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You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional advisers as soon as possible.



TARGET'S STATEMENT

This Target's Statement has been issued in response to the off-market takeover bid made by Aurora Funds Management Limited as responsible entity for Aurora Dividend Income Trust (ADIT) for all the ordinary shares in Keybridge Capital Limited.

Each Director adopts a different approach in relation to his recommendation regarding the ADIT Offer. Shareholders may wish to WAIT AND SEE, ACCEPT or REJECT depending on their perspectives. Please refer to the details in this Target's Statement.

Shareholders should read this Target's Statement in full before deciding whether to WAIT AND SEE, ACCEPT or REJECT in relation to the ADIT Offer.

Information about this Target's Statement

Important information

This document is a Target's Statement dated 25 March 2020 and is issued by Keybridge Capital Limited ACN 088 267 190 (**Keybridge**) under Part 6.5 Division 3 of the Corporations Act. This Target's Statement sets out the Keybridge's formal response to the Offer made by Aurora Funds Management Limited as responsible entity for the Aurora Dividend Income Trust (ARSN 151 947 732) (**ADIT**) under its Bidder's Statement.

ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with ASIC and given to the ASX on 25 March 2020. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account your investment objectives, financial situation or particular needs. It does not contain personal advice. The Directors of Keybridge encourage you to seek independent financial and taxation advice before making a decision whether or not to accept the ADIT Offer.

Forward looking statements

Some statements in this Target's Statement are in the nature of forward-looking statements. You should be aware that these statements are predictions only and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Keybridge as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of Keybridge and its Directors. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

None of Keybridge, any of its officers or any person named in this Target's Statement with their consent or anyone involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Keybridge has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required to do so under Division 4 of Part 6.5 of the Corporations Act to update or correct this Target's Statement (i.e. for certain matters that are material from the point of view of a Shareholder) or under its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

Disclaimer as to information

The information on the ADIT Offer contained in this Target's Statement has been prepared by Keybridge using publicly available information (including information contained in the Bidder's Statement) and has not been independently verified by Keybridge. Accordingly, subject to the Corporations Act, Keybridge does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Privacy

Keybridge has collected your information from the register of Shareholders for the purpose of providing you with this Target's Statement. The type of information Keybridge has collected about you includes your name, contact details and information on details of your shareholding in Keybridge. Your information may be disclosed on a confidential basis to Keybridge's related bodies corporate and external service providers (such as the share registry of Keybridge and print and mail providers) and may be required to be disclosed to regulators such as ASIC and ASX. If you would like to obtain details of the information held about you by Keybridge, please contact Advanced Share Registry Ltd, whose contact details are set out in the Corporate Directory to this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise, or words are defined in section 8 of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No internet site is part of this Target's Statement

Keybridge maintains an internet site (<http://www.keybridge.com.au/>). Information contained in, or otherwise accessible through, this internet site does not form part of this Target's Statement. All references in this Target's Statement to the Keybridge internet site are inactive textual references and are for your information only.

Shareholder information

Keybridge Shareholders should call Nicholas Bolton (Managing Director and CEO) on 0412606899 should they have any queries about the Takeover Offer or this document.

Managing Director's Letter

25 March 2020

Dear Keybridge Shareholder,

TAKEOVER OFFER BY ADIT

ADIT is making an off-market takeover offer for all of the ordinary Shares in Keybridge at 7.0 cents cash per Share (**ADIT Offer**).

The ADIT Offer is due to close on 6 April 2020 unless extended. The ADIT Offer is unconditional.

If you accept the ADIT Offer, ADIT will pay you no later than one month after the date the offer is accepted by you (or if you accepted the offer before 12 March 2020, by 12 April 2020). ADIT claims that it has a relevant interest in 17.5% of Keybridge Shares. The status of the ADIT Offer is subject to some uncertainty having regard to Takeovers Panel proceedings involving it and the status of one of its acceptances.

As at the date of this Target's Statement, Keybridge is subject to a competing takeover offer from WAM Active Ltd (**WAM Active Offer**) at 6.9 cents per share which is due to close on 3 April 2020 unless extended. WAM Active claims that it has a relevant interest in 51.08% of Keybridge Shares. The status of the WAM Active Offer is subject to some uncertainty having regard to Takeovers Panel proceedings involving it.

Keybridge recommends that shareholders keep an eye on announcements made on ASX by the Company, the Takeovers Panel and the bidders.

Each Director adopts a different approach in relation to his recommendation regarding the ADIT Offer. In particular:

Mr Jeremy Kriewaldt's position

Mr Kriewaldt considers that:

- If:
 - you are able to move quickly at the relevant time if you wish to accept the ADIT Offer or the WAM Active Offer; AND
 - you wish to wait until near the close of the ADIT Offer to see what changes take place concerning the ADIT Offer (and the WAM Active Offer), including the outcome of the current Takeovers Panel proceedings, you should wait before making a decision for the reasons set out in the Wait and See Reasons set out below.
- If you wish to adopt a short term approach, you should accept the ADIT Offer on the basis of the Accept Reasons set out below.
- If you adopt a long term approach or if you prefer the WAM Active Offer, you should reject the ADIT Offer on the basis of the Reject Reasons set out below.

Mr Kriewaldt is taking the Wait and See Approach, but presently intends to reject both the ADIT Offer and the WAM Active Offer in respect of Keybridge shares which he holds or controls.

Mr Nicholas Bolton's position

Mr Bolton has a 54.5% purely economic interest in the responsible entity and manager of ADIT, Aurora Funds Management Limited. Mr Bolton has had no involvement in the decision by Aurora Funds Management Limited to cause ADIT to make its offer.

Due to his potential conflict of interest, Mr Bolton does not make a recommendation to Keybridge shareholders in relation to the ADIT Offer.

Mr Bolton intends to reject the ADIT Offer (and the WAM Active Offer) in respect of Keybridge shares which he holds or controls on the basis of the Reject Reasons set out below.

Mr William Johnson's position

Mr Johnson recommends shareholders reject the ADIT Offer. Mr Johnson's reasons include what he asserts to be uncertainty around the funding of the ADIT Offer and because Keybridge has not obtained and provided shareholders with an independent expert report.

Mr Johnson does not hold or control any Keybridge shares.

Mr Johnson has requested certain additional disclosures be included in this Target's Statement that the other Directors did not consider appropriate. Accordingly, they have not been included.

Shareholders may wish to wait and see, accept or reject depending on their perspectives.

FURTHER INFORMATION

I encourage you to read this Target's Statement carefully and if you need any more information, I recommend that you seek professional advice or call Keybridge's CEO, Nicholas Bolton, on 0412 606 899.

I recognise that takeovers can move quickly. As the ADIT Offer and the WAM Active Offer progress and circumstances change Keybridge will update you on any material developments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'N Bolton', with a horizontal line extending to the right.

Nicholas Bolton
Managing Director
Keybridge Capital Limited

KEY DATES

Offer Announcement Date	8 January 2020
Date of Bidder's Statement	7 February 2020
Date of Supplementary Bidder's Statement	5 March 2020
Offer Period commences	6 March 2020
Date of Target's Statement	25 March 2020
WAM Active Offer Period closes	3 April 2020 (unless Offer is extended)
ADIT Offer Period closes	6 April 2020 (unless Offer is extended)

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1 Directors' Recommendation

As set out above in the Managing Director's letter, each Director adopts a different approach in relation to his recommendation regarding the ADIT Offer. Shareholders may wish to wait and see, accept or reject the ADIT Offer depending on their perspectives.

Please see below regarding each of the three alternatives.

A. Wait and See Reasons

Reasons to WAIT AND SEE in relation to the ADIT Offer are:

- 1 Neither ADIT nor WAM Active has declared its offer to be final, each of the offers are subject to some uncertainties having regard to various Takeovers Panel proceedings, and you may wish to wait until towards the end of their respective bids to see which is the superior offer if you are able to move quickly to accept the superior offer if you wish to do so.**

The ADIT Offer is due to close on 6 April 2020 unless extended. The WAM Active is due to close on 3 April 2020 unless extended. Each of ADIT and WAM Active can extend their offer at any time prior to the end of the offer period. Further, neither ADIT nor WAM Active have declared their offer price to be final, so each is able to increase their offer price.

All of the above is subject to various uncertainties associated with various Takeovers Panel proceedings which are considering each of those offers. The outcome of the Takeovers Panel proceedings and the response by each of ADIT and WAM Active to those outcomes may well have a significant bearing on the approach which Keybridge shareholders may wish to take.

Accordingly, Keybridge shareholders may well wish to wait until the position becomes clearer, which should hopefully arise prior to the end of the respective bid periods.

Shareholders are cautioned that, if they adopt a wait and see approach, then they could well have little time available to act when the position becomes clear and may then need to move quickly if they decide to accept either of the ADIT Offer or the WAM Active Offer. It is possible that either or both of those bids might not be extended, and that shareholders will need to not only decide quickly but also act quickly to lodge the necessary acceptance paperwork by the relevant deadline. This will also involve keeping an eye on ASX announcements over the relevant period rather than relying on receipt of updates through other means.

- 2 If you accept either the ADIT Offer or the WAM Active Offer you will generally be unable to accept the other offer if you change your mind even if the other offer is subject to an increase in the offer price.**

Given that both the ADIT Offer and the WAM Active Offer are unconditional, then unless the Takeovers Panel otherwise orders there are generally no withdrawal rights which apply if you accept either offer. This means that, if you accept either the ADIT Offer or the WAM Active Offer, you will generally be unable to change your mind even if the other bidder increases its offer price.

B. Accept Reasons

Reasons to ACCEPT the ADIT Offer are:

- 1 The ADIT Offer is higher at 7.0 cents per share than the WAM Active Offer at 6.9 cents per share**

Judged simply on price, bearing in mind that both offers are full bids, unconditional with an all-cash consideration, if you wish to sell your Keybridge Shares, the ADIT Offer is higher than the WAM Active Offer.

You may be inclined to sell your Keybridge Shares at this time because the competing bids provide a liquid market for disposal and price certainty while the trading suspension on Keybridge Shares limits the ability of shareholders to realise value for their shares by way of on-market trading. There is no certainty that there will be a ready market for your shares after the competing bids such trading will resume. See section 5.2 for information on this suspension.

In addition, the ADIT Offer price is at a premium to the estimated net asset value of Keybridge of 5.3-5.4 cents per share as at 29 February 2020.

The ADIT Offer obliges ADIT to pay for your Keybridge shares accepted into its offer within a defined period of no more than one month from the date of acceptance (or, if earlier, 21 days after the close of the bid) and hence provides you with timing certainty. The ADIT Offer is unconditional. However, the status of the ADIT Offer is subject to some uncertainty having regard to a Takeovers Panel matter involving it.

- 2 The ADIT Offer provides access to cash and provides certainty in a challenging market at a price which exceeds the Net Asset Value at a time where Keybridge shares are suspended from trading.**

As shareholders are aware, the share market generally has been severely affected by COVID-19 issues which has seen a reduction in

trading prices of almost all shares listed on the ASX. The Keybridge shares have been suspended from trading over the past several months, which has insulated Keybridge shareholders from seeing the effects of what would otherwise potentially be a substantial reduction in the trading price of Keybridge shares over this period.

Accordingly, the ADIT Offer provides cash certainty for Keybridge shareholders during a time of uncertainty and at a potential premium to what would otherwise be the trading price

3 Accepting the ADIT Offer avoids the challenges of being what may well be a minority shareholder without being able to obtain a control premium or potentially being able to trade one's shares.

Depending on the outcome of the competing bids, there is a realistic chance that if you remain a Keybridge shareholder without accepting either of the competing bids, then you will be a minority shareholder without being able to obtain a control premium for your shares. In addition, you may be unable to trade those shares on the ASX.

C. Reject Reasons

Reasons to REJECT the ADIT Offer are:

1 You may wish to accept the WAM Active Offer instead of the ADIT Offer despite its lower price because WAM Active has stated that it will process acceptances weekly- although WAM Active is not currently able to process acceptances under the WAM Active Offer having regard to Orders issued by the Takeovers Panel

Depending on the outcome of the Takeovers Panel proceedings and the responses of each of WAM Active and ADIT to those outcomes, you may prefer to accept the WAM Active Offer for your Keybridge shares. Even though the WAM Active Offer is for a lower price, WAM Active is offering payments on a weekly basis subject to the orders given by the Takeovers Panel being lifted, as compared to ADIT which is offering payment within one month.

As disclosed in ADIT's Bidder's Statement, ADIT's ability to fund purchases of Keybridge Shares pursuant to the ADIT Offer depends on the ability of it (and the other parties from who it would borrow funds) to realise holdings of securities held by ADIT and those other parties. In light of the recent stock market movements, Keybridge does not know whether the position set out in the Bidder's Statement has changed and requests that ADIT clarify this position.

2 You may wish to take a long term approach to your shareholding in Keybridge and may not be concerned with the prospect of being a minority shareholder in a company where shares cannot be readily transferred.

You may take the approach that there are particular aspects about holding a Keybridge shareholding which are important and you are not concerned with the prospect of being a minority shareholder with limited opportunity to realise your investment.

You need to recognise that taking this approach involves risk, and you should obtain independent financial advice if you wish to adopt this approach.

3 You may regard there as being potential upside contained in Keybridge's investment portfolio which is not reflected in its net asset backing which you think may be able to be realised in the longer term.

It is important that you recognise that the following potential upside aspects are speculative, as they are dependent on Keybridge management in the future being interested and able to pursue them. In addition, their outcomes are not able to be assured from a Keybridge shareholder perspective. You should note that none of these aspects depends on stock market movements.

a) The Administrator appointed by Keybridge received and did not accept an unconditional cash offer for Keybridge's interest in a Manly property in May 2019 of approximately \$2 million more than Keybridge's book value of this asset.

b) Keybridge is a major shareholder of Molopo Energy Ltd which is pursuing its former directors for a loss as a result of their conduct that caused approximately \$55 million of harm to Molopo. If that claim were to be successful, then Keybridge's look through economic interest would result in a re-rating of its value. Keybridge holds approximately 18.5% of Molopo, with an economic interest in a further small amount of shares presently vested with the ASIC.

c) Keybridge has approximately \$7 million in franking credits and approximately \$47 million in carry forward tax assets¹, as stated in its 2019 Annual Report. These may provide Keybridge with a shield against tax liability and may allow Keybridge to pay fully franked dividends in the future.

¹ Keybridge notes that the ability to carry forward tax losses depends upon matters such as the change of ownership on its register and the continuation of its business to satisfy the same business test under Australian Tax Law. There is, accordingly, uncertainty as to whether the Company would get the benefit of these tax losses in the future.

2 Chronology of Recent Events

Since 31 December 2019, the following events have happened in relation to Keybridge:

On 8 January 2020, Aurora Funds Management Limited (Aurora), in its capacity as the responsible entity for the Aurora Dividend Income Trust (ADIT), announced its intention to make a takeover bid for the Company at 6.6 cents per share.

On 17 January 2020, Mr Cato ceased to be a director of the Company as a direct consequence of his actions in failing to attend any meetings of directors for 3 consecutive months, since 16 October 2019, without requesting any leave of absence during this time. Accordingly, pursuant to clause 8.2(d) of the Company's constitution, Mr Cato automatically vacated office.

Whilst Mr Cato initially accepted the position that he had vacated office due to his absence, thereby relinquishing his role as director, the Company has subsequently received a letter from Mr Cato's lawyers indicating that this position is being challenged. Since that time, Mr Cato voluntarily repaid \$5,000 of his board fees to the Company.

On 21 January 2020, the Company announced that it had received a request from HSBC on behalf of WAM group of shareholders that it wished to withdraw its early redemption request pertaining to 1,835,111 CPRN. On 22 January 2020, the Company announced that it had determined to redeem 2,000,000 of the outstanding early redemption CRPN requests for cash plus accrued interest to date, which reduced the outstanding early redemption CRPN requests to 2,517,153 notes.

On 21 January 2020, the Company resumed its Annual General Meeting (AGM) that had previously been adjourned on 29 November 2019. At the resumed AGM, more than 25% of shareholders voted against remuneration report so the Company received a "second strike" (with the "first strike" being received at the 2018 AGM). As such, the Company will convene a "spill" meeting in due course.

On 17 February 2020, pursuant to a waiver granted by the ASX under Listing Rule 7.9, the Company placed 22,000,000 shares to sophisticated investors at an issue price of 6.9 cents per share, raising \$1.518 million. As previously announced, the Company intends to apply these funds towards the repayment of the outstanding CRPN early redemption request, of which, approximately \$2.5 million currently remains outstanding.

On 18 February 2020, Keybridge received a notice by mail from WAM Active requesting the Company call a meeting under s249D to consider the removal of Mr Bolton as a director of the Company.

On 18 February 2020, WAM Active made an application to the Takeovers Panel seeking orders, amongst other things that include:

- Cancelling the placement referred to above;
- Causing Keybridge to hold the meeting referred to above and the Board "Spill" meeting required

under s250V be held as soon as possible rather than under the timeframe required under the Act;

- Causing ADIT to withdraw its 6.6c takeover for Keybridge unless it validates its funding source; and
- Allow WAM Active to not be required to accept withdrawal of acceptances.

On 24 February 2020, WAM Active advised it had increased its takeover bid consideration from 6.5 cents to 6.9 cents per share, with all conditions being dropped, other than the prescribed occurrences as defined in clause 10.7(c) of the WAM Active Bidder's Statement released on 3 January 2020.

On 2 March 2020, WAM Active announced that its takeover bid for Keybridge was unconditional, that the closing date for its offer was extended to 3 April 2020 unless otherwise extended, and that it intended to pay the offer consideration for acceptances received on a weekly basis.

On 3 March 2020, Aurora Funds Management Limited as responsible entity for ADIT announced it will increase its bid to 7.0 cents per share on condition that Keybridge shareholders are able to withdraw their acceptances in the WAM Active takeover offer.

On 4 March 2020, ADIT issued a Supplementary Bidder's Statement confirming the details of its 3 March 2020 announcement.

On 10 March 2020, ADIT gave notice of dispatch of its Bidder's Statement and Supplementary Bidder's Statement, noting that it is to close on 6 April 2020 unless extended.

On 10 March 2020, WAM Active issued proceedings in the NSW Supreme Court seeking a declaration that its Notice of the Status of Defeating Conditions given to Keybridge on 25 February 2020 was in compliance with section 630(3) of the Corporations Act and was not invalid due to it being given late. The application is currently listed for hearing on 8 April 2020.

On 11 March 2020, the Takeovers Panel announced that it had issued Interim Orders preventing WAM Active from processing any acceptances received under or transfers in relation to its bid for Keybridge.

On 12 March 2020, the Takeovers Panel announced that it had received an application from Keybridge submitting that WAM Active had not properly freed its bid from a defeating condition and that WAM Active was not able to extend its bid without notifying Keybridge shareholders of withdrawal rights and seeking orders entitling Keybridge shareholders to be provided with at least one month's notice of

withdrawal rights in relation to the WAM Active Offer or alternatively that such acceptances should be cancelled.

On 13 March 2020, Aurora Funds Management Limited as responsible entity for ADIT announced that the ADIT Offer was unconditional.

On 13 March 2020, the Takeovers Panel announced it had made interim orders preventing ADIT from processing acceptances or transfers received from Bentley and Scarborough Equities Pty Ltd in relation to the ADIT Offer.

On 16 March 2020, Keybridge issued a Notice of General Meeting for a shareholders meeting to be held on 17 April 2020 for the purposes of considering the re-election of Mr William Johnson as a director, the re-election of Mr Jeremy Kriewaldt as a director, and the removal of Mr Nicholas Bolton as a director. The Chairman stated his intention to vote all undirected proxies in favour of the status quo.

On 17 March 2020, the Takeovers Panel announced it had received an application from Bentley and Scarborough Equities Pty Ltd in relation to the matters the subject of the interim orders and seeking final orders that their acceptances into the ADIT Offer be reversed and cancelled.

On 24 March 2020, Aurora Funds Management Limited as responsible entity for ADIT made an announcement clarifying that its 7.0 cent offer applies regardless of whether or not withdrawal rights are provided to Keybridge shareholders who have accepted the WAM Active Offer.

On 24 March 2020, Keybridge requested a meeting of members be called to remove William Johnson from the Board of Directors of Molopo Energy Limited

If you would like access to further details about any of these events, the announcements relating to these events are readily available via the ASX announcements platform.

3 What do you need to do?

In considering whether to wait and see, accept or reject the ADIT Offer, the Directors encourage you to:

- (a) read the whole of this Target's Statement;
- (b) consider the reasons for the Directors' recommendations set out in this Target's Statement;
- (c) consider the choices available to you outlined below;
- (d) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (e) consider the future prospects of Keybridge.

ADIT's Offer is open until 6 April 2020 unless ADIT extends that time in accordance with the Corporations Act. WAM Active's Offer is open until 3 April 2020 unless WAM Active extends that time in accordance with the Corporations Act.

Furthermore, if in the last week of the Offer Period for either party, that party:

- varies the Offer to improve the Offer Price; or
- increases its voting power in Keybridge to more than 50%,

the Corporations Act automatically extends the Offer Period by two weeks from that date.

If in any doubt, consult your financial, legal, taxation or other professional adviser. Shareholders should also consider the risks associated with the ADIT Offer which are set out in section 6 of this Target's Statement.

4 Frequently Asked Questions

This section answers some frequently asked questions about the ADIT Offer. It is not intended to address all issues relevant to Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer	Further information
What is the ADIT Offer?	ADIT is making an off-market takeover offer for all of the ordinary Shares in Keybridge at 7.0 cents cash per Share.	Section 6
Who is ADIT?	ADIT is an unlisted investment trust.	Section 2 of the Bidder's Statement
If I accept into the ADIT Offer, can I still accept WAM Active's offer?	Generally, no.	Section 6
How many Shares does ADIT hold in Keybridge?	As at 25 March 2020, ADIT has announced that it has a relevant interest in 17.5% of the shares in Keybridge being 32,881,173 shares. However, this position is disputed by Bentley and is the subject of Takeovers Panel proceedings.	Substantial Holder notice lodged on ASX 12 March 2020
What choices do I have as a Shareholder?	As a Shareholder you can: <ul style="list-style-type: none"> • wait and see what happens in relation to each of the ADIT Offer and the WAM Active Offer; • reject the ADIT Offer by doing nothing; • sell your Shares including by accepting a competing bid (such as the WAM Active Offer) (unless you have previously accepted the ADIT Offer); or • accept the ADIT Offer for your Shares by following the instructions on ADIT's acceptance form. 	A summary of the implications for these choices is set out above
What are the Directors of Keybridge recommending?	Each Director adopts a different approach in relation to his recommendation regarding the ADIT Offer. Shareholders may wish to WAIT AND SEE, ACCEPT or REJECT depending on their perspectives. If there is a change to this recommendation or any material developments in relation to the Offer, Keybridge will issue a supplementary Target's Statement.	Refer above
What do the Directors of Keybridge intend to do with their Shares?	Mr Bolton intends to reject both the ADIT Offer and the WAM Active Offer in respect of Keybridge shares which he holds or controls. Mr Johnson does not control any shares in Keybridge.	Managing Director's Letter

Question	Answer	Further information
	Mr Kriewaldt is taking the Wait and See Approach, but presently intends to reject both the ADIT Offer and the WAM Active Offer in respect of Keybridge shares which he holds or controls.	
How do I reject the ADIT Offer?	If you do not wish to accept the ADIT Offer or sell your Shares, you should take no action.	Refer above
What happens if the Offer Price is increased?	If ADIT increases its Offer Price, your Directors will carefully consider the revised offer and issue a supplementary Target's Statement, if they change their recommendation. If you have already accepted the ADIT Offer and ADIT offers additional consideration, then you are entitled to the increased cash value. You will be notified of any changes to the ADIT Offer.	
What are the consequences of accepting the ADIT Offer now?	If you accept the ADIT Offer now for your Shares: <ul style="list-style-type: none"> • you relinquish control of those Shares to ADIT, • you grant ADIT a power of attorney to exercise all voting rights in respect of those Shares from the time you accept the Offer, • you will not be able to sell those Shares into WAM Active Offer or deal with them in any other manner, • you will be unable to accept a superior offer for those Shares from any other bidder if such an offer is made. 	Section 6
What are the risks of not accepting the ADIT Offer?	If you do not accept the ADIT Offer and you do not accept the WAM Active Offer you will be exposed to the risks associated with being a continuing Shareholder in Keybridge. Some of these risks are described in sections 5.9.1 and 5.9.2.	Sections 5.9.1 and 5.9.2.
If I accept the ADIT Offer now, can I withdraw my acceptance?	No, unless the Takeovers Panel otherwise decides.	Section 6
Can I be forced to sell my Shares?	ADIT will be entitled to compulsorily acquire any outstanding Keybridge Shares on the same terms as the ADIT Offer if, during or at the end of the ADIT Offer, ADIT (together with its Associates) has relevant interests in at	Section 6

Question	Answer	Further information
	least 90% (by number) of the Keybridge Shares.	
Can I accept the ADIT Offer in respect of part of my holding?	No. You may accept the ADIT Offer only for all of the Keybridge Shares held by you.	Section 6
When does the ADIT Offer close?	The Offer is presently scheduled to close on 6 April 2020, unless it is extended under the Corporations Act. See section 6 for details of the circumstances in which the Offer Period can be extended.	Section 6
By when do I need to decide?	If you wish to reject the ADIT Offer, you do not need to do anything. If you wish to accept the ADIT Offer, you need to do so before its scheduled closing date. ADIT has indicated that its Offer is scheduled to close on 6 April 2020, but the Offer Period can be extended in certain circumstances. See section 6 for details of the circumstances in which the Offer Period can be extended.	Section 6
When will I be paid the ADIT Offer Consideration if I accept the ADIT Offer?	If you accept the ADIT Offer for your Shares, ADIT has until the earlier of: <ul style="list-style-type: none"> • one month after you have accepted the ADIT Offer; • if the ADIT Offer was conditional when you accepted the ADIT Offer, within one month after the ADIT Offer became unconditional; and • 21 days after the end of the Offer Period, before ensuring that you receive the Offer Consideration. 	See section 6 and the Bidder's Statement
What are the tax implications of accepting the ADIT Offer?	A general outline of the tax implications for certain Australian resident Shareholders of accepting the ADIT Offer is set out in section 7.11 and in the Bidder's Statement. You should not rely on either outline as advice on your own taxation affairs. It does not deal with the position of individual Shareholders. You should therefore seek your own personal, independent financial and taxation advice before making a decision as to whether or not to accept the ADIT Offer for your Shares. If you accept, you may for example be liable for capital gains tax.	Section 7.11 and the Bidder's Statement
What if I have any questions in relation to the ADIT Offer?	Please call Nicholas Bolton (Managing Director and CEO) on 0412606899 if you have any further queries. Alternatively, you should obtain independent advice from your professional adviser, as necessary.	

5 Overview of Keybridge

5.1 Background and operations

Keybridge is an investment company specialising in long-term alternative investment assets focused on value driven strategic shareholdings in listed and unlisted assets.

Keybridge is examining options for generating further returns for its Shareholders including:

- paying appropriate fully franked cash dividends;
- returning a portion of its capital to shareholders; and/or
- investing Keybridge's cash resources to create additional value for all Shareholders from outside the existing asset portfolio.

As regards the ongoing investment strategy, the Board is currently considering investing in classes of assets where the Company has specific expertise, including assets in the financial services, media and IT sectors (typically focused on ASX listed entities). A number of opportunities have already been identified by Keybridge's current management team.

5.2 Suspension and Likelihood of lifting of suspension

Keybridge is currently suspended from trading on ASX. The reasons for this include the disclaimer of opinion associated with the 30 June 2019 accounts. The Company is presently working with ASX to remedy this suspension. It is not within Keybridge's control as to the time ASX removes the suspension.

Depending on the outcome of the battle for control of Keybridge, it might be that Keybridge shares do not resume trading on ASX. If control passes to either of WAM Active or ADIT, it is a matter for them to determine whether they will continue to pursue a lifting of the trading suspension. In particular, WAM Active has indicated that it does not intend to pursue a lifting of the trading suspension.

5.3 Keybridge Directors

Nicholas Bolton

Managing Director and Chief Executive Officer

Over the past 19 years, Nicholas has managed operational investments in the IT sector, invested in and led activist investments in a number of ASX-listed entities, as well as a number of risk arbitrage transactions focused on share class arbitrage, relative value and sum of parts analysis.

Jeremy Kriewaldt

Non-Executive Director

Jeremy Kriewaldt is a lawyer in private practice, specialising in corporate and commercial law, including mergers and acquisitions, capital raisings and foreign investment, financial product development and securities markets. He started his own practice in 2018 and was previously a partner of Atanaskovic Hartnell (2004 - 2018), Blake Dawson Waldron (now Ashurst) (1990-2003) and also served as Counsel to the Takeovers Panel in 2003-2004.

William Johnson
Non-Executive Director

William Johnson holds a Masters degree in engineering science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly-experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.

Mr Simon Cato was previously a director of Keybridge. Mr Cato ceased as a director in January 2020 as he hadn't participated in any Board meetings in the previous 3 months. At the time of his cessation, Mr Cato's legal advisors asserted that his role as a director had not in fact terminated. There has been no further communication from Mr Cato or his legal advisors in the approximate 2-month period since then. Accordingly, Keybridge considers that this possible issue is not in question.

Mr John Patton was previously a director of Keybridge. As a result of his position as the Managing Director of Aurora Funds Management Limited (which is the responsible entity of ADIT), he resigned as a director on 21 January 2020.

As set out in the chronology above, the position of each of the three current Board members is to be considered by shareholders at a shareholders meeting to be held on 17 April 2020.

5.4 Status of Early Redemption of CRPNs

As at the date of this Target Statement, Keybridge has approximately \$2.5 million in outstanding early redemptions for its CRPNs. The Company raised \$1.5 million with a view of reducing this liability. This payment was held up by an application to the Takeovers Panel by WAM Active. The Company has accordingly held this payment and the Board will assess this position in due course.

5.5 Keybridge capital structure and escrow arrangements

As at the date of this Target's Statement, Keybridge has the following securities on issue:

Class of Security	Number on Issue
Fully paid ordinary Shares - quoted on ASX (ASX code: KBC)	179,136,486
Fully paid ordinary shares vested under Executive Share Plan	6,000,000
Fully paid ordinary shares not vested under Executive Share Plan	3,000,000
CRPN	5,602,056

5.6 Financial information

Keybridge notes that the 31 December 2019 accounts are currently the subject of audit review. Keybridge also notes that its auditor included a disclaimer of opinion in relation to the 30 June 2019 audited accounts. Keybridge anticipates that the disclaimer of opinion will revert to a qualification of opinion in its audit reviewed accounts for 31 December 2019. It is expected that the audit review will be completed shortly.

Keybridge notes its Profit and Loss and Balance Sheet for the period ending 31 December 2019 (both subject to incomplete audit review) below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the half year ended 31 December 2019

	31 Dec 19	31 Dec 18
	\$	\$
Revenue		
Fees	-	29,071
Total revenue	-	29,071
Other Income		
Interest revenue	157,046	226,970
Dividend revenue	30,315	1,816
Other income	323	239,044
Total Revenue and Other Income	187,684	467,830
Other gains and losses:		
Net gain /(loss) on financial assets at fair value through profit or loss	(1,333,015)	(946,947)
Impairment expense	(333,417)	(20,141)
Excess of net assets over cost on acquisition	-	242,797
Net gain on derivative liabilities	(400,000)	35,208
Gain on revaluation of foreign currency assets	(211,597)	269,464
Share of Associate entity's profit/(loss)	1,506,778	(270,837)
Expenses		
Personnel expenses	(381,267)	(241,363)
Corporate expenses	(659,240)	(513,410)
Administration expenses	(141,716)	(148,515)
Other expenses	(6,561)	(54,904)
Results from operating activities	(1,772,351)	(1,151,747)
Finance expenses	(275,395)	(154,037)
Loss before Income Tax	(2,047,747)	(1,305,784)
Income tax benefit/(expense)	-	-
Loss after income tax for the half year	(2,047,747)	(1,305,784)
Other Comprehensive Income		
Foreign currency translation reserve	(224)	15,764
Total Comprehensive Income/(Loss) for the half year	(2,047,971)	(1,290,020)
Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the Company	(1.30)	(0.82)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2019

	31 Dec 19 \$	30 Jun 19 \$
Current Assets		
Cash and cash equivalents	3,207,516	1,549,219
Financial assets at fair value through profit or loss	3,764,515	7,056,672
Other assets	5,091,162	5,171,756
Receivables	435,582	377,036
Total Current Assets	12,498,774	14,154,683
Non-Current Assets		
Loans and receivables	4,970,915	5,022,517
Investment in Associate entity	-	1,302,483
Deferred tax asset	142,956	142,579
Total Non-Current Assets	5,113,871	6,467,579
Total Assets	17,612,645	20,622,262
Current Liabilities		
Payables	714,603	1,678,682
Financial liabilities at fair value through profit or loss	7,602,056	-
Total Current Liabilities	8,316,659	1,678,682
Non-Current Liabilities		
Financial liabilities at fair value through profit or loss	-	7,600,000
Deferred tax liability	142,956	142,579
Total Non-Current Liabilities	142,956	7,742,579
Total Liabilities	8,459,615	9,421,261
Net Assets	9,153,030	11,201,001
Equity		
Issued capital	253,577,894	253,577,894
Reserves	1,080,362	1,355,982
Accumulated losses	(245,505,226)	(243,732,875)
Total Equity	9,153,030	11,201,001

5.7 Other Assets

Investment in financial asset at fair value through profit or loss (pending completion or refund)

On or about 28 June 2019, the Company subscribed for \$5 million of units in a Unit Trust (Unit Trust) (which was established by the Company on or about 28 June 2019 with the Company being the sole unit holder/beneficiary).

On 30 June 2019, the Trustee of the Unit Trust, which is a company, completed the acquisition of a 16.67% shareholding in an operating company, in consideration of payment of \$5 million to the vendor of the business operations.

Keybridge considered that the Unit Trust was entitled to receive this 16.67% shareholding as the Unit Trust's \$5 million funds (from the Company's subscription into the Unit Trust) was used by the Trustee to complete the acquisition of the shareholding.

However, the Trustee did not vest the 16.67% shareholding to the Unit Trust. That is, whilst the Trustee is the registered holder of a 16.67% shareholding in the investee company, it has not acknowledged that it holds the same as Trustee of the Unit Trust.

The Trustee has advised that the vesting was dependent on the consent/agreement of the other shareholders of the investee company. If their consent/agreement was not ultimately forthcoming, the Trustee has undertaken to transfer \$5 million cash into the Unit Trust in lieu of the 16.67% equity interest.

The Company is in discussions with the shareholders of the investee company to find a mutually acceptable position vis a vis the Company's investment (via the Unit Trust) in the investee company.

The sole Director of the Trustee has entered into a Deed of Guarantee and Indemnity (dated 31 July 2019) to, amongst other matters, unconditionally and irrevocably guarantee to the Company the due and punctual performance and observance by the Trustee of their obligations to the Company (as the beneficiary of the Unit Trust), including the payment of any monies payable by the Trustee for the repayment of any monies advanced to the Trustee by the Company (including the \$5 million subscription monies).

The Board has ascribed a value (at cost) of \$5 million to the pending transaction as at 31 December 2019.

This matter remains confidential and incomplete.

5.8 Other material information about Keybridge

Keybridge sets out below information which the Directors believe is relevant to Shareholders in making a decision whether to accept the ADIT Offer:

5.8.1 Tax losses

As discussed in section 1, Keybridge has approximately \$47 million in unrecognised tax assets that may be able to offset future tax otherwise payable on income. The availability of tax losses (and therefore their value to Keybridge) depends on Keybridge satisfying certain tests under the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth).

The tax losses are not currently recognised as an asset by Keybridge and the future value of the tax losses will depend (among other factors) on Keybridge's ability to generate future taxable income.

5.8.2 Further information

Keybridge is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Keybridge is obliged to notify ASX of any information about specific matters and events and, in particular, those matters which a

reasonable person would expect to have a material effect on the price or value of Keybridge Shares.

Shareholders seeking further information on Keybridge are directed to the list of publicly available announcements on the ASX website (www.asx.com.au, company code 'KBC') or on the Keybridge website (www.keybridge.com.au).

5.9 Key risks faced by Keybridge

The price of Keybridge Shares and the future performance of Keybridge are influenced by a range of factors and risks. Whilst some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, some are outside the control of Keybridge and cannot be mitigated. The principal risks include, but are not limited to, those detailed below. Keybridge does not give any form of assurance or guarantee of future performance, profitability, dividends, return of capital, or the price at which the Keybridge Shares might trade in the future on the ASX.

5.9.1 Specific business risks

Keybridge Shareholders should carefully read and consider these risks together with the Bidder's Statement and this Target's Statement prior to accepting or rejecting the ADIT Offer.

(a) COVID-19 risk

The net asset value of Keybridge shares stated above as at 29 February 2020 has been subsequently impacted by the subsequent stock market turmoil arising out of COVID-19. In addition, stock market conditions moving forward are likely to continue to be volatile at least for some weeks. Remaining as a Keybridge shareholder will expose you to these risks and uncertainties. At present, the Keybridge directors are unable to ascertain what the likely outcome of these stock market movements will be on the proper valuation of its quoted assets and have not made any decisions as to the valuation of such assets – the next time at which such an exercise will need to be undertaken is when the June 2020 accounts are prepared. Unless there are substantial upwards movements in share prices, some of the valuations of these assets could diminish materially.

(b) Credit risk

Keybridge is exposed to credit risk in the event that a counterparty fails to meet its contractual obligations in relation to Keybridge's investments or deposits with banks and other financial institutions. Keybridge manages ongoing credit risk by monitoring closely the performance of investments, the cyclical impact of the underlying asset class, the financial health of counterparties (including lessee and charter parties, banks and other financial institutions) and compliance with senior debt terms and conditions where Keybridge is a mezzanine or equity investor.

(c) Asset valuations

The value and income from Keybridge's real property assets are dependent on the expected income from those assets. Income and capital values are affected by a number of factors including the cost of maintenance, insurance and operations (including taxes) and potential environmental and other liabilities.

(d) Reliance on key personnel

The responsibility of day to day management and the strategic management of Keybridge is concentrated within a small number of key persons, especially its senior management. If any one of these people ceases their engagement with Keybridge, this may have a detrimental impact on Keybridge's operations and performance. Keybridge has

retention mechanisms in place but has not implemented specific retention arrangements in respect of the ADIT Offer.

(e) Interest rate risk

The financial performance of Keybridge is affected by fluctuations in interest rates. Failure to manage interest rate risk and fluctuations in interest rates may have a material adverse effect on the business, financial position or financial performance of Keybridge.

(f) Financing and capital

Keybridge's continued ability to implement effectively its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any equity or debt funding will be available to Keybridge on favourable terms or at all.

(g) Regulatory and legislative risks

Any changes in the laws and regulations under which Keybridge operates may adversely impact on Keybridge's activities, planned projects and financial results. These laws and regulations include laws requiring permits and licences, environmental regulations and health and safety laws and regulations.

(h) Liquidity risk

There is no certainty that the trading of Keybridge shares will resume on ASX – see section 5.2.

5.9.2 General economic and market risks

(a) Economic risk

As Keybridge is an investment company, the market's perception of the value of Keybridge Shares can alter significantly from time to time which can cause fluctuations in price. Fluctuations may also occur as a result of factors influencing the price of shares in the companies in which Keybridge invests or share prices generally.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equities, aircraft, property and other asset values will affect Keybridge's profitability. The objective of market risk management is to seek to manage and control risk exposures within acceptable parameters, while optimising expected returns.

Equity accounted investments are also exposed to movements in currency and asset values for the underlying assets within each of the investments.

(c) Foreign exchange risk

Certain of Keybridge's investments are held in the United States and Euro zone and New Zealand, respectively. Keybridge does not currently hedge its foreign exchange exposures and therefore Keybridge's incomes and asset base is subject to foreign exchange movements, both positive and negative.

6 Information about ADIT's Offer and Other Important Issues

6.1 The Offer

ADIT is offering to acquire your Shares at 7.0 cents cash per Share.

For full details of the terms of the ADIT Offer, please refer to section 10 of the Bidder's Statement.

6.2 Conditions to the ADIT Offer

As set out in section 2 above, ADIT has declared its Offer unconditional.

6.3 Offer Period

The Offer is scheduled to close on 6 April 2020 unless extended.

6.4 Extension of the Offer Period

ADIT may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:

- ADIT increases the Offer Price of 7.0 cents per Share (or otherwise improves the Offer Consideration); or
- ADIT's voting power in Keybridge increases to more than 50%.

In either of these circumstances, the Offer Period is automatically extended in accordance with section 624(2) of the Corporations Act so that it ends 14 days after the occurrence of the relevant event.

6.5 Effect of accepting the ADIT Offer

If you accept the ADIT Offer for your Shares, you will (subject to the withdrawal rights discussed below):

- give up your right to sell the accepted Keybridge Shares to anyone else, including selling them on ASX or accepting any superior proposal that may emerge;
- give up your right to otherwise deal with the accepted Keybridge Shares; and
- lose any rights attaching to the accepted Keybridge Shares from the date of your acceptance.

The effect of acceptance of the ADIT Offer is set out in more detail in section 10 of ADIT's Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Shares and the representations and warranties that you are deemed to give to ADIT by accepting the ADIT Offer.

6.6 Your ability to withdraw your acceptance

If you accept the ADIT Offer for your Shares, you generally will not be able to withdraw your acceptance of the ADIT Offer.

6.7 Effect of an improvement in consideration on Shareholders who have already accepted the ADIT Offer

If ADIT improves the Offer Consideration under its Offer, all Keybridge Shareholders, regardless of whether or not they have accepted the ADIT Offer before that improvement in offer Consideration will be entitled to receive that improved consideration.

6.8 Timing of payment to Shareholders who accept the ADIT Offer

If you accept the ADIT Offer for all or some of your Shares, ADIT will provide the Offer Consideration for your Shares on or before:

- one month after you have accepted the ADIT Offer;
 - if the ADIT Offer was conditional when you accepted the ADIT Offer, within one month after the ADIT Offer became unconditional; and
 - 21 days after the end of the Offer Period,
- before ensuring that you receive the Offer Consideration.

Full details of when you will be paid your consideration are set out in section 10.6 of the Bidder's Statement.

6.9 Compulsory acquisition following takeover offer

If ADIT acquires a relevant interest in at least 90% of Keybridge Shares then, pursuant to Part 6A.1 Division 1 of the Corporations Act, it will be entitled to compulsorily acquire any Keybridge Shares in respect of which it has not received acceptance of the ADIT Offer.

Keybridge Shareholders should be aware that, if their Keybridge Shares are compulsorily acquired, they are not likely to receive payment until at least one month after the compulsory acquisition notices are dispatched to them.

ADIT has indicated in section 4.2 of the Bidder's Statement that it currently intends to proceed to compulsory acquisition of the outstanding Keybridge Shares if it meets the required thresholds.

6.10 General compulsory acquisition

Even if ADIT does not become entitled to compulsorily acquire Keybridge Shares in accordance with Part 6A Division 1 of the Corporations Act, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act.

7 Additional Information

7.1 Directors' recommendation and intentions

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each Director adopts a different approach in relation to his recommendation regarding the ADIT Offer.

Please refer to the Managing Director's Letter set out above for details.

Shareholders may wish to wait and see, accept or reject depending on their perspectives.

7.2 Directors' interests in Keybridge securities

As at the date of this Target's Statement, the Directors of Keybridge had the following relevant interests in Keybridge securities:

Director	Number of Keybridge Shares
Nicholas Bolton	2,380,100 KBC Shares 9,000,000 Executive Share Plan shares in KBC 1,542,045 KBC Shares (beneficial/economic interest) held 31,414 KBC CRPN
Jeremy Kriewaldt	5,000 KBC Shares, 1,138 KBC CRPN
William Johnson	None

All descriptions of Director interests in Keybridge securities and dealings in Keybridge shares which are contained in this Target's Statement are based entirely on representations which have been made by the individual Directors concerned. The Board of Directors has not verified the accuracy of any such representations.

7.3 Dealings of the Board in Keybridge Shares

In the four months immediately preceding 8 January 2020, being the date ADIT announced its Offer, no Director of Keybridge provided or agreed to provide, or received or agreed to receive, consideration for any marketable securities of Keybridge under a sale, purchase or agreement for sale or purchase of such securities.

Mr Johnson is a Director of Bentley, whose acceptances into the bids are the subject of the Takeovers Panel proceedings referred to in this document.

7.4 Interests or dealings in ADIT securities

As at the date of this Target's Statement, the Directors of Keybridge had the following relevant interests in ADIT units:

Director	Number of ADIT units
Nicholas Bolton	nil ²
Jeremy Kriewaldt	nil
William Johnson	nil

² Nicholas Bolton holds a 54.5% purely economic interest in ADIT's manager and Responsible Entity

In the four months immediately preceding 8 January 2020, being the date ADIT announced its Offer, no Director of Keybridge provided or agreed to provide, or received or agreed to receive, consideration for any marketable securities of ADIT or any Related Entity or Associate of ADIT under a sale, purchase or agreement for sale or purchase of such securities.

7.5 Agreements or arrangements conditional upon the ADIT Offer

No Director of Keybridge is party to any agreement or arrangement with any other person in connection with or conditional on the outcome of the ADIT Offer.

7.6 Interests of the Board in contracts entered into by ADIT

Other than as described in this Target's Statement, no Director of Keybridge has any interest in any contract entered into by ADIT.

In the interest of full disclosure, the Directors note that:

- (a) Mr Kriewaldt has for several years acted as one of the legal advisers to Aurora Funds Management Limited in relation to managed investment schemes operated by it (including in relation to ADIT). He has confirmed that he has not been retained by Aurora in relation to any of:
- (i) the ADIT Offer;
 - (ii) the WAM Active Offer, or
 - (iii) the Takeovers Panel proceedings referred to above.
- For completeness, Mr Kriewaldt (who has acted as Keybridge's legal adviser from time to time at the request of the Board) confirms that he has not acted as Keybridge's legal adviser in relation to any of the matters specified above.

7.7 Benefits for retirement or loss of office

Except as set out in this Target's Statement, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act) will or may be given to a Director of Keybridge in connection with:

- their retirement from office in Keybridge or a related body corporate of Keybridge; or
- the transfer of the whole or any part of the undertaking or property of Keybridge.

7.8 Potential impact of the offer on Keybridge's agreements

Keybridge is not aware of any contract that has been entered into by Keybridge that contains a change of control provision which will be triggered if ADIT acquires more than 50.0% of Shares as a result of its Offer.

7.9 Litigation

Except as previously disclosed to ASX or in this Target's Statement, there is no current litigation against Keybridge, and the Directors have no knowledge of any potential litigation.

7.10 Financial information

Copies of Keybridge's Annual Reports and its announcements to the market may be obtained from ASX's website (www.asx.com.au, code 'KBC').

7.11 Taxation considerations for Shareholders

Acceptance of the ADIT Offer by you is likely to have tax consequences. You may be liable for capital gains tax if you accept the ADIT Offer.

The tax consequences for you will depend on your individual circumstances.

Section 7 of the ADIT Bidder's Statement sets out a general overview of the Australian tax implications of a Shareholder accepting the ADIT Offer and disposing of their Shares to ADIT. You should not rely on it as advice on your own affairs. It does not deal with the position of all Shareholders. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the ADIT Offer for your Shares.

7.12 Material change in financial position of Keybridge

Keybridge's last published financial statements are for the period ended 31 December 2019, as announced to ASX on 2 March 2020. Except as disclosed in this Target's Statement and in any announcement made by Keybridge to ASX since 22 October 2019, your Directors are not aware of any material change to the financial position of Keybridge since 31 December 2019. Keybridge notes that the 31 December 2019 accounts are currently the subject of audit review. Keybridge also notes that its auditor included a disclaimer of opinion in relation to the 30 June 2019 audited accounts. Keybridge anticipates that there will be no disclaimer in its audited accounts for the period to 31 December 2019, however, notes that there may be a qualified opinion on one or more of the items disclaimed in the Annual Report.

7.13 Disclaimers regarding responsibility

Each person or organisation named above as having given consent to the inclusion of a statement in this Target's Statement (or who is otherwise named in this Target's Statement as acting in a professional capacity for Keybridge in relation to the ADIT Offer):

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

7.14 Class Order relief – reference to statements

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including Keybridge, in relation to the operation of Chapter 6 of the Corporations Act. Keybridge may rely on this Class Order relief.

Keybridge has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 01/1543 'Takeover Bids' to include references to certain statements by ADIT and other persons in this Target's Statement without obtaining the consent of ADIT or those other persons.

The relevant statements were taken from ADIT's Bidder's Statement.

As required by ASIC Class Order CO 01/1543, Keybridge will make available a copy of these documents (or of relevant extracts from these

documents), free of charge, to Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Shareholders may telephone Nicholas Bolton on 0412 606 899.

7.15 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the ADIT Offer, but only:

- to the extent to which it is reasonable for Shareholders and their professional advisers to expect to find such information in this Target's Statement; and
- if the information is known to any of the Directors.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is the information:

- contained in ADIT's Bidder's Statement;
- contained in Keybridge's releases to the ASX prior to the date of this Target's Statement; and
- contained or referred to in this Target's Statement.

Copies of documents lodged with ASX by Keybridge may be obtained from ASX's website (www.asx.com.au) using the code 'KBC', or you may obtain a copy free of charge during the ADIT Offer Period by writing to Keybridge (Attention: Nicholas Bolton, Suite 614, 370 St Kilda Road, Melbourne, Victoria, 3004).

7.16 Approval of this Target's Statement

Signed for and on behalf of Keybridge Capital Limited by Nicholas Bolton who is authorised so to sign pursuant to a resolution passed at a meeting of Directors held on 25 March 2020.



Director
Keybridge Capital Limited

25 March 2020

8 Definitions and Interpretation

8.1 Definitions

In this Target's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

\$ or dollar	Australian dollars, unless otherwise stated
ADIT	Aurora Dividend Income Trust
ADIT Offer	The offers by ADIT for all of the Shares in Keybridge dated 6 March 2020 made under ADIT's Bidder's Statement dated 7 February 2020
Announcement Date	The date of the announcement of the ADIT Offer to acquire all of the Shares in Keybridge by ADIT, being 8 January 2020
ASIC	Australian Securities and Investments Commission
Associate	The meaning given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time)
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the "Australian Securities Exchange" operated by that entity
ASX Listing Rules or Listing Rules	The official listing rules of the ASX as amended or varied from time to time
ASX Settlement Operating Rules	The rules of the ASX Settlement Corporation as amended or varied from time to time
Bentley	Bentley Capital Limited
Bidder's Statement or ADIT's Bidder's Statement	The bidder's statement dated 7 February 2020 relating to the ADIT Offer
Board	The board of directors of Keybridge
Corporations Act	The <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC)
Directors	The members of the Board
Keybridge or Company	Keybridge Capital Limited ACN 088 267 190
Keybridge Share or Share	A fully paid ordinary share in the capital of Keybridge and all rights attaching to those Shares
Keybridge Shareholder or Shareholder	Person registered in the register of members of Keybridge as a holder of one or more Shares
Notice of Status of Conditions	The notice required to be given under section 630(3) of the Corporations Act relating to the status of conditions under the ADIT Offer
NTA	Net tangible assets or as the context requires net tangible assets per share
Offer Period	The period during which the ADIT Offer remains open for acceptance in accordance with the terms set out in the Bidder's Statement
Offer Price or Offer Consideration	The consideration under the ADIT Offer for each of the Shares to which the ADIT Offer applies, being 7.0 cents per Share as at the date of this Target's Statement

Person	An incorporated or unincorporated body or association as well as a natural person
Related Entity	The meaning given to that term in section 9 of the Corporations Act
Shareholder	Person registered in the register of members of Keybridge as a holder of one or more Shares
Target's Statement	This document, being the statement of Keybridge pursuant to the Corporations Act relating to the ADIT Offer
WAM Active	WAM Active Ltd ACN 126 420 719
WAM Active's Offer or the WAM Active Offer	The offers by WAM Active for all of the Shares in Keybridge dated 3 January 2020 made under WAM Active's Bidder's Statement dated 13 December 2019

8.2 General Interpretation

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) a reference to time is a reference to Australian Eastern Daylight Time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Target's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (g) \$, dollar or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

9 Corporate Directory

Directors

Nicholas Bolton (Managing Director
and CEO)

Jeremy Kriewaldt (Non-Executive
Director)

William Johnson (Non-Executive
Director)

Company Secretary

John Patton

Share Registry

Advanced Share Registry Ltd
110 Stirling Hwy
Nedlands WA 6009

Registered Office

Suite 614, 370 St Kilda Road
Melbourne VIC 3004