

Tuesday, 23 January 2024

ASX Code: KBC

ASX MARKET ANNOUNCEMENT

NET ASSET BACKING – DECEMBER 2023 (REVISED)

Keybridge Capital Limited (ASX:KBC) ("Keybridge") gives notice that its unaudited after-tax Net Asset Backing as at 31 December 2023 was 6.64 cents per share. This Revised NTA Announcement replaces the earlier NTA Announcement dated 22 January 2024.

During the month, Keybridge settled a long running dispute with a former law firm, resulting in a gain of approximately \$0.3 million including a cash payment to Keybridge of \$0.1 million and a reversal of a \$0.2 million liability.

Keybridge notes that it has been joined in proceedings in based in New York, USA relating to a claim for loan shortfall monies on the RNY Property facility under a purported guarantee. Keybridge denies any liability and will defend the proceedings.

Keybridge launched proceedings against Republic Financial Holdings Limited (Republic) to recover monies in relation to a loan provided by Keybridge as announced on 1 May 2013. This facility which has a current balance exceeding US\$20 million after interest, was secured against a private equity portfolio formerly owned by Keybridge and sold to Republic. The facility was not repaid and the borrower claims that, as a result of a series of related party transactions (without Keybridge's authority), there is nil security available to Keybridge's loan.

Keybridge is also assessing the ability to utilise its carry forward tax losses in relation to its capital gains.

Net Asset Backing

	% Change	Current Month 31 Dec 2023	Previous Month 30 Nov 2023	Year End 30 Jun 2023
Net Asset Backing for Period Ending:				
Pre-Tax Net Asset Backing per share	323.17%	\$0.0664	\$0.0157	\$0.0204
Post-Tax Net Asset Backing per share	323.17%	\$0.0664	\$0.0157	\$0.0204

Net Assets	Current Month 31 Dec 2023	% of Net Assets	Previous Month 30 Nov 2023
	\$'million		\$'million
Cash and cash equivalent	8.130	45.5%	0.079
Listed Securities ^(Note 2)	6.587	29.0%	4.787
Managed Funds ^(Note 1)	0.096	0.5%	0.029
Other Investments	0.220	1.2%	0.222

Loan Receivables:			
• Metgasco Receivable ^(Note 3)	1.440	8.1%	1.440
• Insurance ^(Note 4)	5.159	28.9%	4.495
• Property ^(Note 5)	0.835	4.7%	0.835
• Other	0.000	0.0%	0.000
Other Assets	0.987	5.5%	0.859
Derivatives	0.00	(0.0)%	(0.006)
Other Liabilities	(9.689)	(23.4%)	(9.495)
Net Assets	13.765	100%	3.245

This announcement was authorised for release by the Company Secretary.

FOR FURTHER INFORMATION:

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Company Secretary
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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 in HHY Fund, Molopo Energy Limited, Yowie Group Ltd (ASX:YOW) and Benjamin Hornigold Ltd (ASX: BHD).

NOTES:

- (1) **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.
- (2) **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 for further information.

Yowie Group Limited – On 29 December 2023 Keybridge announced a takeover bid for Yowie Group Limited. In the circumstances where Keybridge has a relevant interest of 35.66% in Yowie, two directors on the Yowie board and an active takeover bid, Keybridge considers it appropriate to carry its investment on an equity accounting basis rather than mark to market.

- (3) **Metgasco Loan** – Keybridge refers to its announcement on 23 November 2023.
- (4) **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).
- (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\$0.835 million, after having regard to historical valuations conducted on the property. At month end, the loan was carried at A\$0.835 million.