

WESTGEM – JUDGMENT

Summary

- **The Supreme Court of Western Australia has delivered judgment in the Westgem litigation in favour of the defendant and has dismissed the claims of Omni Bridgeway's funded clients.**
- **The investment has a carrying value of approximately \$55 million. Following a detailed review of the judgment, consideration will be given to the level of impairment which may be necessary, if any. This investment is part of Omni Bridgeway's on-balance sheet portfolio.**
- **There is no immediate cash impact of this decision. A determination will be made following further analysis, concerning the level of any adverse cost provision which may be raised. Taking into account insurance and co-funding arrangements, if such a provision is considered necessary, it is currently estimated to be between \$7.5 million and \$10 million.**

Decision

Omni Bridgeway Limited (**Omni Bridgeway**) announces that the Supreme Court of Western Australia has delivered judgment in the Westgem litigation and has dismissed in full all of the claims of Omni Bridgeway's funded clients. This is a highly disappointing result for all of Omni Bridgeway's stakeholders and one that merits a very detailed review of a complex judgment which is reflective of the decade of litigation.

Omni Bridgeway has commenced this review in conjunction with its clients and legal advisers. It is likely, although not yet determined, that the decision will be appealed.

Financial Impact

There is no immediate cash impact of this decision. Omni Bridgeway has some ATE insurance in place and a small amount of co-funding in relation to the Westgem investment. Net of these two contributions, Omni Bridgeway currently estimates that if a provision for adverse costs is considered to be necessary it would be between \$7.5 million and \$10 million.

The Westgem investment has a carrying value of \$55 million and was commenced in 2011. This represents 8.7% of Omni Bridgeway's consolidated litigation investment assets of \$628 million and

7.2% of Omni Bridgeway's consolidated net assets of \$767 million, both at 30 June 2020¹. The carrying value is broken down as follows:

External Costs	Capitalised Internal Costs	Capitalised Borrowing Costs	Total Carrying Value
\$34 million	\$9 million	\$12 million	\$55 million

Following a detailed review of the judgment and assessment of appeal, prospects a decision will be taken with regard to what level of impairment may be necessary, if any, against this carrying value. Any impairment will be a **non-cash item**. As part of this assessment, Omni Bridgeway will also determine what level of provision for adverse costs in relation to the Westgem investment may be necessary.

Any asset impairment booked or adverse cost provision raised will be expensed at the time of creation.

Estimated Portfolio Value Impact

The estimated portfolio value (**EPV**) of the Westgem investment is \$250 million, out of a total EPV of balance sheet investments at 30 June 2020 of \$1.11 billion and a consolidated EPV of all funded investments of \$13.5 billion. As part of the judgment review and consideration of the prospects for appeal, Omni Bridgeway will reassess the EPV of the Westgem investment.

Authorised by the Disclosure Committee

Notes

¹ Omni Bridgeway's consolidated assets include its balance sheet portfolio and all of the investments made by its funds, other than Fund 5. For further detail see Omni Bridgeway's Annual Report at 30 June 2020 <https://omnibridgeway.com/investors/annual-and-quarterly-reports/annual-reports>

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