

## WAM Active announces withdrawal of intention to make a takeover bid for Keybridge Capital Limited

13 December 2019  
ASX announcement

WAM Active Limited (ASX: WAA) (WAM Active) announced on 13 October 2019 its intention to make an off-market all cash offer to acquire all issued fully paid ordinary shares in Keybridge Capital Limited (ASX: KBC) at 6.9 cents per share (**Proposed Offer**). The Proposed Offer was announced following a review of publicly available information relating to KBC at the time.

The Proposed Offer was subject to a number of defeating conditions, including a 'no material decline in net tangible assets' condition and a 'conduct of KBC's business' condition. These conditions required that between 13 October 2019 and the close of the Proposed Offer:

- (a) The reported after-tax net tangible assets (NTA) of KBC not decline by 5% or more below the after-tax NTA of KBC of \$0.0647 per share announced to the ASX in the Net Asset Backing – August 2019 Report on 18 September 2019; and
- (b) There are no changes to KBC's board composition, including appointing additional directors, whether to fill a casual vacancy or otherwise.

Each of these conditions were breached by KBC following the announcement of WAM Active's Proposed Offer.

The 'conduct of KBC's business' condition was breached immediately after the Proposed Offer was announced, when KBC appointed two casual vacancies to the KBC board. Whereas, the breaches of the 'no material decline in NTA' condition occurred only recently upon the late lodgement of KBC's after-tax NTA.

The first NTA reported by KBC following the announcement of the Proposed Offer (KBC's NTA as at 30 September 2019) was released on 21 November 2019, over a month past its required disclosure date with the ASX. KBC released its NTA as at 31 October 2019 as recently as 2 December 2019 (again past the required disclosure date with the ASX). The September and October NTA's breached the 'no material decline in NTA' condition, as they are 5% lower than KBC's NTA as at 30 August 2019.

Although entitled to withdraw the Proposed Offer in light of KBC's breaches, WAM Active was reticent to do so immediately. Following each breach, WAM Active reassessed the Proposed Offer terms (particularly the all cash price) in light of the change in circumstances.

However, in light of the breach of the 'no material decline in NTA' condition and the apparent material decline in KBC's value over the period since 13 October 2019, WAM Active is now withdrawing its Proposed Offer.

WAM Active intends to make an off-market takeover bid for all the issued fully paid ordinary shares in KBC at a reduced all cash bid price of 6.5 cents per share (**New Offer**). The New Offer will be subject to various conditions, the terms of which will be set out in a separate announcement.

This announcement has been authorised by the board of WAM Active Limited.

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## About WAM Active

WAM Active Limited (ASX: WAA) has an investment management agreement with Wilson Asset Management. Listed in January 2008, WAM Active provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. WAM Active's investment objectives are to deliver a regular income stream via fully franked dividends, provide a positive return with low volatility, after fees, over most periods of time, and to preserve capital.

## About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for six leading listed investment companies: WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Research (ASX: WAX), WAM Active (ASX: WAA) and WAM Microcap (ASX: WMI), Wilson Asset Management invests over \$3 billion on behalf of more than 80,000 retail investors. Wilson Asset Management is the creator and lead supporter of Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG).



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