

Monday, 18 December 2023

ASX Code: KBC

# ASX MARKET ANNOUNCEMENT

## NET ASSET BACKING – NOVEMBER 2023

Keybridge Capital Limited (ASX:KBC) ("Keybridge") gives notice that its unaudited after-tax Net Asset Backing as at 30 November 2023 was 1.57 cents per share.

### Net Asset Backing

	% Change	Current Month 30 Nov 2023	Previous Month 31 Oct 2023	Year End 30 Jun 2023
<b>Net Asset Backing for Period Ending:</b>				
Pre-Tax Net Asset Backing per share	-32.30%	\$0.0157	\$0.0231	\$0.0204
Post-Tax Net Asset Backing per share	-32.30%	\$0.0157	\$0.0231	\$0.0204
Total issued (listed) share capital <sup>(Note 1)</sup>		207,337,836	207,337,836	207,337,836

Net Assets	Current Month 30 Nov 2023		Previous Month 31 Oct 2023
	\$'million	% of Net Assets	\$'million
Cash and cash equivalent	0.079	2.4%	0.022
Listed Securities <sup>(Note 2)</sup>	4.787	147.5%	6.391
Managed Funds <sup>(Note 3)</sup>	0.029	0.9%	0.028
Other Investments <sup>(Note 4)</sup>	0.222	6.9%	0.220
Loan Receivables:			
• Private Equity <sup>(Note 5)</sup>	1.440	44.4%	1.440
• Insurance <sup>(Note 6)</sup>	4.495	138.5%	4.408
• Property <sup>(Note 7)</sup>	0.835	25.7%	0.835
• Other	0.000	0.0%	-0.001
Other Assets	0.859	26.5%	0.762
Provision for tax	-	-	-
Derivatives	(0.006)	(0.2)%	(0.006)
Other Liabilities <sup>(Note 8)</sup>	(9.398)	(289.6%)	(9.305)
<b>Net Assets</b>	<b>3.246</b>	<b>100%</b>	<b>4.794</b>

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 in HHY Fund, 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 5.5 million unlisted shares currently issued under the Company's Executive Share Plan<sup>1</sup>.
- (2) **Listed Securities** – As at 30 November 2023, Keybridge held 178,000,000 options in the Magellan Global Fund (ASX: MGFO) with a market price of 1.4 cents per option.  
  
In December 2023, pursuant to the ASX Announcement of 12 December 2023, Keybridge sold its position in the Magellan Global Fund Options for \$17.8 million. The benefit of this realisation will accordingly be reported in Keybridge's December NTA announcement.
- (3) **Managed Funds** – In its NTA for 31 October 2022, Keybridge Management reflected the trading update announced on 1 November 2022, reducing the carrying value of its equity investment in RNY Property Trust to nil.
- (4) **Molopo Energy Limited** – Consistent with the trading update announced on 1 November 2022, Keybridge has reflected the one-off \$395,000 recovery of historic legal fees in the NTA as at 31 October 2022. As previously stated, 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](http://www.molopoenergy.com) for further information
- (5) **Private Equity** – In June 2023, Keybridge elected to fully impair its US\$1.5 million protective advance previously made to the operating subsidiary of RNY Property Trust. Keybridge Management has

formed the view that that the reduced values are appropriate based on the fund's current capital structure and prevailing market conditions.

- (6) **Loan Receivables – Insurance:** In September 2014, Keybridge invested NZ\$3.8 million (A\$3.4 million) (via NZ\$0.109 million (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).
- (7) **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\$0.835 million, after having regard to historical valuations conducted on the property. At month end, the loan was carried at A\$0.835 million.
- (8) **Other Liabilities:** Keybridge has advanced A\$500,000 in security of potential costs in relation to its litigation against Ben Thynne, Nathan Thynne and Grenville Thynne for the recovery of \$30 million in unpaid monies. Keybridge expects to recover these costs on successful prosecution of the matter.

In December 2023, pursuant to the ASX Announcement of 12 December 2023, Keybridge repaid \$5,314,770 against its RNC Loan facility, repaying the loan plus accrued interest in full.

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<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: