

Brisbane Floods Class Action (Wivenhoe) Update on Settlement with State of Queensland and Sunwater

Summary

- **Settlement deed now entered into between the relevant parties in respect of the previously announced settlement with the State of Queensland and Sunwater.**
- **The settlement remains subject to court approval and the hearing is scheduled for 3 and 4 May 2021.**
- **There is no settlement at this stage of the 50 per cent portion of the liability allocated to Seqwater and its appeal is due to be heard from 17 May 2021.**

Omni Bridgeway Limited (**Omni Bridgeway**) refers to its announcement dated 26 February 2021 regarding with the State of Queensland (**State**) and Sunwater for an aggregate amount of A\$440m (**Settlement** and **Settlement Amount**). The parties have now entered into a settlement deed. The Settlement remains subject to court approval.

The Settlement approval hearing before the Supreme Court of New South Wales (**Court**) is on 3 and 4 May 2021.

If the Settlement is approved by the Court, the Settlement Amount, some of which will be paid after a period of time, will be held on trust by the settlement administrator. Omni Bridgeway has a contractual right to recover from the Settlement Amount the project costs, the project management fee, and commission. As at the date of this announcement the project costs paid by Omni Bridgeway and the project management fee total approximately \$30 million, net of the amount of costs and share of project management fee due to the participating funder.

Subject to Court approval of the Settlement and the terms of approval, Omni Bridgeway intends to derecognise 50 per cent of its investment, being the proportion of the liability allocated to the State and Sunwater and recognise initial income of approximately \$30 million thereby generating a profit (after overheads) of approximately \$11 million in respect to the project costs and project management fee, this financial year. There will be further income to be recognised from the Settlement in respect of the commission, a portion of which can be recognised this financial year with the balance to be recognised in future financial periods.

Whilst Omni Bridgeway is entitled to receive a funding commission from the Settlement Amount, the calculation of that total amount requires that the resolution sum of each group member be determined. It is currently proposed that a part of the Settlement Amount will be available to contribute towards an adverse costs order if the final determination in respect of Seqwater is not in our clients' favour, and that a further application will be made to the Court in the future for approval with respect to payment from the Settlement Amount of items including costs incurred, and project management fee accruing, after the approval date.

The remaining 50 per cent of the investment relating to the judgment against Seqwater, remains unsettled and will continue to be carried as an intangible investment at cost pending future resolution. Seqwater's appeal against the judgment is due to be heard in the New South Wales Appeal Court from 17 May 2021.

Authorised by the Disclosure Committee

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