

## GST Reclaim Class Actions

- Full Federal Court overturns aspects of first instance decision in the Belconnen Lakeview class action for the recovery of GST charged on units in a property development in the ACT
- This investment, which forms part of a larger investment in the group's balance sheet portfolio, was partially completed via a settlement which yielded income of \$1.9 million in FY20 to Omni Bridgeway
- The lawyers for the group members are assessing the implication of the appeal judgment and will determine whether to seek leave to appeal to the High Court
- The remaining investment has a carrying value of \$4.8 million and a decision and will be assessed for impairment and consideration given to any necessary provision for adverse costs

Omni Bridgeway Limited (ASX:OBL) (**Omni Bridgeway**) announces the decision of the Full Federal Court of Australia (**Appeal Court**) in an appeal of the first instance decision in a class action, financing claimants seeking to recover goods and services tax (**GST**) paid on purchases of new residential units across multiple developments in the Australian Capital Territory (**ACT**). The litigation has been funded by Omni Bridgeway and the investment forms part of Omni Bridgeway's balance sheet portfolio.

On 20 December 2019, the Federal Court of Australia gave judgment in the two lead cases, relating to the Governor Place and Belconnen Lakeview developments, and made findings of misleading and deceptive conduct against the defendants.

A settlement followed in respect of the class action relating to the Governor Place development. Omni Bridgeway recognised and received income of \$1.9 million from this settlement in FY20 which is not impacted by the Appeal Court decision.

The defendant in the other lead case, the Belconnen Lakeview development, appealed the decision to the Appeal Court. The Appeal Court upheld certain aspects of the first instance decision but overturned other key findings. The result of the Appeal Court's decision is that the defendant has been determined not liable to the applicant in respect of the GST paid on the purchased apartment.

The lawyers for the group members are reviewing the decision and are assessing the prospects of seeking leave to appeal the decision to the High Court of Australia (**High Court**).

At 30 September 2021, the investment had a carrying value of \$4.8 million (including overheads) and an estimated portfolio value (**EPV**) of \$30.5 million. Following a detailed review of the judgment, a decision will be taken regarding the level of impairment which may be necessary, if any, against the carrying value and whether any provision for adverse costs should be made. The cash impact of the decision will be limited to any adverse costs which may ultimately be payable

and any costs which may be incurred in any High Court appeal process. Consideration will be given to the associated EPV and the possible completion period of the investment and any adjustments will be reflected in the quarterly portfolio report at 31 December 2021.

**This announcement is authorised for release to the market by the Disclosure Committee.**

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