

Friday, 13 August 2021

ASX Codes : KBC

# ASX MARKET ANNOUNCEMENT

## NET ASSET BACKING – JULY 2021

Keybridge Capital Limited (ASX:KBC) gives notice that its unaudited after-tax Net Asset Backing as at 31 July 2021 was 6.61 cents per share.

### Net Asset Backing

|   | %             | Current Month<br>31 July 2021 | Previous Month<br>30 June 2021 | Year End<br>30 Jun 2020 |
|---|---------------|-------------------------------|--------------------------------|-------------------------|
| <b>Net Asset Backing for Period Ending:</b>             | <b>Change</b> |                               |                                |                         |
| Pre-Tax Net Asset Backing per share                     | -2.35%        | <b>\$0.0661</b>               | <b>\$0.0686</b>                | \$0.0504                |
| Post-Tax Net Asset Backing per share                    | -2.35%        | <b>\$0.0661</b>               | <b>\$0.0686</b>                | \$0.0504                |
| Total issued (listed) share capital <sup>(Note 1)</sup> |               | 199,878,068                   | 199,808,902                    | 199,808,902             |

### Net Assets

|   | Current Month<br>31 July 2021 | % of Net<br>Assets | Previous Month<br>30 June 2021 |
|---|-------------------------------|--------------------|--------------------------------|
|   | \$'million                    |                    | \$'million                     |
| Cash and cash equivalent  | 0.971                         | 11.9%              | 0.131                          |
| Listed Securities   | 5.734                         | 43.4%              | 5.956                          |
| Managed Funds   | 0.815                         | 6.2%               | 0.812                          |
| Other Investments   | 0.900                         | 2.2%               | 1.859                          |
| Loan Receivables:   |                               |                    |                                |
| • Private Equity  | 0.000                         | 0.0%               | 0.000                          |
| • Insurance <sup>(Note 2)</sup>   | 3.733                         | 28.3%              | 3.639                          |
| • Property <sup>(Note 3)</sup>  | 0.835                         | 6.3%               | 0.835                          |
| • Other   | 0.000                         | 0.0%               | 0.000                          |
| Other Assets  | 0.188                         | 1.4%               | 0.165                          |
| Convertible Redeemable Promissory Notes<br>(ASX: KBCPA) <sup>(Note 4)</sup> | (0.169)                       | (1.3%)             | (0.169)                        |
| Provision for tax   | -                             | -                  | -                              |
| Derivatives   | 1.684                         | 12.8%              | 1.598                          |
| Margin loan (net)   | 0.053                         | 0.4%               | 0.055                          |
| Other Liabilities   | (1.538)                       | (11.6%)            | (1.164)                        |
| <b>Net Assets</b>   | <b>13.206</b>                 | <b>100%</b>        | <b>13.717</b>                  |

## Currency Exposure

| <b>% of Net Assets</b> | <b>Current Month<br/>31 July 2021</b> | <b>Previous Month<br/>30 June 2021</b> |
|------------------------|---------------------------------------|--|
| Australian Dollars     | 66.0%                                 | 71.4%                                  |
| Euros                  | 0.0%                                  | 0.0%                                   |
| US Dollars             | 3.5%                                  | 0.0%                                   |
| New Zealand Dollars    | 30.4%                                 | 28.6%                                  |

This announcement was authorised for release by the Managing Director.

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### FOR FURTHER INFORMATION:

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### ABOUT KEYBRIDGE CAPITAL LIMITED (ASX: KBC)

KBC is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in private equity (US), life insurance (New Zealand), property and funds management sectors and substantial holdings (as at 31 January 2021) in HHY Fund (ASX:HHY), Metgasco Ltd (ASX:MEL), Molopo Energy Limited (ASX:MPO) and Yowie Group Ltd (ASX:YOW).

## NOTES:

- (1) Net Asset Backing per share is based on Keybridge's total listed shares on issue and excludes 6 million unlisted shares currently issued under the Company's Executive Share Plan<sup>1</sup>.

- (2) **Loan Receivables – Insurance:** In September 2014, Keybridge invested NZ\$3.8m (A\$3.4m) (via NZ\$0.109m (10.13%) equity and NZ\$3.691m notes) into Foundation Life, to finance Foundation's acquisition of Tower Limited's life insurance business in New Zealand in 2014. Interest of 9% pa is payable under the note, which is redeemable by noteholders in 50 years (May 2064) or by Foundation (from time to time).

As at 30 June 2020, the loan balance was NZ\$3.57m (A\$3.346m). At month end, the loan balance was NZ\$3.47m and Keybridge retains its 10.13% equity interest in Foundation Life valued at cost of NZ\$0.109m.

- (3) **Loan Receivables – Property:** In September 2014, Keybridge took direct control of loans that were held in a fund (where Keybridge was the remaining sole lender) which invested in first

ranking mortgage loans over commercial properties. Keybridge has registered mortgages over strata title lots comprising Conference Facilities at a Hotel located in Manly, Sydney as security for loans, which are owed by private companies (which are in liquidation).

As at 30 June 2020, the loan was carried (based on the Directors' judgement) at a valuation of A\$0.835m, after having regard to historical valuations conducted on the property. At month end, the loan was carried at A\$0.835m.

- (4) **Convertible Redeemable Promissory Notes:** (ASX: KBCPA): Keybridge has 169,022 listed Convertible Redeemable Promissory Notes (**CRPN**) at month end. The notes have a face value of \$1.00, pays interest at 7% pa and mature on 31 July 2021 (unless redeemed or bought-back by Keybridge earlier). Interest distributions are generally payable quarterly and have a franking credit component under Australian taxation law. Further details are contained in the Prospectus dated 17 June 2015 and ATO Class Ruling CR 2015/54.

<sup>1</sup> Refer KBC's Notice of AGM released on ASX on 30 October 2014 and KBC's ASX announcement dated 19 December 2014:

Appendix 3B and Further Detail Regarding Issuance of Loan Funded Shares