

Thursday, 15 September 2022

ASX Code: KBC

ASX MARKET ANNOUNCEMENT

NET ASSET BACKING – AUGUST 2022

Keybridge Capital Limited (ASX:KBC) gives notice that its unaudited after-tax Net Asset Backing as at 31 August 2022 was 6.5 cents per share.

Net Asset Backing

	%	Current Month 31 August 2022	Current Month 31 July 2022	Year End 30 Jun 2021
Net Asset Backing for Period Ending:	Change			
Pre-Tax Net Asset Backing per share	1.26%	\$0.0650	\$0.0642	\$0.0686
Post-Tax Net Asset Backing per share	1.26%	\$0.0650	\$0.0642	\$0.0686
Total issued (listed) share capital ^(Note 1)		206,837,836	206,837,836	206,837,836

Net Assets

	Current Month 31 Aug 2022		Previous Month 31 Jul 2022
	\$'million	% of Net Assets	\$'million
Cash and cash equivalent	0.082	0.6%	0.256
Listed Securities	10.817	80.5%	10.573
Managed Funds ^(Note 2)	1.533	11.4%	1.549
Other Investments ^(Note 3)	0.601	4.5%	0.551
Loan Receivables:			
• Private Equity	0.000	0.0%	0.000
• Insurance ^(Note 4)	3.863	28.7%	3.876
• Property ^(Note 5)	0.835	6.2%	0.835
• Other	0.000	0.0%	0.000
Other Assets	0.354	2.6%	0.551
Provision for tax	-	-	-
Derivatives	0.033	0.2%	0.043
Margin loan (net)	0.000	0.0%	0.000
Other Liabilities ^(Note 6)	(4.673)	(34.8%)	(4.957)
Net Assets	13.444	100%	13.278

This announcement was authorised for release by the Managing Director.

FOR FURTHER INFORMATION:

John Patton
Company Secretary
Tel: +61 3 9686 7000
Email: cosec@keybridge.com.au

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 July 2022) in WAM Active Limited (WAA), HHY Fund (ASX:HHY), Metgasco Ltd (ASX:MEL), Molopo Energy Limited 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 Plan¹.
- (2) **Managed Funds** – Keybridge Management have adjusted its carrying value of RNY Property Trust down from 1.1c per unit to 0.57c per unit. Keybridge Management has formed the view that that the reduced value is appropriate based on the fund's current capital structure and prevailing market conditions.
- (3) **Molopo Energy Limited** – on 17 December 2021, Molopo advised (via its website) that it had settled a legal action against the former Molopo directors for A\$12 million. Keybridge has a number of concerns with this settlement, including Molopo's failure to give notice of the proposed settlement to Keybridge, as it was contractually obliged to do. Keybridge considers it likely that it will expend further capital on this investment before it achieves any recovery. Keybridge carries its investment in Molopo at nil and holds a 20% economic interest in the Company. Refer to www.molopoenergy.com for further information
- (4) **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).
- (5) **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 31 December 2021, 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.
- (6) **Other Liabilities:** Keybridge Management have accrued a provision for A\$500,000 in costs, as a court has ordered the advance of such an amount in security of potential costs in the matter. Keybridge is seeking recovery of \$30 million in unpaid monies from Ben Thynne, Nathan Thynne and Grenville Thynne. Keybridge expects to recover this provision on successful prosecution of the matter.

¹ 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