

Judgment – Canadian Investment

Summary

- **Judgment delivered by the Court of Appeal of Alberta in favour of Fund 5, dismissing the appeal of the respondent.**
- **This investment represents the first completion of a Fund 5 investment, generating gross income to Fund 5 in the sum of CAN\$19.4 million.**

Omni Bridgeway Limited (**Omni Bridgeway**) refers to its announcement of 3 April 2020 regarding the purchase by Fund 5 of the benefit of a claim for CAN\$14.5 million with a successful first instance judgment that was subject to an appeal by the respondent.

The Court of Appeal of Alberta on 21 December 2020, dismissed the respondent's appeal and upheld the first instance judgment in the sum of CAN\$19.4 million together with a costs award in Fund 5's favour. The full amount of the first instance judgment sum has been held in escrow. The respondents have until 19 February 2021 to seek leave to appeal from the Supreme Court of Canada.

This is the first completion of a Fund 5 investment and is also notable as the first completion of a claim monetisation/purchase investment. This is a product which Omni Bridgeway has identified as an area for strategic growth for the business.

Fund 5 is entitled to the full amount of the judgment sum and costs award, resulting in the following financial accounting metrics (subject to prevailing foreign exchange rates):

| | Cash Basis (C\$m) | P&L Basis after capitalized overheads (C\$m) |
|------------------------------|-------------------|--|
| Gross income (excluding GST) | 19.4 | 19.4 |
| Profit | 3.1 | 3.0 |
| ROIC | 0.19x | 0.18x |
| IRR% | 21% | 20% |

Fund 5 utilized an insurance policy for this investment such that there was less capital-at-risk, and from a commercial perspective the following metrics reflect the at-risk nature of this investment:

| | Cash Basis (C\$m) | P&L Basis after capitalized overheads (C\$m) |
|------|-------------------|--|
| ROIC | 3.13x | 3.03x |
| IRR% | 374% | 361% |

Authorised by the Disclosure Committee

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