



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE

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BRISBANE FLOODS CLASS ACTION JUDGMENT

Summary

- **IMF announces that the Supreme Court of New South Wales has found the defendants in the Brisbane Floods class action to be liable in negligence to the group members.**
- **Consistent with the class action regime, issues common to all or a sub-set of the group members, have been determined in the judgment but without an assessment of the amount of damages payable by the defendants to each group member. Such an assessment requires consideration of each group member's respective claims for loss in line with the Court's findings.**
- **The lawyers acting for the group members, Maurice Blackburn, are reviewing the detailed findings in the judgment and will update and advise the group members accordingly in due course.**
- **IMF currently estimates, subject to the outcome of any appeals, that it is likely to recognise income from this investment (including the reimbursement of IMF's share of expended costs, which are currently approximately \$25 million) in the range of \$100 million to \$130 million. The timing of such recognition is uncertain and will be subject to applicable accounting standards. IMF notes that it is not possible at this stage to provide a more precise estimate of future income due to the need for a detailed damages assessment to be conducted for all group members.**

Brisbane Floods Class Action (Wivenhoe Dam)

IMF Bentham Limited (**IMF**) announces that the Supreme Court of New South Wales (**Court**) issued its judgment in the Brisbane Floods class action on Friday, 29 November 2019. The Court found that the claim for negligence, brought by the class representative, against each of the State of Queensland, Queensland Bulk Water Supply Authority trading as Seqwater and Sunwater Limited, was proven.

The case related to the operation of the Wivenhoe and Somerset dams in January 2011 and the severe flooding in the Brisbane region which caused damage and loss to thousands of people and businesses. The claim was brought in 2014 as a class action by a representative claimant on behalf of group members. The trial commenced in December 2017 and took over a year to complete.

Consistent with the class action regime, the Court has determined the issues which are common to all or a sub-set of the group members. The Court's findings therefore provide the basis for the group members to pursue and recover the loss caused to them resulting from the defendants' negligence. The judgment necessarily only determines the specific amount of damages due to the representative but the

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IMF Bentham Limited
ABN 45 067 298 088
GPO Box 5457
Sydney NSW 2001

Freecall 1800 016 464

findings on the common issues will enable Maurice Blackburn, as the lawyers acting on behalf of the group members, to take the next steps to pursue recovery of loss on behalf of all group members.

The case has been funded by IMF throughout as a balance sheet investment, with the benefit of a 50 per cent co-funding as detailed in IMF's announcement dated 25 June 2014. Pursuant to that arrangement, IMF has a right to 57.5 per cent of the funding commission. IMF currently estimates, subject to the outcome of any appeals which may be lodged by one or more defendants, that it is likely to recognise income from this investment (including the reimbursement of IMF's share of expended costs, which are currently approximately \$25 million) in the range of \$100 million to \$130 million. IMF notes that it is not possible at this stage to provide a more precise estimate of future income due to the need for a detailed damages assessment to be conducted for all group members. The timing of such recognition is uncertain and indeed at this juncture, there is no accounting impact of the judgment, with any income recognition subject to the application of applicable accounting standards.

IMF will review the judgment and the estimated portfolio value (**EPV**)¹ ascribed to this investment within IMF's investment portfolio. IMF does not publish the EPV of individual investments but will make any adjustment it considers necessary and reflect this in the aggregate EPV for its on-balance sheet portfolio in its next report.

Andrew Saker, IMF's Chief Executive Officer and Managing Director commented that "*we are delighted with this decision for both the thousands of clients whose lives were devastated by the flooding events in Brisbane in 2011 and for IMF's shareholders*".

IMF background

Following the merger of the IMF and Omni Bridgeway operations in November 2019, the combined group is a global leader in dispute resolution finance, with expertise in civil and common law legal and recovery systems, and operations spanning Asia, Australia, Canada, Europe, the Middle East, the UK and the US. IMF and Omni Bridgeway have built their reputations as trusted providers of funding solutions and together offer end-to-end dispute finance from case inception through to post-judgment enforcement and recovery.

Jeremy Sambrook
Company Secretary

Media/Further information:

Marella Gibson
Chief Marketing Officer – Australia and Asia
IMF Bentham Limited +61 2 8223 3517

Notes:

¹ EPV

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

Long Term Conversion Rate

Past performance is not necessarily an indication of future performance. Past performance indicates that IMF's litigation funding investments have generated average gross income of approximately 15% of the EPV of an investment at the time it is completed