0.023500 / -0.021262
Tax rate -300 / +300 bps	0.464128	0.446507	0.428886	+0.017621 / -0.017621

The 35%/50%/15% group probabilities are judgmental, not frequencies. To expose concentration in the Bull tail, shifting five percentage points from Bull to Base while holding Bear at 35% reduces probability-weighted EPS from A$0.353041 to A$0.325466, probability-weighted parent-common equity from A$1,107.769m to A$1,078.748m, and weighted terminal shares from 331.600m to 331.428m. This is a probability sensitivity to valuation inputs only; S does not choose a multiple, calculate terminal shareholder wealth, or calculate an IRR.

Group probability set	Bear	Base	Bull	Weighted EPS	Weighted common equity	Weighted diluted shares	Weighted BVPS
Governed synthesis distribution	35%	50%	15%	0.353041	1,107.769	331.600	3.332416
Five points Bull to Base	35%	55%	10%	0.325466	1,078.748	331.428	3.247871
Sensitivity change	0 ppt	+5 ppt	-5 ppt	-0.027575	-29.022	-0.172	-0.084545

Dilution and tax rate are the largest of these standardized shocks, followed by Americas normalization. The sensitivity still omits the deeper risk: a multi-year adverse completion or fair-value cohort can alter both revenue and margin simultaneously. That correlated downside is captured in Bear, not in the one-variable table. The most decision-useful monitoring criteria are realized fair-value conversion, FY2027 fees against A$40–45m, cash opex against A$72.5–75m, OBL-only cash after deployments, and the actual treatment of the warrant and rights pool.

11. Combined earnings summary

Group underwriting weights are **35% Bear, 50% Base and 15% Bull**. This is an evidence-bounded judgment rather than a statistical estimate. Base is most likely because audited FY2026 showed 105% conversion, fee growth, lower opex and completed fundraising. Bear receives more than twice Bull's weight because both qualitative gates are YELLOW, cash conversion is negative, regional guidance is absent, Americas is loss-making at the anchor, Corporate remains a cost center, and fair-value results are exposed to material litigation events and FX. The 35/50/15 distribution also preserves the prior governed group calibration; it does not overwrite the scenario weights shown inside individual segment appendices.

Case	2031 income scale	Statutory OI	OI margin	Parent-common NI	EPS, AUD per listed unit	Probability	EPS multiplied by 15	Versus A$1.555
Bear	243.385	-14.725	-6.0501%	-18.725	-0.056893	35%	-0.853397	-154.8808%
Base	451.429	196.287	43.4813%	148.302	0.446507	50%	6.697602	330.7139%
Bull	722.070	428.845	59.3911%	334.908	0.998000	15%	14.970007	862.7014%
Probability-weighted	419.210	157.317	37.5269%	117.833	0.353041	100%	5.295613	240.5539%

Probability-weighted EPS is the sum of scenario EPS times probability, not probability-weighted parent NI divided by probability-weighted shares. This distinction preserves discrete dilution and avoids creating a fourth scenario. Probability-weighted common equity is A$1,107.769m, probability-weighted terminal diluted shares are 331.600m, and scenario-weighted BVPS is A$3.332416. Neither common equity divided by weighted shares nor weighted BVPS is used as expected EPS.

12. Tie-out checks

- **PASS — reported-financial and statutory-bridge tie-out.** TTM contract revenue sums exactly: A$12.239m + A$8.732m + A$71.613m + A$3.728m = A$96.312m. Rounded segment EBIT sums to A$49.000m versus A$49.493m statutory OI, a A$0.493m residual within the A$1.0m sealed tolerance. Finance cost and tax reproduce A$45.929m Group profit, and the NCI loss reproduces A$53.697m parent net income. FY and TTM are the same audited period.

- **PASS — parent NI, shares, listed unit and FX equal EPS.** Bear is negative A$18.725m / 329.126m = negative A$0.056893; Base is A$148.3016m / 332.1374m = A$0.446507; Bull is A$334.908m / 335.579m = A$0.998000. Multiplication by the 1.0 unit factor and 1.0 AUD/AUD FX factor leaves those values unchanged.

- **PASS — segment sum at horizon.** In each case combined income divided by the four-segment sum is exactly 100.0000%. No forecast elimination or separate Corporate adjustment is inserted.

- **PASS — product-to-segment rollup.** Americas, APAC and EMEA appendices show that disclosed contract revenue plus explicitly labeled non-contract analytical income equals Total Segment Income in every forecast row. Corporate directly forecasts Total Segment Income because no additive product schedule exists; its contract revenue is a non-additive control. All four R gates report no unresolved issue.

- **PASS / NOT TRIGGERED for unavailable product margins — weighted margin.** The issuer does not disclose compatible product-level EBIT margins. The reviewed appendices therefore model exact aggregate EBIT on Total Segment Income and do not invent product margins. Segment terminal EBIT equals terminal Total Segment Income less explicit segment expense or income times aggregate margin with zero residual.

- **PASS — share-count and security-unit path.** The historical EPS bridge remains 290.951m diluted weighted-average financial shares × 1.0 split factor ÷ 1.0 class/depositary factor = 290.951m listed equivalents. The terminal stock bridge separately starts from 289.642m period-end issued shares. Adding full scenario rights of 2.151m, 5.1624m and 8.604m

plus 37.333m warrants produces 329.126m, 332.1374m and 335.579m terminal shares. No weighted-average rights effect is subtracted and no buyback retirement is assumed.

- **PASS — growth plausibility.** No Base segment path blindly exceeds 1.2 times a clean three-year historical trajectory. Short disclosed histories are contaminated by Fund 9, negative bases, troughs and event timing. Each reviewed appendix provides explicit absolute annual paths, caps normalized margins below relevant peaks where comparable, and cites management's FY2027 fee and cost controls.

- **PASS — historical arithmetic and exact five-year compounding.** Americas A$9m grows to A$125m at 69.2519%; APAC A$83m to A$115m at 6.7392%; EMEA A$147m to A$200.2m at 6.3725%. The explicit Corporate path reaches A$11.229m without applying a meaningless CAGR to near-zero or negative values. All horizon calculations use five annual intervals.

- **PASS with quantified step-change evidence — recency anchor.** Base combined income increases 16.43% from A$241.000m to A$280.589m in FY2027. The excess above 10% is A$39.589m and is concentrated in the reviewed Americas rebound, supported by A$45.3m of post-year-end Group proceeds, the A$40–45m FY2027 fee target and a staged recovery that remains far below FY2025 Americas income. APAC and EMEA do not receive a comparable first-year step-up.

- **PASS — period and horizon integrity.** TTM equals audited FY2026; no YTD overlap exists. Every annual table runs from 2026-06-30 to 2031-06-30, exactly 5.0 calendar years. No forecast compounds from FY2025 or for six fiscal years.

- **PASS — valuation, unit, packet-hash and probability arithmetic.** Exact quote and statutory packet hashes replayed. Price is A$1.555 for one XASX:OBL ordinary share. Bear, Base and Bull EPS multiplied by 15 reproduce the table. Probabilities total 100%; weighted EPS equals 35% × negative A$0.056893 + 50% × A$0.446507 + 15% × A$0.998000 = A$0.353041. The five-point Bull-to-Base sensitivity equals A$0.325466. The Base case controls the binary gate.

SYNTHESIS CLEARED — 11/11 TIE-OUTS PASSED

RT repair closure: the terminal share stock now opens from 289.642m period-end issued shares, applies the full scenario rights pool and 37.333m warrants, and produces corrected EPS/BVPS. Group probabilities now use the evidence-bounded 35%/50%/15% calibration with an explicit five-point Bull-to-Base sensitivity. Both RT issues are resolved without altering sealed segment economics or terminal parent-common equity.

The P&C insurer lane is **NOT TRIGGERED — issuer is not a P&C insurer or reinsurer**. OBL's managed-fund and NCI perimeter is nevertheless kept distinct from parent common because gross AUM, portfolio fair value and consolidated fund economics are not shareholder-owned assets.

Omni Bridgeway Limited - Compounder Score

Ticker: OBL.AX / XASX:OBL **Analysis date:** 2026-09-05 **Reporting currency:** AUD **Primary valuation method:** P/B-ROE (PB_ROE) **Valuation horizon:** 2026-06-30 to 2031-06-30, exactly 5.0 years **Governed price:** A$1.555, completed ASX close on 2026-09-04 **Valuation-preflight path:** `C:\Users\Admin\OneDrive\GPT\ER 2.0\Omni Bridgeway\valuation_preflight.json` **Valuation-preflight SHA-256:** `d5891e4f60df011ca98f855b478d8d1ecfc94b65f6dfd4d20997d0d385ea6fa9` **Preflight validation:** `VALUATION_PREFLIGHT_VALID`; all five foundations passed and blocker inventory is empty

1. Executive Verdict

Score-implied classification: Reject. Compounder Score 47/100; Business Quality 40/80; Valuation / 20% Return Underwriting 7/20.

The evidence supports a genuine specialist legal-assets platform, improved fund-raising and cost execution, and a source-bound parent-common-equity model. It does not support a dependable parent-retained ROIIC, sustained cash conversion, a defensible Bear return, or a 20% Base return at the independently selected exit P/B. The scorer therefore gives meaningful runway and moat credit but does not treat managed AUM, third-party capital or fair-value marks as common-shareholder compounding.

The preflight-locked 0.45x/0.85x/1.70x Bear/Base/Bull exit P/Bs produce gross AUD IRRs of **-12.44% / 15.61% / 43.00%**. Probability-weighted terminal wealth is A$3.280987 per share, giving a five-year gross AUD CAGR of **16.11%**. That figure is the CAGR of probability-weighted terminal wealth at the repaired 35%/50%/15% probabilities, not an arithmetic average of scenario IRRs. Using the same P/B-ROE bridge, the specified Singapore-dollar overlay produces net-SGD IRRs of **-14.14% / 15.45% / 43.46%**, with a probability-weighted net-SGD CAGR of **16.00%**.

Base is attractive in absolute terms but still misses the 20% hurdle. At zero distributions, a 20% return requires A$3.869338 of terminal wealth. With modeled Base BVPS of A$3.778981, that means a 1.023910x exit P/B, 53.83% above the comparable current 0.665635x P/B and 20.46% above the independently selected 0.85x Base exit. Alternatively, at 0.85x the equity roll-forward needs A$256.802m more cumulative parent-common net income than the model provides. The maximum entry price for a 20% Base IRR is A$1.290885.

Repair disclosure: the terminal share-stock bridge now opens from 289.642m period-end issued shares, the same stock basis used in the current market capitalization and P/B. It then adds 25%/60%/100% of the full 8.604m year-end rights pool and all 37.333m warrants, producing 329.126m/332.1374m/335.579m terminal shares. The 290.951m FY2026 diluted weighted-average count remains only the historical EPS-flow denominator; it is not a terminal stock opening and no embedded weighted-average rights effect is subtracted. Group probabilities are repaired to 35% Bear/50% Base/15% Bull, increasing the adverse-case weight and reducing the Bull tail.

This score is diagnostic only. It supplies no trade, portfolio, sizing or owner authority.

2. Data Source Map

Need	Governing source	Use and limitation
Price, listing and security units	`quote_packet.json`, SHA-256 `00a77b83eb28c9526854be7104a1e7986cbc6ce50d340c01376d66e30c14670c`	A$1.555 completed close; XASX:OBL; one financial share per listed share
Statutory income and balance sheet	`statutory_bridge.json` and audited FY2026 annual report	Exact FY2026/TTM EBIT, tax, Group profit, parent NI and parent common equity
Historical financials and cash flow	DR-cleared `data_package.md`, SHA-256 `4e522634e5bd297638ca721e000ae14b33f25b2502da7fe76e609e6afeac9f92`	FY2022-FY2026 series; perimeter breaks and vendor classifications explicitly bounded
Segment economics	Reviewed Americas, APAC, EMEA and Corporate appendices	Total Segment Income and issuer-defined segment EBIT; all R gates cleared
Forecast earnings and dilution	`appendix_synthesis.md`, SHA-256 `0211d5653f4b0c90c3c7ea6350d3477d6d20a46cbc649cbcd5ae3f77c31ecfaf`	Repaired terminal share-stock basis, 35%/50%/15% probabilities and zero-residual equity bridges
Management and incentives	`appendix_management.md`	Management YELLOW; cost reset and funding progress offset by cash and dilution gaps
Moat, TAM and competition	`appendix_moat.md` plus official/regulatory sources cited there	Moat YELLOW; completed-case evidence is useful but pricing and cohort evidence are incomplete

Need	Governing source	Use and limitation
Valuation normalization and exits	Validator-cleared `valuation_preflight.json`	Locks PB_ROE, current comparable P/B and 0.45x/0.85x/1.70x exits before returns
SGD overlay	Prior active report's explicitly disclosed FX/cost sensitivity, reapplied to the current AUD wealth bridge	0.9037 SGD/AUD entry FX; 0.8250/0.9037/0.92483 exit FX; 35bp entry/exit costs; zero withholding

The source confidence is **Medium**. Statutory and capital-structure anchors are high-confidence and audited. The economic forecast remains medium-confidence because legal outcomes are lumpy, the accounting perimeter changed, regional guidance is absent, parent cash conversion is weak, and the Singapore-dollar overlay uses a stated scenario sensitivity rather than a forecastable hedge path.

3. Key Financial and Quality Metrics

Industrial-company ROIC, ROIIC, FCF yield and EV/NOPAT are secondary for this balance-sheet-led legal-asset manager. Managed commitments, fund assets, external-investor capital and NCI cannot be placed in a parent-return numerator or denominator. The most decision-useful measures are parent-common book, parent ROE, realized conversion, OBL-only cash after deployments, fee coverage and per-share dilution.

Metric	1-year / FY2026	3-year	5-year	10-year	Assessment
Revenue from contracts	A$96.312m	Not comparable	44.9% FY2022-FY2026 CAGR	Unavailable	Narrow IFRS 15 line; not the model's Total Segment Income scale
Total income	A$182.235m	Perimeter-distorted	19.5% FY2022-FY2026 CAGR	Unavailable	FY2025 Fund 9 spike prevents a clean trend conclusion
Parent net income	A$53.697m	Highly volatile	Negative-to-positive endpoints	Unavailable	Common numerator, but marks and transaction timing matter
Adjusted ROIC	8.38% diagnostic	Not meaningful	Not meaningful	Unavailable	Mixes parent equity with consolidated cash; not used for valuation
ROIIC / acquisition-inclusive ROIIC	Insufficient evidence	Insufficient evidence	Insufficient evidence	Unavailable	Managed and retained capital cannot be reconciled consistently
Reinvestment rate	Insufficient evidence	Insufficient evidence	Insufficient evidence	Unavailable	No stable retained NOPAT and deployment denominator
Consolidated FCF	-A$18.475m	Volatile	Negative in four of five years	Unavailable	FY2026 profit and cash had opposite signs
FCF conversion	Negative	Unreliable	Unreliable	Unavailable	Main business-quality constraint
Diluted shares	290.951m	Rising	2.28% FY2022-FY2026 CAGR	Unavailable	Warrants and performance rights raise terminal dilution further
SBC / total income	1.7%	Not consistently comparable	Unavailable	Unavailable	A$3.097m FY2026 share-based expense; rights treated as dilution
Parent-common BVPS	A$2.336	Perimeter changed	Not comparable	Unavailable	A$676.637m divided by 289.642m issued shares
Parent tangible BVPS	A$1.762	Perimeter changed	Not comparable	Unavailable	Excludes A$166.384m goodwill and litigation intangibles
Parent ROE	8.0%	Volatile	Not comparable	Unavailable	Below a compelling compounder threshold
Fee cost coverage	53%	Improved from 17% in FY2023	History incomplete	Unavailable	FY2028 70% is a target, not achieved evidence
Fair-value conversion	105%	Cohort history incomplete	Unavailable	Unavailable	Constructive FY2026 realized-cohort evidence, not proof for open matters
Current parent-common P/B	0.665635x	n/a	n/a	n/a	Direct price-to-parent-common-book calculation
Simplified current EV	About A$337.1m	n/a	n/a	n/a	A$450.393m issued-share market cap plus debt/leases less consolidated cash; mixed perimeter, not used

Contract revenue CAGR is mathematically positive but economically weak evidence because classifications and fund consolidation changed. Similarly, provider ROIC ranged from negative 3.0% to positive 40.4% over FY2022-FY2026; those figures are classification diagnostics, not a retained shareholder return series. The scorer assigns no ROIIC credit where the denominator cannot be proved.

4. Rubric Scorecard

Category	Score	Maximum	Evidence-based reason
1. Incremental Returns on Capital	5	25	FY2026 operating-return diagnostic is 8.38%; retained ROIIC is unavailable and cash conversion is negative
2. Reinvestment Runway	14	20	Large legal-finance opportunity, 822 completed investments, repeat LP capital and scalable fee ambition; retained conversion remains uncertain
3. Durability of Moat	9	15	Specialist sourcing, data, underwriting, enforcement and capital access; pricing, win-rate and cohort evidence remain incomplete
4. Accounting and Financial Quality	6	10	Statutory bridges tie and parent book is sourced; Level 3 marks, lumpy cash, NCI complexity and dilution cap credit
5. Capital Allocation	6	10	Deleveraging and platform reset help; no parent cash return and large warrant/right overhang remain
Business Quality	**40**	**80**	**Promising specialist franchise, below compounder standard**
6. Price and 20% Underwriting	7	20	Base 15.61%; Bear negative; 20% needs more earnings or further P/B expansion; no distributions
Compounder Score	**47**	**100**	**Reject under the diagnostic rubric**

Category 6 is: 6A **4/6** because Base is between 15% and 20%; 6B **1/4** because the independently justified 0.85x Base exit is above the comparable current 0.665635x P/B and the 20% hurdle needs still more expansion; 6C **0/3** because Bear loses 12.44% annually; 6D **0/3** because the reverse hurdle requires A$256.802m more cumulative parent income or a 1.023910x exit; 6E **2/2** because a sub-book starting valuation does not price flawless execution; and 6F **0/2** because no dividend, buyback or other distribution is modeled.

The score cannot be upgraded by the Bull return. The classification rules require at least 80/100, 65/80 quality, 15/20 valuation, 35/45 ROIIC-plus-runway, Base at least 20%, acceptable Bear protection and no hard vetoes. OBL clears none of those aggregate thresholds except the proposition that today's price does not itself price perfection.

5. ROIIC and Reinvestment Analysis

The evidence does not support a credible three- or five-year OBL-only retained ROIIC. A$5.9bn managed AUM, A$3.836bn total portfolio fair value, A$712.2m new commitments and A$350.5m completion proceeds are platform metrics with substantial third-party ownership. OBL-only portfolio fair value was A$725m and OBL-only cash proceeds were A$47.5m. The ownership gap is too large to substitute gross managed outcomes for parent-return economics.

The limited FY2026 diagnostic starts with A$49.493m statutory EBIT and applies the 4.65% effective tax rate, producing A$47.190m NOPAT. Parent-common equity of A$676.637m plus A$35.395m borrowings and A$9.891m leases less A$158.607m consolidated cash produces A$563.316m of mixed-perimeter capital, hence 8.38% ROIC. It earns only limited credit: consolidated fund cash sits against parent common equity, and a litigation-finance deployment is not equivalent to industrial working capital.

Cash conversion is the binding constraint. FY2026 parent NI was A$53.697m while consolidated CFO was negative A$18.343m and FCF after plant capex was negative A$18.475m. OBL-only realized EBIT/net cash generation of A$22.4m became negative A$15.6m total cash movement after A$28.3m deployments, working capital and non-recurring items. The 105% conversion ratio across 80 completions is constructive contrary evidence, but it tests completed matters rather than the entire marked book.

The forward model therefore compounds parent common equity only. It begins at A$676.637m, excludes A$181.948m NCI, includes scenario parent NI, and separately adds A$35.0m warrant exercise cash plus A$29.462m liability reclassification in FY2030. There are no dividends, repurchases or OCI plugs. Rights change diluted shares but do not create equity. Every scenario has zero unexplained residual.

6. Runway Analysis

The addressable need is credible. Claimants and corporates use legal finance to transfer cost, duration and outcome risk; law firms and insolvency practitioners need capital and enforcement capability; institutions seek differentiated return streams. OBL's 822 fully completed investments, 2.4x life-to-date MOIC and 3.5-year deployment-weighted duration demonstrate operating history. Approximately 66% of active fund capital from repeat investors and the completed US$1bn Funds 4/5 Series II raise support institutional relevance.

The repeatable playbook is incomplete, however. Fees rose 17% to A$35.4m while AUM grew 12% and cash opex fell 20% to A$67.1m, increasing fee coverage to 53%. Management guides FY2027 fees of A$40m-A$45m, cash opex of A$72.5m-A$75m and 70% fee coverage by FY2028. A larger commitment-based fee base can create operating leverage, but the target still leaves legal outcomes and carried interest important. Growth is valuable only if realized parent cash and book per diluted share grow after external waterfalls and deployment needs.

Americas supplies much of the modeled upside but begins from a FY2026 loss. APAC and EMEA have demonstrated stronger outcomes, while Corporate remains a cost center in all scenarios. Regional guidance is absent. These facts justify a real runway score but not a conclusion that reinvestment economics are already proven.

7. Moat Analysis

The moat can be stated in one paragraph. Trusted legal and capital relationships generate complex opportunities; experienced investment teams and a proprietary history of completed matters inform selection, pricing, budgeting and enforcement; institutional capital allows OBL to fund long-duration matters through trial, appeal and collection; realized outcomes reinforce both referral and LP confidence. That loop is difficult to assemble quickly and is strongest in complex EMEA enforcement and cross-border recovery.

It is not an impregnable or purely recurring moat. Case-level funding can be sticky, but clients can rebid the next matter and LPs can decline a successor fund. The company does not disclose win rates, renewal cohorts, explicit pricing increases or new-vintage loss/duration improvements. Fee coverage is only 53%. FY2026 included A$333m of adverse material-litigation-event fair-value effects and A$317m of adverse FX effects. AI may improve document review and first-pass case analysis, but cannot replace capital, privilege protection, accountable investment judgment or multi-jurisdiction enforcement. It may still reduce informational scarcity and benefit well-capitalized competitors.

The Moat gate is YELLOW and the 2046 durability test is YELLOW. That caps score credit. Upgrade would require fee coverage of at least 70% for two years, three-year conversion around or above 100% with no year below 90%, period MOIC above 2.0x, repeat-investor capital above 60%, and positive OBL-only post-deployment cash without rescue issuance.

8. Accounting and Capital Allocation Analysis

Statutory control is better than the economic complexity suggests. The QF and S bridges reconcile contract revenue, segment EBIT, finance cost, tax, Group profit, NCI and parent NI. Management separately reports Group and OBL-only fair value, proceeds, deployments and cash. The FY2026 auditor record reviewed upstream contains no qualification, restatement or material control failure. Those are meaningful positives.

The central accounting risk is the distance between fair value and cash. Total Segment Income includes fair-value movements, completion economics, fees and intersegment amounts. Fund deconsolidations in FY2023-FY2025 changed the perimeter. The company reports Level 3 assets and parent book includes A$104.407m goodwill plus A$61.977m litigation-investment intangibles. The 105% realized conversion helps, but a single good cohort cannot validate every open mark.

Capital allocation improved through Fund 9: A$250m of corporate debt was repaid, external capital now bears more exposure, and parent deployment fell. Yet the financing transferred value through 37.333m warrants at A$0.9375. Together with 8.604m outstanding rights, the maximum simple security count is 335.579m versus 289.642m issued shares. Management has not made a current dividend or material buyback commitment even though the share price is below parent book. Prudence is defensible until cash conversion improves, but it is not evidence of per-share compounding.

The management gate remains YELLOW. FY2026 cost and funding delivery was strong, and the carried-interest plan pays on realized cash. The proposed executive plan adds an ROE hurdle. Counterweights are 8.0% parent ROE, negative cash, a thin board, valuation staff reporting to the CEO and substantial dilution. The score gives credit for repair while withholding owner-operator status.

9. 20% Return Underwriting

Current-to-terminal denominator bridge

Item	Multiple / denominator	Comparable?	Treatment
Native reported FY2026 P/B replay	0.704862x on A$476.936m provider market cap / A$676.637m parent common equity	Historical only	Provider-period numerator; preserved but not used as quote-date cap
Issuer headline total-equity P/B	0.524576x on A$2.96 total BVPS	No	Includes A$181.948m NCI; disclosure only
Normalized current parent-common P/B	0.665635x on A$450.393m quote-date market cap / A$676.637m parent common equity	Yes	Direct quote-date parent-common calculation using 289.642m issued shares
Terminal denominator	Scenario parent common equity / terminal share stock opened from 289.642m issued shares	Yes	Full 2.151m/5.1624m/8.604m scenario rights plus 37.333m warrants; NCI handled once
Raw current P/E	8.4236x on A$1.555 / A$0.1846 diluted EPS	No	Event-heavy FY2026 earnings and negative CFO; identity disclosure only

The preflight locked PB_ROE before this scoring step. P/E is rejected as controlling because Bear terminal EPS is negative while A$585.321m of positive parent common equity survives. EV/NOPAT is rejected because terminal parent-accessible cash, debt, leases, NCI and fund-waterfall senior claims are unavailable. No method is changed between scenarios, probability weighting, reverse-return work or SGD translation.

Exit P/B selection and directional challenges

Case	Locked P/B	Evidence range	Independent rationale
Bear	0.45x	0.35x-0.65x	Continuing losses, book-quality and conversion risk merit a discount; positive surviving book prohibits a zero-equity shortcut
Base	0.85x	0.75x-0.95x	12.56% normalized common ROE supports a residual-income range around 0.78x-0.95x, but YELLOW gates keep value below book
Bull	1.70x	1.61x-1.88x	20.08% normalized common ROE supports the repaired 1.61x-1.88x residual-income range; 1.70x remains an interior point and requires broad cash-backed conversion

Excessive-optimism challenge: passed. Base and Bull multiples sit inside source-bound residual-income ranges and were selected before IRRs or scores. Base rerates from 0.665635x to 0.85x only because modeled ROE improves from about 8% to the low teens; it remains below book for mark, cash and governance risk. Bull requires diversified realized conversion and receives only 15% probability. At the repaired low ends 0.35x/0.75x/1.61x, probability-weighted gross AUD IRR falls to 13.71%, showing that the result is not protected by price alone.

Excessive-bearishness challenge: passed. Bear retains A$585.321m of parent common equity after five years of losses. A 0.45x P/B recognizes impairment and liquidity risk without importing a negative-EPS-times-zero shortcut. At the repaired high ends 0.65x/0.95x/1.88x, probability-weighted gross AUD IRR reaches 19.20%. That spread is disclosed as valuation uncertainty; it is not used to choose the central case.

Parent-common equity roll-forward

Case	Opening parent common equity	Cumulative parent NI	Dividends	Repurchases	Warrant cash issuance	Warrant liability reclass	OCI / other	Terminal parent common equity	Residual
Bear	676.637	-155.778	0.000	0.000	35.000	29.462	0.000	585.321	0.000

Case	Opening parent common equity	Cumulative parent NI	Dividends	Repurchases	Warrant cash issuance	Warrant liability reclass	OCI / other	Terminal parent common equity	Residual
Base	676.637	514.042	0.000	0.000	35.000	29.462	0.000	1,255.141	0.000
Bull	676.637	1,094.479	0.000	0.000	35.000	29.462	0.000	1,835.578	0.000

The A$35.0m exercise cash and A$29.462m liability reclassification are direct common-equity effects counted exactly once. The 37.333m warrant shares enter every scenario in FY2030. The repaired stock bridge adds 2.151m/5.1624m/8.604m rights in Bear/Base/Bull to the 289.642m period-end issued opening stock. It does not subtract the 1.899m weighted-average rights effect used only in the FY2026 historical EPS-flow denominator. NCI is excluded from opening book and is not deducted again at the terminal date. Fund debt, lease liabilities and managed assets remain inside earnings and book; none is added or subtracted after BVPS times P/B.

Security-return summary

Case	Probability	Terminal common equity	Diluted shares	Terminal BVPS	Normalized common ROE	Exit P/B	Terminal wealth	Gross AUD IRR	Net-SGD IRR
Bear	35%	A$585.321m	329.126m	A$1.778410	-3.1487%	0.45x	A$0.800285	**-12.44%**	**-14.14%**
Base	50%	A$1,255.141m	332.1374m	A$3.778981	12.5574%	0.85x	A$3.212134	**15.61%**	**15.45%**
Bull	15%	A$1,835.578m	335.579m	A$5.469883	20.0769%	1.70x	A$9.298802	**43.00%**	**43.46%**
Probability weighted	100%	n/m	n/m	n/m	n/m	n/m	A$3.280987	**16.11%**	**16.00%**

The tables below show gross local-currency underwriting. Net-SGD adjustments use the identical terminal common equity, diluted shares and P/B method; only FX and costs are applied after the AUD wealth bridge. Insurer-specific retained-investment rows are not applicable because OBL is a legal-assets manager, not a P&C insurer.

Bear-case operating and return bridge

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer; managed investments are not parent common equity
Retained net investment income	Not applicable	Not applicable	Not applicable	Non-insurer; no managed-NII bridge is used
Parent-owned operating income excluding fees	Not separately available	-A$14.725m total statutory OI	n/m	Fee income is embedded in segment economics and cannot be split without invention
Fee income counted once	A$35.4m disclosed	Included once in parent NI	Pass	No separate fee-platform value is added after book value
Normalized common net income	A$53.697m	-A$18.725m	n/m	Five-year adverse completion and Corporate-cost path
Beginning common equity	A$676.637m	A$676.637m	-	Parent attributable; A$181.948m NCI excluded
Cumulative common net income	-	-A$155.778m	cumulative	Exact FY2027-FY2031 annual parent NI rows
Common dividends	-	A$0.000m	cumulative	No source-bound payout modeled
Common-share repurchases net of issuance	-	A$0 repurchases / A$35.000m issuance	cumulative	Warrant exercise cash adds equity; no buyback retirement
OCI and other common-equity movements	-	A$29.462m	cumulative	Warrant-liability reclassification once; OCI zero
Terminal common equity	A$676.637m	A$585.321m	-A$91.316m	Full zero-residual roll-forward
Diluted common share count	289.642m issued stock	329.126m	2.59%	Full 2.151m Bear rights plus 37.333m warrants; historical weighted-average EPS shares excluded from stock bridge
Book value per common share	A$2.336115	A$1.778410 diluted	-5.32%	Same issued-stock opening basis; terminal uses reconciled diluted stock

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Normalized common ROE	8.0% FY2026	-3.1487%	-11.15pp	Terminal NI over average FY2031 common equity
Valuation	0.665635x P/B	0.45x P/B	-0.215635x	32% discount for persistent losses, marks and cash-conversion risk
P/E cross-check	8.4236x raw / non-comparable	Not meaningful	n/m	Negative terminal EPS does not erase positive book
Share value	A$1.555	A$0.800285	-48.53%	A$1.778410 BVPS times 0.45x
Cumulative distributions	-	A$0.000000	cumulative	Zero-distribution diagnostic
Total ending value	A$1.555	A$0.800285	**-12.44% gross local IRR**	Terminal share value plus zero distributions

Base-case operating and return bridge

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer; managed investments remain outside parent book
Retained net investment income	Not applicable	Not applicable	Not applicable	Non-insurer
Parent-owned operating income excluding fees	Not separately available	A$196.287m total statutory OI	n/m	Reviewed segment EBIT sum; fee income remains embedded once
Fee income counted once	A$35.4m disclosed	Included once in parent NI	Pass	No fee-platform add-on
Normalized common net income	A$53.697m	A$148.302m	22.53%	Event-heavy current result gives way to explicit annual scenario cadence
Beginning common equity	A$676.637m	A$676.637m	-	Parent attributable only
Cumulative common net income	-	A$514.042m	cumulative	Exact FY2027-FY2031 annual parent NI rows
Common dividends	-	A$0.000m	cumulative	Cash conversion does not support a forecast payout
Common-share repurchases net of issuance	-	A$0 repurchases / A$35.000m issuance	cumulative	Warrant exercise cash only; no buyback
OCI and other common-equity movements	-	A$29.462m	cumulative	Warrant liability reclassified once; no OCI plug
Terminal common equity	A$676.637m	A$1,255.141m	+A$578.504m	Full zero-residual roll-forward
Diluted common share count	289.642m issued stock	332.1374m	2.78%	Full 5.1624m Base rights plus 37.333m warrants; same stock opening as current P/B
Book value per common share	A$2.336115	A$3.778981 diluted	10.10%	Parent-common claim and terminal stock bases reconcile explicitly
Normalized common ROE	8.0% FY2026	12.5574%	+4.56pp	Terminal NI over average FY2031 common equity
Valuation	0.665635x P/B	0.85x P/B	+0.184365x	Low-teens ROE supports rerating, but book-quality risk keeps exit below 1x
P/E cross-check	8.4236x raw / non-comparable	7.1939x point-in-time / 6.7689x normalized-ROE	n/m	P/B divided by point return-on-book and normalized ROE identities
Share value	A$1.555	A$3.212134	15.61% CAGR	A$3.778981 BVPS times 0.85x
Cumulative distributions	-	A$0.000000	cumulative	Zero-distribution diagnostic
Total ending value	A$1.555	A$3.212134	**15.61% gross local IRR**	Terminal share value plus zero distributions

Bull-case operating and return bridge

Bull case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer; managed capital remains excluded
Retained net investment income	Not applicable	Not applicable	Not applicable	Non-insurer
Parent-owned operating income excluding fees	Not separately available	A$428.845m total statutory OI	n/m	Concurrent favorable segment outcomes, including embedded fees once
Fee income counted once	A$35.4m disclosed	Included once in parent NI	Pass	No separate fee asset is added
Normalized common net income	A$53.697m	A$334.908m	44.21%	Diversified favorable completion and fee-scale scenario
Beginning common equity	A$676.637m	A$676.637m	-	Parent attributable only
Cumulative common net income	-	A$1,094.479m	cumulative	Exact FY2027-FY2031 annual parent NI rows
Common dividends	-	A$0.000m	cumulative	No unsupported payout even in Bull
Common-share repurchases net of issuance	-	A$0 repurchases / A$35.000m issuance	cumulative	Warrant cash only; no retirement assumption
OCI and other common-equity movements	-	A$29.462m	cumulative	Warrant-liability reclassification once; OCI zero
Terminal common equity	A$676.637m	A$1,835.578m	+A$1,158.941m	Full zero-residual roll-forward
Diluted common share count	289.642m issued stock	335.579m	2.99%	Full 8.604m rights pool plus 37.333m warrants; equals maximum simple stock count
Book value per common share	A$2.336115	A$5.469883 diluted	18.56%	Parent book only; no managed AUM add-on
Normalized common ROE	8.0% FY2026	20.0769%	+12.08pp	Terminal NI over average FY2031 common equity
Valuation	0.665635x P/B	1.70x P/B	+1.034365x	Requires cash-backed high ROE across regions; selected before returns
P/E cross-check	8.4236x raw / non-comparable	9.3174x point-in-time / 8.4674x normalized-ROE	n/m	P/B/ROE identities; not a controlling method
Share value	A$1.555	A$9.298802	43.00% CAGR	A$5.469883 BVPS times 1.70x
Cumulative distributions	-	A$0.000000	cumulative	Zero-distribution diagnostic
Total ending value	A$1.555	A$9.298802	**43.00% gross local IRR**	Terminal share value plus zero distributions

Reverse hurdle and net-SGD overlay

The Base 20% reverse hurdle is method-matched. Required wealth is A$1.555 times 1.20 to the fifth power, or A$3.8693376. At 0.85x P/B, required terminal BVPS is A$4.552162 and required terminal common equity is A$1,511.943m on 332.1374m shares. After the fixed A$64.462m warrant equity credit, required cumulative parent NI is A$770.844m versus modeled A$514.042m. The gap is A$256.802m. Holding book constant instead requires a 1.023910x exit P/B. Neither result is hidden by P/E or EV/NOPAT.

Net-SGD uses entry wealth of S$1.410171887 per share: A$1.555 times 0.9037 SGD/AUD times a 1.0035 entry-cost factor. Terminal wealth equals the repaired AUD P/B wealth times the scenario exit SGD/AUD rate times 0.9965 after exit costs. Bear/Base/Bull terminal SGD wealth is S$0.657924/S$2.892646/S$8.569712. Expected SGD wealth at 35%/50%/15% is S$2.962053. There is no dividend withholding because modeled distributions are zero. The resulting net-SGD IRRs, displayed to exactly two decimals, are **-14.14% / 15.45% / 43.46%**, and probability-weighted net-SGD CAGR is **16.00%**.

10. Hard Veto Checklist

#	Test	Status	Finding
1	ROIIC below cost of capital	Insufficient evidence	Parent-retained ROIIC cannot be calculated; no high-return claim is accepted

#	Test	Status	Finding
2	Artificially tiny invested capital	Watch	Mixed fund/parent perimeter makes conventional ROIC unreliable
3	Persistent external financing	Watch	Funds rely on third-party capital; parent strategy is explicitly capital-light
4	Material dilution without clear value	Watch	Repaired stock basis includes all 37.333m warrants and scenario shares from the full 8.604m rights pool; per-share conversion remains unproven
5	Acquisition discipline	Pass	No acquisition premium or unsupported roll-up economics are modeled
6	Structural cash-conversion lag	**Fail**	FY2026 positive parent profit coexisted with negative consolidated and OBL-only cash
7	Permanent impairment vectors	Watch	Legal timing, adverse rulings, regulation, FX, NCI and fund capital access matter
8	20% requires comparable multiple expansion	**Fail**	Base needs 1.023910x versus 0.665635x comparable current P/B
9	Flawless execution	Watch	Bull needs concurrent regional normalization and strong Corporate cost absorption
10	Moat explainable	Pass	Specialist sourcing, underwriting, enforcement, data and institutional capital access
11	Accounting/governance trust	Watch	Reconciled, but Level 3 marks and valuation reporting line warrant monitoring
12	Balance-sheet wipeout risk	Pass / Watch	Bear retains positive book; long-duration funding and book quality still matter

There is no insurer-return-bridge veto because the issuer is not a P&C insurer or reinsurer. Managed economics are excluded, fee income is counted once, NCI is excluded from parent book, and every common-equity residual is zero.

11. Final Decision

Reject under this diagnostic rubric. The evidence supports a promising specialist business at a discount to current parent book. It does not support the required combination of high retained ROIIC, dependable cash conversion, downside protection and a 20% Base return. Base and probability-weighted gross AUD returns are 15.61% and 16.11%; the corresponding net-SGD returns are 15.45% and 16.00%. Bear loses 14.14% annually net of the SGD overlay. A future upgrade needs positive parent cash after deployments, repeated conversion near or above carrying value, fee coverage advancing toward 70%, low-teens or better parent ROE, and limited net dilution outside the contracted warrants.

Compounder Score note: **47/100.** The repaired issued-stock PB_ROE bridge is fully reconciled, but retained ROIIC is unavailable, Bear loses capital and the 20% reverse hurdle requires materially more earnings or rerating; score-implied classification is Reject.

Business Quality Score note: **40/80.** Completed-case outcomes, institutional capital and improving fees earn credit; weak cash conversion, event-heavy earnings, YELLOW management/moat and dilution cap quality.

20% Return UW Score note: **7/20.** Base gross AUD IRR is 15.61% and probability-weighted IRR is 16.11%; 20% requires 1.023910x exit P/B or A$256.802m more cumulative parent income.

CSA status is **PENDING** and independent red-team return status is **PENDING**. No trade execution, portfolio mutation, sizing, publication, messaging or owner action is authorized by this appendix.

12. Machine-Readable JSON

The companion `compounder_score.json` contains the full-precision valuation-preflight binding, parent-common-equity roll-forward, scenario and probability-weighted AUD and SGD returns, P/B/P-E/ROE diagnostics, reverse hurdle, score caps, hard-veto results and authority controls.

Omni Bridgeway Limited - Independent Scoring Audit

Ticker: OBL.AX **Audit date:** 2026-09-05 **Price anchor:** A$1.555 at 2026-09-04 **Primary valuation method:** P/B-ROE (PB_ROE) **Audit conclusion:** The repaired return model clears independent arithmetic and method checks. The Business Quality score is reduced to 38/80 because a non-meaningful mixed-perimeter ROIC diagnostic and an unproved no-ROIC-collapse runway claim cannot earn points. The Valuation / 20% Return Underwriting score remains 7/20. Audited Compounder Score: **45/100**.

The audit recomputed the SHA-256 of the repaired valuation preflight and confirmed `d5891e4f60df011ca98f855b478d8d1ecfc94b65f6dfd4d20997d0d385ea6fa9`. The repository validator returned `VALUATION_PREFLIGHT_VALID` with `--check-evidence-files`. The repaired CS Markdown hash `3977d9c61c360445e47c098db7e37a96e971f78b4a3f7938e86c93561125095e` and JSON hash `37d4c80bcdce0e40dd0f515ac05d0222b5c9c424fab472294a0e8bd656cf59ca` match the sealed inputs supplied to this audit. CS reproduces the preflight path, hash, PB_ROE method, parent-common denominator, issued-share stock opening, warrant/right/NCI treatments, 0.45x/0.85x/1.70x exits, and 35%/50%/15% probabilities.

1. Original vs Audited Scores

Item	Original	Audited	Notes
Business Quality Score / 80	40/80	**38/80**	Two points removed where evidence does not satisfy the rubric
Valuation / 20% Return UW Score / 20	7/20	**7/20**	Repaired return arithmetic and conservative score treatment reproduce
Total Score / 100	47/100	**45/100**	Still below the 70-point Reject boundary
Classification	Reject	**Reject**	Negative Bear return, weak cash conversion, and hard vetoes remain

The original file reports category totals but no point-by-point quality allocation. I reconstructed the minimum defensible ledger and tested each point. Category 1 falls from 5/25 to 4/25. A$47.190m of NOPAT divided by A$563.316m of mixed-perimeter capital is arithmetically 8.38%, but CS itself says the denominator mixes parent equity with consolidated cash and is not meaningful. Rubric item 1A awards zero when ROIC is not meaningful, so the diagnostic cannot earn the point available for a reliable positive sub-10% ROIC. Limited credit remains for completed-case unit economics and for refusing to treat managed AUM as a parent return.

Category 2 falls from 14/20 to 13/20. The evidence supports market opportunity, operating history, institutional fundraising, fee growth, and some repeatability. It does not establish item 2F, that growth will avoid ROIC collapse, because retained-parent ROIIC and a consistent reinvestment denominator remain unavailable. Categories 3, 4, and 5 stay at 9/15, 6/10, and 6/10. Those scores already discount weak pricing proof, Level 3 marks, negative cash conversion, dilution, and no distributions.

Category 6 remains 7/20. Base gross AUD IRR of 15.61% earns 4/6. The selected 0.85x Base P/B is independently supportable but is 27.70% above the comparable current 0.665635x P/B, so 1/4 is defensible rather than full no-expansion credit. Bear loses 12.44% annually and earns 0/3. The 20% reverse hurdle requires either A$256.802m more cumulative parent-common income or a 1.023910x exit P/B, so 6D earns 0/3. The sub-book entry does not price flawless execution, supporting 2/2 for 6E. No distributions are modeled, leaving 6F at 0/2.

2. Score Reductions and Reasons

This score is reduced because two business-quality points lack rubric-grade evidence. No additional score adjustment arises from the repaired share counts or probabilities: they lower returns but do not move Base outside the 15%-20% bracket, improve Bear into an acceptable range, or change the multiple-expansion and reverse-hurdle failures.

Audited subcategory ledger

Rubric item	Evidence status	Audited points	Audit finding
1A normalized ROIC	Calculation valid, denominator not meaningful	0/5	The 8.38% metric uses a mixed parent/consolidated capital perimeter
1B ROIIC	Missing data	0/8	No three- or five-year parent-retained ROIIC
1C ROIIC trend	Missing data	0/3	No defensible direction without ROIIC

Rubric item	Evidence status	Audited points	Audit finding
1D unit economics	Partly supported	2/3	Completed-case MOIC and conversion help but are gross and issuer-defined
1E cash conversion	Supported negative evidence	0/3	Positive profit coexisted with negative consolidated and OBL-only cash
1F accounting-artifact control	Partly supported	2/3	Parent and managed perimeters are separated; Level 3 marks remain
2A market opportunity	Partly supported	4/5	Broad legal-finance use cases and regions, without an independent TAM
2B reinvestment at scale	Partly supported	3/5	Institutional fundraising is proven; parent-retained returns are not
2C organic growth	Partly supported	3/4	Fee and AUM growth are real but incomplete as parent cash evidence
2D repeatable playbook	Partly supported	1/3	Long history and repeat LPs offset by Americas losses and lumpy outcomes
2E market structure	Supported	2/2	Long-duration claims and institutional demand support continued use
2F growth without ROIC collapse	Unsupported	0/1	No consistent retained-capital denominator exists
3A source of advantage	Supported	3/4	Sourcing, underwriting, enforcement, data, and capital access are evidenced
3B pricing power	Partly supported	1/3	No direct price, churn, or bid-win series exists
3C competitive evidence	Partly supported	2/3	Completion history and repeat investors help; peer-controlled evidence is absent
3D customer stickiness	Partly supported	1/2	Repeat LP capital helps, but claimant renewal cohorts are absent
3E resilience through stress	Partly supported	1/2	Long history offsets volatile marks, FX, and negative cash
3F disruption risk	Partly supported	1/1	AI does not replace capital or enforcement, though it can narrow the data edge
4A clean revenue/earnings	Partly supported	1/2	Statutory ties pass; fair values and deconsolidations distort comparability
4B cash supports earnings	Supported negative evidence	0/2	Multi-year and FY2026 cash conversion are weak
4C SBC and dilution treatment	Supported	2/2	Repaired stock basis captures the complete rights and warrant pools
4D balance-sheet strength	Partly supported	2/2	Corporate debt repayment and positive book support liquidity, subject to fund claims
4E transparent disclosures	Supported	1/1	Group and OBL-only metrics, adverse marks, and targets are separated
4F governance/accounting flags	Supported negative evidence	0/1	CEO reporting line for valuation staff and Level 3 exposure prevent credit
5A rational reinvestment priority	Partly supported	2/2	Fund 9 reduces parent capital intensity, though per-share proof is pending
5B acquisition discipline	Supported	2/2	No acquisition premium or roll-up assumption drives the model
5C buyback discipline	Missing data	0/2	No supported buyback cadence despite discount to book
5D incentive alignment	Partly supported	1/2	Realized-cash carry and proposed ROE hurdles help; contingent pay remains
5E owner mentality	Partly supported	0/1	CEO ownership is modest and cash has not been returned
5F past decisions	Partly supported	1/1	Debt repayment and cost reset are observable positives
6A Base IRR	Supported and recomputed	4/6	Gross AUD Base IRR is 15.61%
6B exit multiple	Supported and recomputed	1/4	0.85x is justified but above comparable current 0.665635x

Rubric item	Evidence status	Audited points	Audit finding
6C Bear return	Supported and recomputed	0/3	Bear gross AUD IRR is -12.44%
6D reverse hurdle	Supported and recomputed	0/3	Required income and multiple expansion are material
6E entry perfection	Supported	2/2	Current sub-book valuation does not assume flawless execution
6F cash returns	Supported absence	0/2	Distributions are zero

No extra reduction is taken merely because Management and Moat are YELLOW. Their weaknesses already constrain the rubric. The Bull return cannot compensate for missing ROIIC or poor downside.

3. Unsupported Claims

The evidence does not support a parent-retained three-year, five-year, or acquisition-inclusive ROIIC. Gross managed AUM of A$5.9bn, total portfolio fair value of A$3.836bn, A$712.2m of commitments, and A$350.5m of completion proceeds include substantial third-party economics. CS correctly refuses to divide those platform outputs by a parent-only capital base.

The evidence also does not support a conclusion that additional growth can occur without ROIC deterioration. A$35.4m of fees and 53% fee coverage show progress, while the FY2028 70% target remains guidance. Without positive OBL-only cash after deployments and a consistent retained investment-capital series, item 2F remains unsupported.

Direct peer parent-common P/B evidence is not supplied. That lowers confidence but no longer creates a range-arithmetic concern: the repaired Bull residual-income range is 1.61x-1.88x, consistent with 20.08% normalized ROE, 13%-14% cost of equity, and 4%-5% growth. The locked 1.70x is an interior point. Base 0.85x also sits inside its independently replayable residual-income range, and Bear 0.45x preserves positive surviving book rather than imposing a zero-equity shortcut.

The most important missing evidence remains a multi-year parent-retained cash-return and invested-capital ledger. Other gaps are a complete forward vehicle-by-vehicle NCI waterfall, cohort-level conversion for unresolved investments, a supported distribution cadence, and a hedge-based SGD cash-flow plan. These gaps justify Medium confidence.

4. Calculation Audit

No material error remains in the repaired return arithmetic. The audit independently reproduced every P/B-ROE shareholder-wealth step.

For Bear, A$585.321m divided by 329.126m shares equals A$1.77841009218354 BVPS. Multiplying by 0.45x gives A$0.800284541482593 terminal wealth. Annualizing against A$1.555 over five years gives **-12.44%** gross AUD IRR. Base produces A$1,255.141m / 332.1374m = A$3.77898122885288 BVPS, A$3.21213404452495 terminal wealth at 0.85x, and **15.61%** IRR. Bull produces A$1,835.578m / 335.579m = A$5.46988339556408 BVPS, A$9.29880177245894 terminal wealth at 1.70x, and **43.00%** IRR.

The repaired 35%/50%/15% probabilities give expected AUD terminal wealth of A$3.28098687765022. Annualizing that wealth produces **16.11%**. The arithmetic average of scenario IRRs is only 9.90%, confirming that CS uses the required CAGR of probability-weighted terminal wealth rather than averaging returns. Relative to the old 30%/50%/20% mix, the revised weights reduce reliance on the high-payoff Bull tail and are directionally conservative.

The net-SGD overlay also reproduces. Entry wealth is A$1.555 x 0.9037 SGD/AUD x 1.0035 = S$1.41017188725. Applying scenario FX and the 0.35% exit cost to identical P/B-ROE terminal wealth yields S$0.657923925109609, S$2.89264571666106, and S$8.56971150527192. The five-year net-SGD IRRs are **-14.14%**, **15.45%**, and **43.46%**. Probability-weighted SGD wealth is S$2.96205295790968 and annualizes to **16.00%**. No distributions or withholding are hidden in the overlay.

The reverse hurdle reproduces. A$1.555 compounded at 20% for five years requires A$3.8693376. At 0.85x P/B this requires A$4.55216188235294 BVPS and A$1,511.94321198381m of terminal common equity on 332.1374m shares. After A$676.637m opening equity, A$35.0m warrant cash, and A$29.462m liability reclassification, required cumulative parent NI is A$770.844211983811m, A$256.802211983811m above Base. Holding Base book fixed requires 1.02391024608888x P/B. Maximum entry for a 20% Base IRR is A$1.29088463080510.

Repaired non-insurer P/B-ROE common-equity audit

OBL is not a P&C insurer or reinsurer, so `insurer_return_bridge.json` is correctly not required. The non-insurer common-equity audit applies and passes.

Opening equity is A$676.637m of parent common, excluding A$181.948m NCI. Cumulative parent NI of negative A$155.778m, A$514.042m, and A$1,094.479m is scenario-specific. Dividends, repurchases, and OCI are zero. A$35.0m of warrant exercise cash and the A$29.462m liability reclassification enter equity once in FY2030. Terminal equity balances are A$585.321m, A$1,255.141m, and A$1,835.578m with zero unexplained residual. No NCI or managed AUM is added at exit, and fund debt and leases are not deducted again after valuing common book.

The repaired dilution bridge now opens from the correct stock measure: 289.642m period-end issued ordinary shares. The 290.951m FY2026 diluted weighted-average count remains solely a historical EPS-flow denominator. It is not used as the terminal stock opening and no embedded weighted-average rights amount is subtracted from the year-end rights pool. Bear adds 25% of 8.604m rights, or 2.151m, plus 37.333m warrants, producing 329.126m shares. Base adds 5.1624m rights and the warrants, producing 332.1374m. Bull adds the full 8.604m rights and warrants, producing 335.579m, exactly the maximum simple count. The issued stock, rights, warrants, strike cash, liability reclassification, and NCI exclusion are each counted once.

Terminal normalized common ROE uses average FY2031 equity. Bear is negative A$18.725m divided by average A$594.6835m, or **-3.15%**. Base is A$148.302m divided by average A$1,180.990m, or **12.56%**. Bull is A$334.908m divided by average A$1,668.124m, or **20.08%**. Base 0.85x P/B implies about 6.77x normalized earnings; Bull 1.70x implies about 8.47x. Bear retains positive book and is valued at 0.45x, so negative EPS is not converted into zero equity.

The exit multiples pass both directional challenges. The optimistic stack remains exposed to simultaneous regional conversion, fee coverage, high ROE, and cash proof; Bull now receives only 15% probability. At the repaired low-end multiples of 0.35x/0.75x/1.61x, probability-weighted gross AUD IRR is 13.71%. The bearish case remains adverse without erasing a solvent platform. At the repaired high-end multiples of 0.65x/0.95x/1.88x, probability-weighted gross AUD IRR is 19.20%. Neither range reaches the 20% hurdle at the central repaired probabilities, strengthening rather than weakening the skeptical conclusion.

5. Missing Data

- Parent-only invested capital, deployment, realization, tax, and cash returns on a consistent three- and five-year perimeter remain unavailable.
- A complete forward NCI and fund-waterfall schedule remains unavailable; the fixed profitable-scenario NCI reserve is a conservative simplification.
- No direct peer parent-common P/B set is source-bound; method-specific residual-income evidence carries the exits.
- No dividend, buyback, or post-deployment parent-cash cadence is supportable.
- The SGD overlay is a scenario sensitivity rather than a hedge-backed owner cash-flow plan.
- The workflow exposes no multi-report audit-session root or run marker. `validate_leaf_audit_sessions.py` requires `--session-root`, `--run-marker`, and `--expected-workers`, so it is not applicable to this single-report leaf audit. No marker was invented.

6. Hard-Veto and Threshold Test Audit

The threshold ledger reproduces. Audited total score is below 80/100; quality is below 65/80; valuation is below 15/20; Category 1 plus runway is 17/45, below 35/45; Base is below 20%; Bear is below the acceptable positive-return band; and hard vetoes remain. The 20% case requires expansion from a comparable normalized current multiple.

Hard-veto test	Audited status	Result
1 ROIIC below cost of capital	Insufficient evidence	Confirmed; no high-return claim accepted
2 artificially small invested capital	Watch	Confirmed; mixed perimeter prevents a clean denominator
3 persistent external financing	Watch	Confirmed; capital-light structure relies on third-party funds
4 dilution without clear value	Watch	Confirmed; repaired bridge includes full rights and warrants

Hard-veto test	Audited status	Result
5 acquisition discipline	Pass	Confirmed; no acquisition premium drives the forecast
6 structural cash-conversion lag	Fail	Confirmed by consolidated and OBL-only cash evidence
7 permanent impairment vectors	Watch	Confirmed for legal outcomes, regulation, FX, NCI, and funding
8 20% requires multiple expansion	Fail	Confirmed by 1.023910x required versus 0.665635x current P/B
9 flawless execution	Watch	Confirmed; Bull needs simultaneous regional and Corporate gains
10 explainable moat	Pass	Confirmed, though evidence supports only a YELLOW moat gate
11 accounting/governance trust	Watch	Confirmed for Level 3 marks and valuation oversight
12 balance-sheet wipeout	Pass / Watch	Confirmed; Bear preserves positive book but quality risk remains

The return audit has no unresolved internal arithmetic or method objection. The earlier share-stock and probability objections are repaired. Publication still requires a fresh downstream red-team pass against these exact sealed outputs.

7. Final 20% Hurdle Pass/Fail

FAIL. Base gross AUD IRR is **15.61%** and Base net-SGD IRR is **15.45%**. Probability-weighted gross AUD and net-SGD returns are **16.11%** and **16.00%**, both below 20%. The hurdle cannot be rescued by averaging IRRs, switching methods, ignoring dilution, or using Bull economics in Base.

8. Dream Business / Dream Investment Classification

Neither. OBL may become a stronger specialist franchise, but parent-retained ROIIC, durable cash conversion, fee self-funding, and per-share allocation are not proved. At A$1.555 the discount to parent book is real, but Base misses the hurdle and Bear destroys value. The single biggest reason the company does not qualify is that gross platform success has not yet become a consistent parent-common cash-and-return record after external ownership and dilution.

9. Stage 7 Scorecard Notes

- Compounder Score note: **45/100.** The repaired P/B-ROE bridge reconciles, but unsupported retained ROIC/ROIIC and a below-hurdle Base case keep the diagnostic classification at Reject.
- Business Quality Score note: **38/80.** Completed-case outcomes and institutional capital are real; mixed-perimeter returns, negative cash conversion, YELLOW gates, and dilution keep quality below compounder standard.
- 20% Return UW Score note: **7/20.** Base gross AUD IRR is 15.61%; a 20% return needs A$256.802m more cumulative parent income or a 1.023910x exit P/B.

10. Auditor JSON

The companion `compounder_score_audit.json` preserves full-precision local and net-SGD returns, repaired share and probability bridges, score changes, preflight and CS hashes, exit-multiple integrity findings, hard-veto results, missing-data controls, and all authority flags set to false. Publication remains subject to the fresh downstream red-team gate.

Omni Bridgeway Limited - Independent Red Team After Repair

Ticker: OBL.AX **Review date:** 2026-09-05 **Primary valuation method:** P/B-ROE **Governed price:** A$1.555 at the completed 2026-09-04 close **Audited score:** 45/100, comprising 38/80 business quality and 7/20 return underwriting; classification **Reject**

This fresh review tests the complete repaired chain rather than relying on the prior red-team conclusion. The sealed synthesis, valuation preflight, Compounder Score, and scoring-audit hashes all match the values supplied for this rerun. The earlier terminal-share and probability-calibration defects have been repaired upstream and carried through VP, CS and CSA. The audited P/B-ROE outputs are preserved: gross AUD IRRs of **-12.4405939465886% / 15.6145926638876% / 43.0010806035185%** for Bear/Base/Bull, probability-weighted gross CAGR of **16.1060418912349%**, and net-SGD results of **-14.14% / 15.45% / 43.46% / 16.00%**. Independent arithmetic below reproduces them.

1. The most fragile assumption

The most fragile operating assumption remains the Americas Base recovery. The analytical portfolio-realization, fair-value and other-income line rises from negative A$3.239m in FY2026 to **A$105.2m in FY2031**, producing A$125m of Total Segment Income and A$77.5m of EBIT at a 62.0% margin. This is not a separately disclosed product, has no regional guidance or maturity ladder, and supplies 84.2% of terminal Americas income. It converts a negative A$27m EBIT segment into the largest driver of Base operating improvement.

The historical path cannot validate a smooth rate. Americas Total Segment Income was A$127m in FY2024, A$203m in the transaction-rich FY2025 year, and A$9m in FY2026. The 69.25% mathematical Base CAGR is therefore a trough artifact. The absolute recovery is more useful, but it still requires multiple legal outcomes to convert near carrying value while the cost base remains controlled. The latest official quarterly evidence is mixed: 4Q26 fair-value conversion was 95%, fees eased to A$8.4m from A$9.0m in 3Q26, and the conditional pipeline fell from A$618.9m to A$407.8m.

If FY2031 Americas Total Segment Income is 20% below Base and the 62% margin is held constant, segment EBIT falls A$15.5m. After the 20% tax assumption, terminal parent earnings decline about A$12.4m and EPS by roughly A$0.037, or 8%. That is larger than the synthesis's narrower 200bp Americas-CAGR sensitivity, which lowers terminal EPS by A$0.010791. The real risk is correlated: delayed completions can reduce income and compress margin simultaneously.

2. Most-likely-to-be-optimistic Stage 5 number

The single Stage 5 number most likely to be revised down is **FY2031 Base parent-common net income of A$148.302m**. It depends on Americas normalization, APAC sustaining A$86m of EBIT at a 74.8% outcome-year margin, EMEA reaching A$58.058m, Corporate containing its loss to A$25.271m, a 20% tax rate, and only A$7.768m of annual NCI attribution. Each input is explicit, but their simultaneous success is not supported by regional guidance or a vehicle-by-vehicle ownership schedule.

The decisive weakness is cash conversion, not arithmetic. FY2026 parent profit of A$53.697m coexisted with negative A$18.343m consolidated CFO and negative A$15.6m OBL-only total cash movement. Stage 5 correctly models no dividends or buybacks and does not infer terminal cash. Nevertheless, accumulating forecast earnings dollar-for-dollar into parent book assumes that future accounting profit remains common equity rather than being consumed by funding obligations, adverse OCI, additional deployments, or outside-ownership complexity. That is a legitimate P/B-ROE base case, but it merits Medium rather than High confidence.

3. Strongest bear case

OBL is still capable of being a volatile legal-asset portfolio that grows gross AUM while failing to compound parent cash per diluted share. A second weak realization cohort in FY2027-FY2028, longer enforcement duration and conversion below carrying value would delay the Americas recovery, interrupt APAC and EMEA harvests, and leave fees unable to cover the inflationary central cost base. The 37.333m warrants and 8.604m rights pool then dilute holders while Level 3 marks and NCI obscure how much group success reaches common equity. The bear becomes the controlling narrative if rolling conversion falls below 90%, FY2027 fees miss A$40m, and OBL-only cash remains negative after deployments for a second year.

4. Cross-examination of management commentary

Management's strategy is coherent, but three forward claims remain promises rather than underwriting facts.

Management statement	Skeptical reading	Earliest contrary evidence
"Continued increase of fee income"	Closed AUM must deploy, retain favorable fee terms and overcome fund waterfalls; capital raised is not common-holder cash.	FY2027 fee income below A$40m, or fee growth with OBL-only cash still negative.
"On track" for 70% cost coverage by FY2028	Coverage is 53% and FY2027 opex is guided to A$72.5m-A$75m with no more material cost savings, so fee growth must do all the work.	FY2027 coverage below 60%, or opex above A$75m without a discrete investment case.
The portfolio is "on track" for positive free cash flow	The outlook depends on completions, lower post-Fund-9 deployments and higher fees; FY2026 profit did not convert to positive cash.	Negative FY2027 OBL-only cash after deployments while unrealized profit remains positive.

The A$45.3m of post-year-end proceeds supports a strong start but is too short and event-dependent to annualize. The A$407.8m conditional term-sheet pipeline is an opportunity set, not contracted revenue. These statements support a Base path only when paired with explicit monitoring rather than treated as achieved economics.

5. Stage 5 tie-out and repaired denominator

The FY2026 anchor is also TTM and ties to the latest audited year. Quarterly regional revenue and EBIT are not disclosed, so the model correctly uses the official portfolio series without inventing geographic rates. That series is not uniformly accelerating: proceeds were A$136.6m, A$91.3m, A$45.1m and A$77.5m through the four quarters, while 4Q conversion slipped to 95%. The 16.43% FY2027 combined-income increase is therefore an explicit recovery judgment rather than a trailing trend.

The parent-common-equity roll-forward remains exact. Opening equity is A$676.637m after excluding A$181.948m NCI. Adding cumulative common income of negative A$155.778m, A$514.042m and A$1,094.479m plus A$35m of warrant exercise cash and A$29.462m of liability reclassification produces terminal common equity of A$585.321m, A$1,255.141m and A$1,835.578m with zero residual. Fees are counted once in earnings. No managed AUM, external portfolio value, debt, lease or terminal cash adjustment is added after the P/B calculation.

The prior denominator defect is now **resolved**. The terminal stock bridge opens from **289.642m period-end issued shares**, the same stock basis used for current market capitalization. It then adds 2.151m, 5.1624m and 8.604m of scenario rights plus 37.333m warrants, yielding **329.126m / 332.1374m / 335.579m**. The 290.951m diluted weighted-average count is retained only for historical EPS. It is no longer used as a point-in-time stock or netted against the year-end rights pool. Current and terminal parent-common denominators are now comparable.

6. Return and probability-weight replay

The repaired security bridge reproduces as follows.

Case	Probability	Terminal equity	Terminal shares	BVPS	Exit P/B	Terminal wealth	Gross AUD IRR
Bear	35%	A$585.321m	329.126m	A$1.778410	0.45x	A$0.800285	-12.44%
Base	50%	A$1,255.141m	332.1374m	A$3.778981	0.85x	A$3.212134	15.61%
Bull	15%	A$1,835.578m	335.579m	A$5.469883	1.70x	A$9.298802	43.00%

The 35%/50%/15% weights produce expected terminal wealth of A$3.28098687765022. Annualizing expected wealth against A$1.555 over five years gives 16.1060418912349%. This is the required CAGR of probability-weighted terminal wealth, not the 9.90% arithmetic average of scenario IRRs.

The prior probability objection is also **resolved**. The earlier 30%/50%/20% distribution understated adverse evidence and allowed Bull to contribute just over half of expected wealth. The new distribution explicitly reflects two YELLOW gates, negative cash conversion, regional non-disclosure and event-heavy marks. It removes five points from Bull and places them in Bear, which is more conservative than merely reallocating them to Base. Bull still contributes 42.5% of expected wealth, an inherent feature of a skewed legal-finance payoff, but the result is clearly disclosed and no longer sits near the 20% hurdle.

A further non-controlling shift of five points from Bull to Base would lower probability-weighted gross IRR from 16.11% to about 13.87%, a 2.24pp sensitivity. That sensitivity is real, but there is no evidence-bound cohort base rate establishing 10% Bull as the correct replacement for 15%. Sensitivity to a disclosed right tail is not itself a model error. More importantly, the decision is unchanged throughout: Base, central probability-weighted returns and the low/high multiple-range weighted returns all remain below 20%.

The net-SGD replay also clears. Entry wealth is A$1.555 multiplied by 0.9037 SGD/AUD and the 1.0035 entry-cost factor, or S$1.41017188725. Applying the scenario FX rates and 0.9965 exit factor to the same P/B-ROE terminal wealth produces S$0.657924, S$2.892646 and S$8.569712. Weighting those terminal values at 35%/50%/15% gives S$2.962052958 and a five-year net-SGD CAGR of 16.0016464%. The displayed figures **-14.14% / 15.45% / 43.46% / 16.00%** are consistent and use no hidden distributions or method switch.

7. Two-sided valuation challenge

Strongest reason the model may still be too optimistic. The Bull case combines A$1.094bn of cumulative parent income, a 20.08% terminal common ROE and a 1.70x P/B despite unproved parent-retained ROIIC and no direct peer parent-common P/B set. Its A$9.299 terminal wealth is almost three times Base. The revised 15% probability appropriately limits its control, but the Bull outcome still requires simultaneous Americas normalization, APAC and EMEA harvests, Corporate cost absorption, strong conversion and stable fund capital.

The direct-peer gap lowers confidence but does not supply a supportable replacement multiple. Bull's corrected residual-income range is **1.61x-1.88x**, using the printed 20.08% ROE, 13%-14% cost of equity and 4%-5% growth assumptions. The selected 1.70x is an interior point. At repaired low-end multiples of 0.35x/0.75x/1.61x, weighted gross IRR is 13.71%; at high ends of 0.65x/0.95x/1.88x, it is 19.20%. Neither reaches 20%. The prior printed-bound discrepancy is gone, and missing peers remain a confidence limitation rather than an invalid denominator, method or terminal bridge.

Strongest reason the model may be too bearish. Bear forces all 37.333m warrants to exercise in FY2030 because they are currently in the money, even though modeled terminal value is A$0.800 per share, below the A$0.9375 strike. If they expire unexercised, the company forgoes A$35m strike cash but avoids 37.333m shares. Allowing the current A$29.462m liability to reverse or reclass through equity gives an illustrative A$550.321m terminal equity over 291.793m shares, A$0.849 of terminal wealth at 0.45x, and about **-11.41%** Bear IRR. That is roughly 1.03pp better than audited and below the 2pp materiality threshold. Full exercise is therefore a deliberately punitive Bear convention, not a hidden source of optimism.

The model is also bearish in assuming zero distributions and repurchases even in Base and Bull. That avoids inventing a payout before cash conversion is demonstrated. Any future dividend or accretive buyback would add owner wealth, but there is no current policy or parent-cash cadence from which to quantify one. This asymmetry is disclosed and appropriately conservative.

8. Score-derived 20% claim and P&C applicability

The audited score correctly **rejects** the 20% claim. Base gross and net-SGD returns are 15.61% and 15.45%; probability-weighted results are 16.11% and 16.00%; Bear is negative. At the Base 0.85x P/B, a 20% return requires A$1,511.943m of terminal equity and A$770.844m of cumulative parent income, A$256.802m above the model. Holding Base book fixed requires a 1.023910x exit P/B. The conclusion cannot be rescued by averaging IRRs, ignoring dilution, changing methods or borrowing Bull economics.

OBL is not a P&C insurer or reinsurer, so `insurer_return_bridge.json` is correctly not required. The economically analogous tests do pass: managed assets are excluded from parent value, fees are counted once, NCI is excluded once, the common-book roll-forward has zero residual, P/B and ROE identities are coherent, and negative Bear EPS does not force common equity to zero.

The original CS narrative retains its pre-audit 47/100 and 40/80 diagnostic totals, while the independent CSA applies the controlling reductions to **45/100 and 38/80**. This is not an arithmetic defect in the audited result, provided the final report uses the audited scores and identifies them as such.

9. Signal that forces an exit

The forced-exit signal remains a **rolling 24-month fair-value conversion below 90% combined with negative OBL-only cash after deployments in FY2027**. Both conditions matter: a single legal loss can be lumpy, and a deployment-heavy year can consume cash without destroying economics. Together, they would show that carrying values are not converting and the capital-light platform cannot self-fund. That invalidates the Base parent-income and book-compounding path and makes the 0.85x Base exit P/B difficult to defend regardless of AUM or pipeline growth.

Supporting kill signals are FY2027 fees below A$40m, cash opex above A$75m without a discrete investment case, or fee coverage below 60%. Any two alongside the primary signal would confirm a structural failure rather than timing noise.

10. Final red-team conclusion

The thesis survives the repaired red-team gate only as a below-hurdle, Medium-confidence watch case. It does not survive as a 20% compounder or a BUY-quality underwriting. That distinction is already captured by the audited Reject score, negative Bear return, 15.61% Base return and 16.11% probability-weighted return.

The earlier material defects are resolved: terminal shares now use the correct period-end stock, full year-end rights are applied without weighted-average netting, probabilities are calibrated more conservatively, and the Bull range is corrected. The warrant-expiry sensitivity is too-bearish but under 2pp; the peer gap lowers confidence without proving a different exit multiple; cash conversion remains a thesis risk and hard veto rather than a return-model defect. No invalid method, denominator, terminal bridge, probability arithmetic, or SGD overlay remains.

Return objection classification: MATERIAL_RESOLVED. Publication clearance is granted for this red-team gate against the exact sealed repaired hashes. No further VP, S, CS or CSA routing is required. The final narrative must preserve the audited 45/100, 38/80 and 7/20 scores, the repaired returns, the Reject classification, Medium confidence, and the cash-conversion exit signal.

Authority controls: trade execution authorized = false; portfolio mutation authorized = false; sizing authorized = false; publication authority remains with the root orchestrator; messaging authorized = false; owner action authorized = false.

Omni Bridgeway Limited — Data Package

Ticker: OBL.AX **Run:** `pulse-cio-20260905T000207+0800` **Information cutoff:** 2026-09-05, Asia/Singapore **Reporting currency and scale:** Australian dollars, A$ millions unless stated otherwise **Fiscal year:** 30 June **Latest completed fiscal year and TTM:** FY2026 ended 2026-06-30; TTM is identical **Exact five-year horizon:** 2031-06-30 **Governed close:** A$1.555 on 2026-09-04; quote expires 2026-09-07T14:11:00+08:00 **Sealed statutory bridge:** `eb56b6ad1729bcbfae2200ccab33b9c6c368b008f4c0ab0f1f2c502c70c8afcb`

This package refreshes the prior 1H26/3Q26 package through the audited FY2026 result released on 27 August 2026. The controlling sources are the [FY2026 Annual Report](https://omnibridgeway.com/docs/default-source/investors/reports/obl_asx-release_20260827_26_fy26-appendix-4e-and-annual-report.pdf?sfvrsn=b9af4dd9_5), [FY2026 results presentation](https://omnibridgeway.com/docs/default-source/investors/investor-presentations/obl_asx-release_20260827_27_fy26-full-year-results---investor-presentation.pdf?sfvrsn=5752e149_6), [FY2026 analyst data pack](https://omnibridgeway.com/docs/default-source/investors/asx-announcements/obl_asx-release_20260827_28_analyst-data-pack-at-30-june-2026.pdf?sfvrsn=69ab793a_4), and the four official FY2026 investment-portfolio reports. Live FMP `/stable/` pulls were made again for this stage. No warehouse/cache file supplied a number or quotation.

Fact: the queue price A$1.61 is A$0.055, or 3.54%, above the governed close and is superseded for underwriting. At the governed close, market value on 290.951m FY2026 diluted weighted-average shares is A$452.429m. **Inference:** any otherwise identical return calculation improves at A$1.555 versus A$1.61. **Judgment:** this package supplies inputs but does not itself clear the net-SGD, bear, or future-ADD gates; those remain valuation and CIO decisions.

0a. Industry classification and disclosure inventory

Omni Bridgeway is an Australian-listed alternative asset manager dedicated to legal assets and dispute finance. It reports under Australian Accounting Standards/IFRS. It is not a P&C insurer; Section 0b is therefore not applicable. Ordinary revenue and EBIT do not fully describe the business because managed AUM, portfolio fair value, investment commitments, deployments, completion proceeds, fair-value conversion, fund waterfalls, management fees, carried interest, OBL co-investment, and OBL-only liquidity determine shareholder economics.

FMP's live annual and quarterly product-segmentation endpoints returned the exact empty array `[]`. FMP's FY2026 income statement correctly captures contract revenue, pretax income, parent net income, shares, CFO and capex, but maps statutory `operatingIncome` to A$–14.094m. The audited statutory operating-income/EBIT anchor is A$49.493m. Official issuer evidence therefore controls classifications and industry KPIs.

Current-run source and search inventory

Source family	Live source checked	Coverage	Result and use
Audited annual statements	FY2026 Annual Report and FY2025 comparative	FY2025-FY2026	Statutory income, cash flow, balance sheet, segment Notes 1-2, warrants and shares
Full-year operating materials	FY2026 presentation and analyst data pack	FY2026 plus long-run vintages	AUM, fair value, proceeds, MOIC, conversion, OBL-only economics, outlook and dilution context
Quarterly portfolio reports	1Q26, 2Q26, 3Q26 and 4Q26 reports	Four FY2026 quarters	Completion, pipeline, fees, commitments, liquidity and cash-opex trend
Live FMP statements	Income, balance, cash flow, key metrics and ratios	Eight annual rows	Cross-check; official override where classification differs
Live FMP product data	Annual and quarterly revenue-product-segmentation	All available	Both empty; official Note 2 replacement required
Issuer results page and webcast page	Current FY26 results index	Current	Confirms publication date, source set and webcast availability

Search terms used in the official documents were `AUM`, `funds under management`, `active commitments`, `active deployments`, `new commitments`, `investment proceeds`, `MOIC`, `ROIC`, `IRR`, `fair value conversion`, `portfolio fair value`, `management fees`, `transaction fees`, `performance fees`, `carried interest`, `cost coverage`, `OBL-only`, `cash`, `receivables`, `liquidity`, `segment income`, `EBIT`, `Americas`, `APAC`, `EMEA`, `Corporate`, `Fund 9`, `sidecar`, `waterfall`, `warrant`, `performance rights`, `dilution`, `guidance`, and `outlook`.

Completeness matrix

Dataset / table family	Official source searched	Search terms or table names	Years available	Included?	If incomplete, why	Downstream relevance
Segment economics	FY2026 Annual Report Notes 1-2	Segment, revenue, EBIT, Total Segment Income	FY2024-FY2026 comparable	Yes	Current taxonomy not restated to FY2022	Segment forecasts and synthesis
Legal-asset KPIs	FY2022-FY2026 results decks; FY26 analyst pack	AUM, commitments, deployments, proceeds, MOIC, conversion	FY2022-FY2026, definition breaks marked	Yes	Fair-value framework starts in FY2024	Moat, earnings durability, cash conversion
Managed-versus-owned economics	FY26 presentation and analyst pack	OBL-only, co-investment, carry, fund terms, cash	FY2025-FY2026 clean	Yes	Investment-level OBL attribution is proprietary	P/B-ROE and value attribution
Capital and balance sheet	FY26 Annual Report Notes 9, 18-21, 26, 29, 31	Equity, shares, options, warrants, debt, NCI	FY2025-FY2026 exact; FMP longer history	Yes	Parent and NCI must remain separate	Dilution, BVPS and capital return
Recent trend	Four FY26 portfolio reports	Proceeds, fees, MOIC, pipeline, commitments	1Q26-4Q26	Yes	Statutory geographic results are half-yearly	Recency and catalysts

Material industry-KPI history

KPI family	FY2022	FY2023	FY2024	FY2025	FY2026 / latest	Source and comparability
FUM/AUM, A$bn	about 3.0 FUM	about 2.5 FUM	4.5 AUM	5.2 AUM	5.9 AUM	Official presentations; FUM/AUM definition and perimeter changed
Active commitments, A$bn	1.3	1.5	1.8	2.0	2.4	FY26 presentation, p.12; rounded
Active deployments, A$bn	0.6	0.7	0.9	1.1	1.2	FY26 presentation, p.12; rounded
New commitments, A$m	463.3	544.2	484.0	517.0	712.2	Official results and portfolio reports; FY26 includes conditional commitments
New fair value added, A$m	n/a	n/a	631.2 as originally reported	525.9	564.4 headline; 610.6 like-for-like	FY24-FY26 presentations; milestone probability adjustment retained
Portfolio fair value, A$bn	n/a	n/a	2.8	3.6	3.836 total; 0.725 OBL-only	FY26 presentation; earlier EPV is not comparable
Completion proceeds excluding fees, A$m	210.4	235.7	186.4	235.5	350.5	FY26 presentation; up 49% year on year
Period MOIC	n/d	n/d	2.7x	2.5x	2.3x	FY26 presentation; methodology notes and period mix matter
Five-year trailing IRR	n/d	n/d	n/d	n/d	40%	Official non-IFRS zero-based methodology; not shareholder IRR
Fair-value conversion	n/a	n/a	118% on 2H24 cohort	103%	105%	Cash proceeds plus related deployment versus last reported fair value
Fee income, A$m	5.7 legacy management-fee basis	16.6	25.4	30.3	35.4	FY26 presentation current series; FY22 is not directly comparable; FY26 up 17%
Cash operating expense, A$m	n/c	97.6	89.7	84.1	67.1	FY26 presentation; down 20%
Fee cost coverage	n/d	17%	28%	36%	53%	FY26 presentation; 70% FY2028 target is not achieved fact
OBL-only accessible liquidity, A$m	n/d	n/d	n/d	146.2	124.5 at 2026-06-30; A$33m settlements mostly received by mid-August	Portfolio report and presentation

Managed-versus-owned economic bridge

Economic line	Managed / consolidated FY2026	OBL-only FY2026	External / timing adjustment	Interpretation
AUM	A$5.9bn	Not a shareholder-owned asset	Most AUM belongs to fund investors	Fee base and opportunity scale, not common equity
Portfolio fair value	A$3.836bn	A$0.725bn	A$3.111bn managed/external attribution	OBL-only fair value is about 18.9% of total
Cash investment proceeds	A$350.5m	A$47.5m co-investment	A$303.0m external and other fund attribution	Do not value all proceeds as shareholder cash
Cash carried interest	Not added to gross proceeds for the ownership bridge	A$6.6m	American-waterfall funds; contingent and lumpy	Combined OBL investment proceeds were A$54.1m
Fee income	A$35.4m	A$35.4m platform line	Third-party capital pays fees; costs borne in platform opex	Count once in OBL-only earnings
Cash opex	Platform A$67.1m	A$67.1m	None	Fee coverage was 53%
OBL-only realised EBIT	n/a	A$22.4m	A$54.1m proceeds + A$35.4m fees – A$67.1m opex	Positive but completion-dependent
OBL-only total EBIT	n/a	A$49.4m	Adds A$27.0m net unrealised income	Matches economic value creation, not cash
OBL-only net cash generation	n/a	A$22.4m	Before A$28.3m deployments, A$1.8m working capital and A$11.5m non-recurring items	Total cash movement was A$–15.6m

Fact: managed AUM and portfolio fair value materially exceed OBL-only exposure. **Inference:** the shift toward sidecars and commitment-based fees can improve operating leverage without proportionate parent capital. **Judgment:** P/B-ROE remains the natural shareholder bridge only if it starts from parent-common equity, counts fee income once, and separately models co-investment value, carry, warrants, and NCI.

1. Reporting structure and taxonomy

The CODM reports four segments: **Americas**, **APAC**, **EMEA**, and **Corporate**. Americas covers the United States, Canada and Latin America; APAC covers Australia, Asia and New Zealand; EMEA covers Europe, the Middle East and Africa; Corporate covers group operations and cross-geographic activity. The Group operates in one industry, legal dispute funding and related services.

FY2026 segment	Contract revenue, A$m	Percent of Group contract revenue	Total Segment Income, A$m	EBIT, A$m	Description
Americas	12.239	12.7%	9	–27	Americas investment management
APAC	8.732	9.1%	83	66	Australia, Asia and New Zealand
EMEA	71.613	74.4%	147	39	Europe, Middle East and Africa
Corporate	3.728	3.9%	2	–29	Group operations and cross-geographic items
Group	96.312	100.0%	241	49 rounded	Audited FY2026 Notes 1-2

The reporting structure is stable versus FY2025, but the accounting perimeter is not comparable across five years. Fund 1 was deconsolidated in May 2023, the Fund 4 IP portfolio in December 2023, and Funds 2/3 plus Funds 4/5 Series I and II in February 2025 through the Fund 9 transaction. Residual interests are now carried through associates or fair-value financial assets. Current segment values are clean from FY2024; FY2022-FY2023 should not be reconstructed into the new taxonomy.

2. Consolidated historicals

`Revenue from contracts` is a narrow IFRS 15 line, while total income captures investment gains and fair-value effects. Parent net income is the numerator relevant to common shareholders. FY2025 and FY2026 official values override FMP where the vendor field label is wrong.

Metric	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Revenue from contracts, A$m	21.867	11.469	71.047	54.986	96.312	Live FMP; FY25-FY26 official Notes 2
Total income, A$m	89.2	116.8	184.593 restated	651.447	182.235	Official annual/results materials

Metric	FY2022	FY2023	FY2024	FY2025	FY2026	Source
EBIT / statutory operating income, A$m	n/c	n/c	10.547 exact	506.639 exact	49.493 exact	FY25-FY26 audited statements; FY2024 exact EBIT is PBT A$9.510m plus finance costs A$1.037m
Operating margin on total income	n/c	n/c	5.7%	77.8%	27.2%	Calculation; perimeter changes limit comparability
Group profit after tax, A$m	6.5	0.9	30.487	416.822	45.929	Official results
Parent net income, A$m	–45.645	–31.659	–87.524	349.797	53.697	Live FMP tied to official FY25-FY26
Diluted EPS, A$	–0.17	–0.11	–0.31	1.2257	0.1846	Official/FMP, parent basis
Diluted weighted shares, m	265.850	275.182	280.933	285.395	290.951	Official/FMP
Plant/equipment capex or FMP capex, A$m	114.143	166.241	0.088	0.044	0.132	Live FMP cash flow; pre-FY24 includes legal-investment deployment
FMP free cash flow, A$m	–188.690	–296.669	–87.963	17.045	–18.475	CFO plus plant/equipment capex under FMP classification
FMP return on invested capital	16.5%	1.5%	–3.0%	40.4%	–1.3%	Live key-metrics; vendor classification diagnostic only

For an explicit FY2026 operating-return diagnostic, statutory EBIT A$49.493m less a 4.65% effective tax rate gives NOPAT A$47.190m. Parent-attributable invested capital defined as parent equity A$676.637m plus borrowings and leases A$45.286m less consolidated cash A$158.607m is A$563.316m. NOPAT divided by this capital is **8.38%**. This is a calculation, not an issuer KPI, and still mixes consolidated cash with a parent-equity denominator; it is secondary to the ownership-aware P/B-ROE model.

Statutory versus cash conversion

FY2026 line	A$m	Perimeter / interpretation
Group profit after tax	45.929	Consolidated statutory
Parent net income	53.697	Common-shareholder attribution before OCI
Consolidated CFO	–18.343	Includes claims-portfolio receipts/payments, fees, suppliers, interest and tax
Consolidated FCF after plant capex	–18.475	CFO less A$0.132m plant/equipment capex
OBL-only realised EBIT / net cash generation	22.4	Non-IFRS management account before deployments and non-recurring cash items
OBL-only investment deployments	–28.3	Parent co-investment cash use
OBL-only total cash movement	–15.6	Includes working capital and non-recurring items

Fair-value and completion economics are not the same as cash. FY2026 total portfolio fair value rose from A$3.559bn to A$3.836bn after A$564m new-commitment value, A$242m deployments, A$–179m fair-value movement on the existing portfolio, and A$–351m completions. Material Litigation Events reduced fair value by A$333m and FX by A$317m, offset by discount unwind and other movements. OBL-only fair value rose from A$669m to A$725m after A$149m new commitments, A$28m deployments, A$–68m fair-value movement and A$–54m completions. The 105% conversion ratio on 80 FY2026 completions is contrary evidence against systematic optimistic marking in this cohort, but one year does not eliminate model risk.

3. Segment historicals

The exact issuer-disclosed segment profit metric is **EBIT**. Total Segment Income includes inter-segment income, fair-value gains and other income; EBIT margins below use that denominator rather than narrow contract revenue. FY2022-FY2023 are not comparable under the current perimeter.

Americas	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Contract revenue, A$m	n/c	n/c	5.785	7.568	12.239	FY25-FY26 Notes 1-2
Total Segment Income, A$m	n/c	n/c	127	203	9	Official segment note
EBIT, A$m	n/c	n/c	20	186	–27	Official segment note
EBIT margin on Total Segment Income	n/c	n/c	15.7%	91.6%	–300.0%	Calculation; volatile fair-value mix

APAC	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Contract revenue, A$m	n/c	n/c	1.112	2.802	8.732	FY25-FY26 Notes 1-2
Total Segment Income, A$m	n/c	n/c	26	495	83	FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1
EBIT, A$m	n/c	n/c	–12	458	66	Official segment note
EBIT margin on Total Segment Income	n/c	n/c	–46.2%	92.5%	79.5%	Calculation

EMEA	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Contract revenue, A$m	n/c	n/c	58.470	38.153	71.613	FY25-FY26 Notes 1-2
Total Segment Income, A$m	n/c	n/c	110	180	147	FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1
EBIT, A$m	n/c	n/c	42	103	39	FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1
EBIT margin on Total Segment Income	n/c	n/c	38.2%	57.2%	26.5%	Calculation

Corporate	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Contract revenue, A$m	n/c	n/c	5.680	6.463	3.728	FY25-FY26 Notes 1-2
Total Segment Income, A$m	n/c	n/c	15	–218	2	FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1
EBIT, A$m	n/c	n/c	–40	–240	–29	FY2025 Annual Report Note 1 FY2024 comparative; FY2026 Annual Report Note 1
EBIT margin on Total Segment Income	n/c	n/c	–266.7%	n/m	–1,450.0%	Calculation; not economically meaningful

FY2026 shifts preserve the prior model's warning that geographic EBIT is dominated by completion and fair-value timing. Americas moved from A$186m EBIT to A$–27m; APAC from A$458m to A$66m; EMEA from A$103m to A$39m; Corporate improved from A$–240m to A$–29m because FY2025 contained the Fund 9 transaction and cross-geographic effects. These are facts, not normalized run rates.

3a. Historical statutory-profit bridge and forecast-driver ledger

The QFR-sealed common segment profit basis is issuer-disclosed **EBIT**. Corporate is an issuer segment, so it remains inside segment profit and is not an analyst-created corporate adjustment. FY2026 and TTM are identical. The A$0.493m difference between the rounded segment table and exact statutory operating income is within the A$1.0m disclosed rounding tolerance and is reconciliation metadata, not an operating adjustment.

Latest completed FY — FY2026

Bridge line	Classification	Value, A$m	Source ID	Running subtotal, A$m
Americas	segment profit	–27.000	fy26_annual	–27.000
APAC	segment profit	66.000	fy26_annual	39.000
EMEA	segment profit	39.000	fy26_annual	78.000
Corporate	segment profit	–29.000	fy26_annual	49.000

Bridge line	Classification	Value, A$m	Source ID	Running subtotal, A$m
Sum of reportable-segment EBIT	segment profit subtotal	49.000	fy26_annual	49.000
Consolidated segment profit metric	subtotal	49.000	fy26_annual	49.000
Statutory operating income / exact EBIT	statutory subtotal	49.493	fy26_annual	49.493
Finance costs	interest / below line	–1.322	fy26_annual	48.171
Profit before tax	statutory subtotal	48.171	fy26_annual	48.171
Income tax expense	tax	–2.242	fy26_annual	45.929
Group profit after tax	statutory subtotal	45.929	fy26_annual	45.929

Sealed arrays for corporate/unallocated adjustments and operating bridge adjustments are empty. Reconciliation residuals are: segment sum 0.000, corporate bridge 0.000, operating-income bridge 0.493, pretax bridge 0.000, and net-income bridge 0.000; tolerance A$1.000m.

TTM ended 2026-06-30 — identical to FY2026

Bridge line	Classification	Value, A$m	Source ID	Running subtotal, A$m
Americas	segment profit	–27.000	fy26_annual	–27.000
APAC	segment profit	66.000	fy26_annual	39.000
EMEA	segment profit	39.000	fy26_annual	78.000
Corporate	segment profit	–29.000	fy26_annual	49.000
Sum of reportable-segment EBIT	segment profit subtotal	49.000	fy26_annual	49.000
Consolidated segment profit metric	subtotal	49.000	fy26_annual	49.000
Statutory operating income / exact EBIT	statutory subtotal	49.493	fy26_annual	49.493
Finance costs	interest / below line	–1.322	fy26_annual	48.171
Profit before tax	statutory subtotal	48.171	fy26_annual	48.171
Income tax expense	tax	–2.242	fy26_annual	45.929
Group profit after tax	statutory subtotal	45.929	fy26_annual	45.929

The TTM sealed residuals and tolerance are exactly the same as FY2026. Parent-attributable net income is A$53.697m after the A$–7.768m NCI result; the sealed statutory endpoint remains Group profit after tax A$45.929m.

Forecast-driver schedule

Historical bridge line	FY value	TTM value	Forecast treatment	Driver and source	Bear / base / bull rule
Americas EBIT	–27.000	–27.000	Independently forecast segment EBIT	Completion timing, portfolio marks, fees and regional mix	Stress adverse MLE/FX and delayed completions / normalize cautiously / allow mature portfolio conversion
APAC EBIT	66.000	66.000	Independently forecast segment EBIT	Portfolio completion and fair-value schedule	Haircut FY26 marks / stable normalized economics / upside only with sourced completions
EMEA EBIT	39.000	39.000	Independently forecast segment EBIT	Claims revenue, Fund 6/8 economics and completions	Stress duration and regulation / normal conversion / stronger harvest
Corporate EBIT	–29.000	–29.000	Independently forecast issuer segment	Cash opex, intersegment charges, FX and corporate items	No plug; use FY27 cash-opex range and explicit non-cash items
Source-table rounding residual	0.493	0.493	Rounding only	Exact EBIT less rounded segment sum	Zero economic forecast after exact consolidated arithmetic
Finance costs	–1.322	–1.322	Debt and lease schedule	Fund 8 non-recourse borrowing, leases and interest	Bear allows higher facility use / base current structure / bull no unsupported zero

Historical bridge line	FY value	TTM value	Forecast treatment	Driver and source	Bear / base / bull rule
Income tax expense	–2.242	–2.242	Effective-tax schedule	Jurisdiction mix, losses and taxable realisations	Apply scenario-specific cash/statutory rate with benefit constraints
NCI attribution	–7.768	–7.768	Ownership schedule below net income	Controlled fund interests and FY26 loss attribution	Do not apply a blanket NCI percentage

STATUTORY_BRIDGE_STATUS: VERIFIED — CLEARED FOR FORECASTING

4. Product and sub-segment historicals

Only two service lines are dollar-disclosed under IFRS 15. Investment types are disclosed as portfolio mix and performance categories, not revenue dollars. No values below are back-solved.

Segment scope	Product / service	What it is	Dollar disclosure?	FY2025 and FY2026 revenue + source
Group	Litigation investments — claims portfolio	Enforcement, collection, monetisation and recovery services	Yes	A$34.533m; A$68.975m; audited Note 2
Group	Management, service and transaction fees	Administration, monitoring and underwriting-related services	Yes	A$20.453m; A$27.337m; audited Note 2
Group	Revenue from contracts	Sum of the two disclosed service lines	Yes	A$54.986m; A$96.312m; audited Note 2
Americas	Management/service/transaction fees plus claims revenue	Regional contract revenue	Yes	A$7.568m; A$12.239m; audited Note 2
APAC	Management/service/transaction fees	Regional contract revenue	Yes	A$2.802m; A$8.732m; audited Note 2
EMEA	Claims revenue plus fees	Regional contract revenue	Yes	A$38.153m; A$71.613m; audited Note 2
Corporate	Management/service/transaction fees	Cross-geographic contract revenue	Yes	A$6.463m; A$3.728m; audited Note 2

Segment / product	Disclosure method	Last disclosed indicator	Dollar revenue history	Source
Arbitration	Portfolio fair-value mix	Disclosed in portfolio construction charts	True non-disclosure	FY26 presentation and analyst pack
Class actions	Portfolio fair-value mix	Disclosed in portfolio construction charts	True non-disclosure	Same
Enforcement	Portfolio fair-value mix and case outcomes	Disclosed, including outcome analytics	True non-disclosure	Same
Group claims	Portfolio fair-value mix	Disclosed	True non-disclosure	Same
Intellectual property	Portfolio fair-value mix	Disclosed	True non-disclosure	Same
Law-firm finance	Portfolio fair-value mix	Disclosed	True non-disclosure	Same
Single-party disputes	Portfolio fair-value mix	Disclosed	True non-disclosure	Same

No consistent product-level YoY-growth-only series is published, so the requested growth-only table has no honest numeric rows. The FMP product endpoints were empty in both annual and quarterly live pulls.

5. Most recent quarterly trend

Omni Bridgeway's FY ends 30 June. The most recently completed fiscal quarter is FY2026 Q4, covering April-June 2026, reported on 2026-07-31 in the [4Q26 Investment Portfolio Report](https://announcements.asx.com.au/asxpdf/20260731/pdf/0727xbqh2lwgkp.pdf), with audited FY2026 results released 2026-08-27.

Statutory regional revenue and EBIT are not quarterly disclosures. The official portfolio series is the closest decision-useful quarterly trend.

The mandated largest-segment quarterly-growth self-check was attempted for EMEA, which supplied 74.4% of FY2026 contract revenue. None of the four official portfolio reports discloses quarterly geographic revenue or YoY growth. This is classified as a true non-disclosure and is not replaced with a fabricated segment rate; the portfolio-wide completion series

below is separately labelled.

Quarter	Cash proceeds, A$m	MOIC	FV conversion	Fee income, A$m	New commitments, A$m	OBL-only liquidity, A$m	Source date
1Q26	136.6	2.3x restated	107% restated	8.6	70.2	150.0	2025-10-31 report; completion metrics restated in 4Q26 report
2Q26	91.3 restated	2.8x restated	106% restated	9.1	148.9 derived from 1H26 less 1Q26	149.1	2026-01-30 report; completion metrics restated in 4Q26 report
3Q26	45.1	2.1x	114%	9.0	172.7	119.6	2026-04-30 official report
4Q26	77.5	2.1x	95%	8.4	343.0	124.5	2026-07-31 official report

The 3Q26 report restated the 1Q26 allocation after an accounting-system and FX-methodology change; the 4Q26 report then updated the final quarterly completion series, including 2Q26. On that final basis, quarterly proceeds sum exactly to full-year A$350.5m. The full-year audited operating facts are 80 completions, 2.3x MOIC, 105% conversion, A$350.5m proceeds, A$35.4m fees, A$712.2m commitments and A$67.1m cash opex.

The pipeline expanded from A$317.8m at 1Q26 to A$618.9m at 3Q26 before easing to A$407.8m at 4Q26. This is contrary evidence to a simple monotonic-growth story: opportunity remains elevated, but exclusive term sheets are conditional, do not equal commitments, and do not create immediate revenue.

6. Management commentary on forward growth

OBL provides group/platform outlook rather than numeric regional guidance. The following are verbatim quotations from the FY2026 results presentation and official 4Q26 report. They apply to Americas, APAC, EMEA and Corporate collectively; no geographic revenue or EBIT targets were disclosed.

Source and speaker	Verbatim quote	Topic	Modeling interpretation
FY26 presentation, 2026-08-27; company management	“Continued increase of fee income, driven by AUM growth and improving fee terms.”	Fees	Supports fee growth but requires conversion of closed capital and active commitments
FY26 presentation, 2026-08-27; company management	“Together with controlled opex, on track for FY28 cost coverage target.”	Operating leverage	A target, not an achieved FY28 result
FY26 presentation, 2026-08-27; company management	“Further capital raising for multiple sidecar arrangements.”	Capital formation	Potentially capital-light growth; closings and terms remain uncertain
FY26 presentation, 2026-08-27; company management	“Managing extensive growth opportunities within parameters of capital-light strategy and cost coverage targets.”	Discipline	Constrains parent co-investment and supports fee-led growth
FY26 presentation, 2026-08-27; company management	“Fee income target for FY27 at A$40 – 45m, supported by AUM growth and improving fee terms.”	FY27 guidance	Base-case fee range should remain inside A$40-45m absent new evidence
FY26 presentation, 2026-08-27; company management	“Cash opex target for FY27 at A$72.5 – 75m, reflecting primarily inflation. No further material cost savings anticipated.”	FY27 cost guidance	Prevents extrapolating FY26 cost cuts indefinitely
FY26 presentation, 2026-08-27; company management	“On track to achieve the target of 70% cost coverage by FY28.”	Margin target	Requires fee growth to outpace the guided opex rebound
FY26 presentation, 2026-08-27; company management	“Supported by the elimination of interest, increasing management fees, decreasing opex, lower deployments following Fund 9, and the increased portfolio maturity and momentum, the portfolio is currently on track to deliver positive free cash flow for the year.”	Cash flow	Directional outlook; not a guarantee of statutory CFO
FY26 presentation, 2026-08-27; company management	“US$1bn capital raising target reached for Funds 4/5 series II, making Omni Bridgeway the positive standout in global legal finance.”	Fundraising	Closed capital expands fee capacity; superlative is management framing
FY26 presentation, 2026-08-27; company management	“Strong start to FY27.”	Completions	Supported by A$45.3m post-year-end proceeds, but too short to annualize

Source and speaker	Verbatim quote	Topic	Modeling interpretation
4Q26 portfolio report, 2026-07-31; company management	“The pipeline remains elevated, with 43 agreed exclusive term sheets representing an estimated A$407.8 million in new commitments if contracted - supporting continued momentum into 1Q27 and beyond.”	Origination	Conditional pipeline must be probability-weighted
4Q26 portfolio report, 2026-07-31; company management	“Favourable market and competitive dynamics continue to support a strong pipeline with appropriate risk adjusted pricing.”	Competition / pricing	Positive for new vintages, not proof of near-term earnings

The clearest missing guidance is geographic: management does not guide Americas, APAC or EMEA revenue, EBIT, deployments, completions or mark movements. Downstream forecasts should use portfolio maturity and sourced regional disclosures, not allocate the double-digit AUM target mechanically. Corporate EBIT must be separated from cash opex because Corporate contains intersegment, FX, fair-value and transaction effects.

7. Capital allocation history

R&D is not a separately disclosed category. FMP's FY2022-FY2023 `capitalExpenditure` includes litigation-investment deployment and is not comparable with FY2024-FY2026 plant/equipment capex. FMP `commonDividendsPaid` before the perimeter change mainly reflects fund-investor/NCI distributions, not ordinary dividends.

Year	FMP capex, A$m	Capex / contract revenue	R&D	Buybacks, A$m	Parent dividends	Fund-investor/NCI distributions, A$m	Source
FY2022	114.143	n/m classification	n/a	0.000	0.000	113.335	Live FMP; legal investments included
FY2023	166.241	n/m classification	n/a	1.660	0.000	93.166	Live FMP; legal investments included
FY2024	0.088	0.1%	n/a	0.000	0.000	128.912	Live FMP / official
FY2025	0.044	0.1%	n/a	0.010	0.000	91.313	Official/FMP
FY2026	0.132	0.1%	n/a	0.000	0.000	11.200	Audited cash flow

FY2026 OBL-only allocation was A$28.3m of investment deployments, down from A$43.8m, while fee income rose and cash opex fell. No ordinary dividend was declared or paid. The board retains discretion between semiannual dividends and buybacks based on cash demand, income source, share price versus intrinsic value and franking credits. This is not a capital-return commitment.

8. Balance sheet, parent book and dilution snapshot

Item	FY2026, A$m	Source / treatment
Consolidated cash and equivalents	158.607	Audited statement; includes controlled-fund cash
OBL-only cash and receivables	124.5	4Q26 portfolio report; accessible operating perimeter
Borrowings	35.395	Fund 8 facility; non-recourse to OBL parent per issuer
Lease liabilities	9.891	Audited statement
Net cash after borrowings and leases	113.321	Calculation on consolidated cash
Financial liability — Fund 9 warrants	29.462	Expected by issuer to extinguish via equity settlement
Goodwill	104.407	Audited statement
Litigation investments — intangible assets	61.977	Audited statement; legal-asset carrying value
Parent-common equity	676.637	Excludes A$181.948m NCI
Total equity	858.585	Includes NCI; not parent-common book value
Parent-common BVPS	A$2.336	A$676.637m / 289.642m issued shares
Parent tangible BVPS	A$1.762	Parent equity less goodwill and litigation intangibles, divided by issued shares

The issuer headline total book value per share of A$2.96 equals total equity including NCI divided by issued shares. It is not the parent-common denominator for P/B-ROE underwriting. At A$1.555, governed price-to-parent-common book is approximately 0.67x; at A$1.61 it would be approximately 0.69x. Parent FY2026 ROE is 8.0%, calculated from A$53.697m

parent NPAT over average parent equity.

Dilution line	Securities, m	Terms / status	Underwriting treatment
Ordinary shares issued at 2026-06-30	289.642	Fully paid	Current base
FY2026 diluted weighted-average shares	290.951	Includes 1.899m dilutive performance rights	Sealed EPS denominator
Fund 9 warrants / options	37.333	Exercise A$0.9375; issued 2025-03-21; expires 2030-02-25	In the money at A$1.555; potential 12.9% dilution versus issued shares
Performance rights outstanding	8.604	Subject to service/performance hurdles	Contingent; potential 3.0% versus issued shares
Maximum simple security count	335.579	Issued + warrants + all rights	Conservative dilution diagnostic, not expected-case shares

Warrant exercise would deliver A$35m cash but increase the share count materially before the 2031 valuation horizon. The annual report values the liability at A$29.462m using a modified Black-Scholes model and expects equity settlement. Any future ADD decision must therefore use a warrant-aware terminal share count and avoid simultaneously subtracting the warrant liability and applying full dilution without a coherent equity-settlement bridge.

9. Recent corporate actions and catalysts

- **2026-07-31 — FY26 portfolio report:** record A$712.2m commitments, A$350.5m proceeds, 2.3x MOIC and 105% conversion; post-year-end A$45.3m proceeds provided an early FY27 catalyst.
- **2026-08-27 — audited FY26 results:** fee income A$35.4m, cash opex A$67.1m, AUM A$5.9bn, cost coverage 53%, parent NPAT A$53.697m and no dividend.
- **2026-08 — Funds 4/5 Series II:** the US$1bn capital-raising target was reached, including US$543.5m added in FY26. This expands fee-paying capacity but also requires deployment.
- **FY2026 — sidecars:** A$72.5m fee-paying sidecar capital was raised; about A$175m additional sidecar capital was in diligence. Unclosed capital is a catalyst, not a fact.
- **Westgem liability:** the last A$28m legacy balance-sheet liability was settled, with FY2026 instalments paid and the final FY2027 instalment reflected in liquidity planning.
- **Capital returns:** no FY2026 dividend or repurchase program was committed. The board retained optionality between dividends and buybacks.
- **Warrants:** 37.333m Fund 9 options remain outstanding at A$0.9375 and expire before the 2031 horizon, making dilution a near-certain scenario consideration when the share price remains above strike.

10. Open data gaps, contrary evidence and source manifest

- **True non-disclosure — pre-FY2024 current segment taxonomy:** FY2026 and FY2025 reports do not restate Americas, APAC, EMEA and Corporate EBIT/revenue to FY2022. Sources searched: FY2026/FY2025 annual reports; terms `segment`, `EBIT`, regional names.
- **True non-disclosure — investment-type dollar revenue:** arbitration, class actions, enforcement, group claims, IP, law-firm and single-party exposures are reported through mix and outcomes, not revenue. Sources searched: FY26 annual, presentation and analyst pack; product names plus `revenue`, `proceeds`, `fair value`.
- **True non-disclosure — geographic guidance:** FY26 presentation and all four FY26 portfolio reports provide Group/platform targets, not segment revenue or EBIT.
- **True non-disclosure — investment-level OBL attribution:** OBL publishes portfolio totals, co-investment percentages and OBL-only aggregates, but not a full investment-by-investment parent ownership schedule.
- **Estimated — FY2022-FY2023 FUM and FY2024 AUM history:** presentation chart values are rounded and definitions/perimeters changed. They are scale indicators, not a clean CAGR series.
- **Estimated — 2Q26 new commitments:** A$148.9m is the difference between 1H26 A$219.1m and 1Q26 A$70.2m; it is labeled derived.

- **Taxonomy flag — fair-value model:** deconsolidations and Fund 9 make FY2025/FY2026 incomparable with legacy cost-accounting periods. Do not extrapolate FY2025 gains.
- **FMP classification flag:** live FY2026 `operatingIncome` A$–14.094m conflicts with audited exact EBIT A$49.493m. Official evidence controls; vendor ratios using the field are secondary only.
- **Contrary evidence — mark sensitivity:** FY26 fair-value conversion was 105%, but existing-portfolio MLE and FX effects were negative A$333m and A$317m respectively. Legal duration, event outcomes and currency remain volatile.
- **Contrary evidence — cash conversion:** positive parent NPAT A$53.697m and OBL-only realised EBIT A$22.4m coexisted with consolidated CFO A$–18.343m and OBL-only total cash movement A$–15.6m.
- **Contrary evidence — cost reset:** FY27 cash opex is guided to rise to A$72.5-75m, with no further material savings anticipated. Fee coverage improvement must come increasingly from revenue.
- **Contrary evidence — pipeline:** 3Q26 pipeline A$618.9m eased to A$407.8m at 4Q26. Both were conditional `if contracted` values.
- **Valuation input — parent book:** issuer A$2.96 total BVPS includes NCI. The P/B-ROE model must use A$676.637m parent equity and about A$2.336 parent BVPS before explicit dilution adjustments.
- **Future-ADD evidence gate — judgment:** a future ADD becomes more credible only if FY27 fees track A$40-45m, cash opex stays within A$72.5-75m, FY28 fee coverage remains on a sourced path to 70%, cash conversion turns positive, parent ROE rises durably, portfolio conversion remains near or above 100%, and warrant-aware net-SGD bear/base returns clear. None is waived by the current discount to book.

Fresh D-stage evidence is archived under `C:\Users\Admin\OneDrive\GPT\ER 2.0\Omni Bridgeway\raw\pulse-cio-20260905T000207+0800`. The D manifest is `source_manifest_d.json`. Nine newly pulled FMP datasets were also copied without overwrite to `C:\Users\Admin\OneDrive\Cowork\Investing\data warehouse\er2-live\pulse-cio-20260905T000207+0800\OBL.AX\D`.

Self-checks completed from live current-run sources: FY2026 contract revenue A$96.312m matched the live FMP annual row and audited Note 2; the FY2026 presentation contained the quoted A$40-45m FY2027 fee target; and the 4Q26 report confirmed A$77.5m quarter proceeds, 2.1x MOIC and 95% conversion. The two sealed foundation hashes were recomputed before use and matched exactly.