

ASX MARKET ANNOUNCEMENT

Monday, 30 April 2018

ASX Codes : KBC; KBCPA

Sale of Totana Solar Plant Assets

The Company is pleased to announce the sale of the Totana Solar Plant assets in Spain to Eliantus Energy for total consideration of A\$8.32 million (€5.2 million), with A\$8 million (€5 million) paid upfront and A\$0.32 million (€0.2 million) payable in 18 months.¹

The initial A\$8 million proceeds of sale has been repatriated to Keybridge (in Australia) as part of the repayment of various loans owed to Keybridge (with a carrying value of A\$6.353 million as at 31 March 2018²) by the corporate entities (originally set up by Keybridge for this purpose) which held the Totana Solar Plant assets. As such, no tax is payable on the sale proceeds.

The Company plans to redeploy the repatriated capital in the normal course of its business, as determined by the Board and the Investment Committee.

Background

In 2007/2008, Keybridge financed the development and construction of the Totana ~1.05MWp Solar Photovoltaic Park in the Murcia region in southern Spain.

The development was part of a plan by Keybridge to develop a portfolio of European energy infrastructure assets, taking advantage of the attractive (at that time) regulatory environment in Spain for such assets. However, soon after the Totana Solar Plant was completed, the Spanish Government changed the regulation applicable to solar plants and because of this, that plan was no longer regarded as feasible and no further energy infrastructure investments were made by Keybridge in Europe.

Whilst the Totana Solar Plant has consistently generated positive cashflows for Keybridge since it was commissioned, the Keybridge Board decided in 2017 that maintaining a single, relatively small solar plant in Europe was not a strategic investment for the Company and so determined to sell the plant. Several interested parties were identified and invited to participate in a competitive bidding process, which was ultimately won by Eliantus Energy.

Contemporaneously with the completion of the sale of Totana and the repayment of the loans, the Company has also consolidated the corporate ownership structure (referred to above). The Totana assets were owned by BIC Europe Limited (**BIC Europe**). BIC Europe was jointly owned by Keybridge and Global Capital Finance LLC (**GCF**). Upon the completion of the Totana transaction, GCF has agreed to exit its position and BIC Europe is now a wholly owned subsidiary of Keybridge.

FOR FURTHER INFORMATION:

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¹ Based on an exchange rate of A\$1.00 : €0.625

² Refer also Keybridge's ASX Announcement dated [13 April 2018: Net Asset Backing – March 2018](#)