

10 July 2020

ASX Codes: KBC; KBCPA

ASX MARKET ANNOUNCEMENT

Catalano increases offer to 7.1 cents for shareholders affected by WAM Active improper transfers

Keybridge refers to its announcement on 1 June 2020 and notes that entities associated with Mr Antony Catalano have advised that they have increased their offer to the shareholders who had their shares improperly transferred to WAM Active, up to 7.1 cents per share from 7.0 cents per share earlier announced (Catalano Offer). The Catalano Offer has also been dispatched to those eligible shareholders. The increase doubles the premium now offered to the 6.9 cents per share WAM Active is seeking to offer for these same shares.

For background, on 6 March 2020, WAM Active transferred 16,057,929 Keybridge shares (being 8.5% of our issued capital) from 96 shareholders into their own name. This transfer was in contravention of sections 606 and 650G of the Corporations Act as well as ASX Settlement Operating Rules. Keybridge has since commenced proceedings against WAM Active in the Supreme Court of NSW to rectify this breach.

The impacted shareholders have been given a perpetual right by the Takeovers Panel to obtain back their shares from WAM Active and, thus, are entitled to sell their shares into the Catalano Offer.

The 7.1 cent Catalano Offer is open until 4pm, 30 September 2020.

Keybridge provides no recommendation other than to observe that the offer is superior to the 6.9 cents offered by WAM Active.

A copy of the Offer follows this announcement.

This announcement was authorised for release by Keybridge's Managing Director.

FOR FURTHER INFORMATION:

Nicholas Bolton
Managing Director
Email: nbolton@keybridge.com.au
Phone: 0412606899

9 June 2020

Attention: Nicholas Bolton
Managing Director
Keybridge Capital Limited

By email: nbolton@keybridge.com.au

Dear Nicholas

Offer to purchase Keybridge Capital Limited Processed Shares

Catalano Offer

I refer to my letter to Keybridge Capital Limited dated 1 June 2020 regarding the Catalano Offer (as defined in that letter).

Please be advised that I have decided to increase the price under the Catalano Offer from 7.0 cents per Processed Share to 7.1 cents per Processed Share.

The Catalano Offer is dated 9 July 2020 and will close at 4.00pm (Melbourne time) on Wednesday, 30 September 2020.

Please find attached the Offer Document for the Catalano Offer together with a template cover letter and acceptance form which will be sent to all Processed Shareholders later today.

If you would like to discuss any aspect of the Catalano Offer please feel free to get in touch.

Yours sincerely,



Antony Catalano
Encl.

9 July 2020

KBC-1234567890

SAM SAMPLE
1 SAMPLE STREET
SYDNEY NSW 2000

Dear Sam Sample

Offer to purchase your Keybridge Capital Limited Processed Shares

Introduction

I am writing to you because you are a former shareholder of Keybridge Capital Limited (**KBC**) who accepted into WAM Active Limited's (**WAM Active**) off-market takeover offer for KBC which was announced on 13 December 2019 (**WAM Active Bid**).

Processed Shares

On 8 April 2020, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of KBC and, among other matters, concluded that the WAM Active Bid closed at 7.00pm (Sydney time) on 3 March 2020 subject to defeating conditions and that all takeover contracts and acceptances in relation to WAM Active's Bid then became void and no transfers should have been registered.

Accordingly, on 9 April 2020, the Takeovers Panel made orders that had the effect that (among other matters):

- WAM Active must comply with a request from any person whose KBC shares were acquired by WAM Active (through processing acceptances under the WAM Active Bid) (**Processed Shareholder**) for that transaction to be reversed. This order ceases to apply if a Court makes orders or a declaration that are inconsistent with the order.
- All unprocessed acceptances into WAM Active's Bid are cancelled.

You will have already received correspondence from WAM Active stating that you are a Processed Shareholder and that you have the right to reverse the transaction by which WAM Active acquired your KBC shares under the WAM Active Bid (**Processed Shares**).

The reversal of the acquisition of your Processed Shares will require you to pay back WAM Active the offer consideration of 6.9 cents per share which you received for your Processed Shares in order for WAM Active to re-transfer your Processed Shares back to you.

The Catalano Offer

I am writing to you with an offer to purchase all of your Processed Shares, at a price of 7.1 cents per Processed Share (**Catalano Offer**), on the terms and conditions set out in the attached offer document.

If you accept the Catalano Offer, then you will receive a cash payment of 0.2 cents per Processed Share, being the difference between 7.1 cents and 6.9 cents.

Number of your Processed Shares	10,000
Net amount that you will receive by accepting the Catalano Offer	\$ 20.00

The Catalano Offer is conditional on the reversal of the transaction by which WAM Active acquired your Processed Shares under the WAM Active Bid. This step is required in order to ensure that the Processed Shares are returned to you and you have a presently exercisable and unconditional right to sell the Processed Shares to the Offeror. However, you will not be required to undertake the administrative process associated with reversing the transaction by which WAM Active acquired your Processed Shares under the WAM Active Bid, nor provide the 6.9 cents per share offer consideration that is required to reverse the transfer of your processed shares.

In particular, the Catalano Offer will operate as follows:

- included as enclosures to this letter are an offer document and an Acceptance Form;
- by signing the Acceptance Form, you will appoint Catalano Super Investments Pty. Ltd. ACN 136 627 471 as trustee for the Catalano Superannuation Fund and Antstef Pty. Ltd. as trustee for the Antstef Trust ACN 620 143 384 (each an **Offeror**) as your attorney for the purposes of the Catalano Offer;
- as your attorney, the Offeror will handle all administrative aspects associated with reversing the transaction by which WAM Active acquired your Processed Shares under the WAM Active Bid, including providing the 6.9 cents per share offer consideration to WAM Active;
- after the Processed Shares are transferred back to you, the Offeror, in its capacity as your attorney, will execute a share transfer on your behalf (as transferor) to transfer the Processed Shares to the Offeror's ownership; and
- once the Processed Shares have been transferred to the Offeror, the Offeror will pay to you the amount representing 0.2 cents per share (being the difference between 7.1 cents and 6.9 cents) via electronic funds transfer using the details you have provided on your Acceptance Form.

This Catalano Offer is dated 9 July 2020 and is now open for acceptance and will close at 4:00pm on Wednesday, 30 September 2020 (unless withdrawn or extended). All acceptances for the Catalano Offer will be accepted and there will be no scale back of acceptances.

I recommend that you read the contents of the attached offer document carefully, taking into account your investment objectives, financial situation and needs. Before making any decision regarding your investment, we recommend that you discuss your options with your financial adviser.

If you have any questions about the Catalano Offer, please contact your financial adviser or email me at antony@raes.com.au.

Yours sincerely,



Antony Catalano
Director of each of the Offerors

Catalano Offer – Offer Document

1. Introduction

On 8 April 2020, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of Keybridge Capital Limited (**KBC**) and, among other matters, concluded that WAM Active Limited's (**WAM Active**) off-market takeover offer for KBC which was announced on 13 December 2019 (**WAM Active Bid**) closed at 7.00pm (Sydney time) on 3 March 2020 subject to defeating conditions and that all takeover contracts and acceptances in relation to WAM Active's Bid then became void and no transfers should have been registered. Accordingly, on 9 April 2020, the Takeovers Panel made orders that had the effect that (among other matters):

- WAM Active must comply with a request from any person whose KBC shares were acquired by WAM Active (through processing acceptances under the WAM Active Bid) (**Processed Shareholder**) for that acquisition to be reversed. This order ceases to apply if a Court makes orders or a declaration that are inconsistent with the order.
- All unprocessed acceptances into WAM Active's Bid are cancelled.

For the purposes of this Offer Document, the shares which WAM Active has offered to reverse the acquisition of are referred to as **Processed Shares**. There are 16,057,929 Processed Shares on issue.

This Offer Document is given by Catalano Super Investments Pty. Ltd. ACN 136 627 471 as trustee for the Catalano Superannuation Fund and Antstef Pty. Ltd. as trustee for the Antstef Trust ACN 620 143 384 (each an **Offeror**) under Division 5A of Part 7.9 of the Corporations Act and sets out the terms of the offer by the Offeror to acquire your Processed Shares (such offer, **Catalano Offer**).

2. Catalano Offer

Under the Catalano Offer, the Offeror will offer to purchase all Processed Shares from Processed Shareholders for 7.1 cents per share in cash, subject to the terms and conditions set out in this Offer Document.

Each of the Offerors are entities controlled by Antony Catalano. As at the date of this Offer Document, the Offerors have a relevant interest in 10.76% of KBC shares.

The Catalano Offer price of 7.1 cents per share is above the offer price of 6.9 cents per share under WAM Active's takeover offer announced on 28 April 2020. The Catalano Offer price also represents a premium of approximately 31.5% to KBC's unaudited after-tax net tangible asset backing (**NTA**) as at 29 February 2020 of 5.3 to 5.4 cents per KBC Share, being the last NTA disclosed by KBC prior to the date of this Offer Document.¹ Given that the shares of KBC are suspended and there is presently no active market for KBC shares, the Offeror has formed the view that 7.1 cents per Processed Share is a fair estimate of the value of the Processed Shares as at the date of the Catalano Offer in light of the previously disclosed NTA of KBC.

The Catalano Offer is only being made to Processed Shareholders. The total amount that the Offeror would be required to pay under the Catalano Offer if the Offeror acquires all of the Processed Shares is approximately \$1.14 million. The Offeror has sufficient cash reserves, or cash-equivalent holdings in order to fund the payment for all acceptances under the Catalano Offer.

Each of the Offeror will have the right to allocate acceptances of the Catalano Offer between the Offerors as determined by the Offerors in their absolute discretion.

¹

KBC disclosed its NTA as at 29 February 2020 in the target's statement dated 25 March 2020, issued by KBC in response to the off-market takeover bid by Aurora Funds Management Limited as responsible entity for Aurora Dividend Income Trust.

3. How does it work?

The Catalano Offer will operate as follows:

- if you accept the Catalano Offer by signing and returning the enclosed the Acceptance Form, you agree to appoint the Offeror as your attorney for the purposes of the Catalano Offer;
- as your attorney, the Offeror will handle all administrative aspects associated with reversing the transaction by which WAM Active acquired your Processed Shares under the WAM Active Bid, including providing the 6.9 cents per share offer consideration to WAM Active – this step is required in order to ensure that the Processed Shares are returned to you and you are able to sell your Processed Shares to the Offeror under the Catalano Offer;
- after the Processed Shares are transferred back to you, the Offeror, in its capacity as your attorney, will execute a share transfer on your behalf (as transferor) to transfer the Processed Shares to the Offeror (as transferee); and
- within 10 Business Days of the Processed Shares having been transferred to the Offeror, the Offeror will pay to you in cash the amount of 0.2 cents per share (being the difference between 7.1 cents and 6.9 cents) (**Net Amount**) via electronic funds transfer using the details you have provided on your Acceptance Form. Cheque payments and third party deposits are not available.

As an example, a Processed Shareholder that accepted 50,000 Processed Shares into the WAM Active Bid will be paid a Net Amount of (one hundred dollars) \$100 under the Catalano Offer. The balance of \$3,450 will have been paid to WAM Active.

4. Offer period

The date of the Catalano Offer is 9 July 2020. The Catalano Offer is open and will remain open until 4:00pm (Melbourne time), Wednesday, 30 September 2020 (**Closing Date**). The Offeror has the right, however, to extend the time for the Catalano Offer at any time before the Closing Date. The Catalano Offer may be withdrawn by sending investors a withdrawal document, but generally not within one month of making the Offer. Acceptance Forms received after the Closing Date will not be accepted unless the Closing Date is extended.

5. Condition

The Catalano Offer and any contract that results from an acceptance of the Catalano Offer to purchase your Processed Shares is conditional on the reversal of the transaction by which WAM Active acquired your Processed Shares under the WAM Active Bid (**Reversal Condition**).

This step is required in order to ensure that the Processed Shares are returned to you and you have a presently exercisable and unconditional right to sell the Processed Shares to the Offeror.

As stated above, if you accept the Catalano Offer, the Offeror will handle all administrative aspects associated with reversing the transaction by which WAM Active acquired your Processed Shares under the WAM Active Bid.

However, if the Reversal Condition is not able to be satisfied, the Offeror is entitled by written notice to you to rescind the contract resulting from your acceptance of the Catalano Offer and your acceptance of the Catalano Offer, and any contract resulting from your acceptance of the Catalano Offer will be automatically void.

6. How to accept the Catalano Offer

If you wish to accept the Catalano Offer, please complete and sign the attached Acceptance Form and mail it to using the enclosed reply paid envelope:

Catalano Offer
c/- Advanced Share Registry Pty Ltd
PO Box 1156
Nedlands WA 6909

You should allow sufficient time to ensure your Acceptance Form is received at the above address before the Closing Date of 4:00pm (Melbourne time), Wednesday, 30 September 2020 (or earlier).

An emailed Acceptance Form will also be accepted, but the form must be complete and signed. A form sent by email should be marked to the attention of "Antony Catalano" and emailed to antony@raes.com.au. The original Acceptance Form must also be sent to the address above, otherwise this will not constitute a valid acceptance of the Catalano Offer.

7. The effect of acceptance

Once you have accepted the Catalano Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you.

By signing and returning the Acceptance Form, you will be deemed to have:

- accepted the Catalano Offer (and any variation of it) in respect of your Processed Shares, and, subject to the Reversal Condition being fulfilled, assigned all of your beneficial interests in your Processed Shares to the Offeror, conveyed beneficial title to your Processed Shares to the Offeror and agreed to transfer to the Offeror your Processed Shares (even if the number of Processed Shares specified on the Acceptance Form differs from the number of your Processed Shares);
- represented and warranted to the Offeror that at the time of acceptance of the Catalano Offer or, if at the time of acceptance the Catalano Offer is subject to the Reversal Condition, at the time the Catalano Offer becomes free from the Reversal Condition and also at the time of registration of the transfer of your Processed Shares to the Offeror, those Processed Shares are free from all mortgages, charges, liens, encumbrances, security interests and restrictions on transfer of any kind (other than restrictions under Keybridge Capital Limited's constitution) and that you will have a presently exercisable and unconditional right to sell the Processed Shares to the Offeror;
- if you signed the Acceptance Form and if, following the Reversal Condition being fulfilled, your Processed Shares are held in a CHESS Holding, you irrevocably authorise the Offeror (or any director, secretary, agent or nominee of the Offeror) to:
 - instruct your Controlling Participant to initiate acceptance of the Catalano Offer in respect of your Processed Shares; and
 - give any other instructions in relation to your Processed Shares to your Controlling Participant, as determined by the Offeror acting in its own interests as a beneficial owner and intended registered holder of those Processed Shares, including the transfer of your Processed Shares from a CHESS Holding to an issuer sponsored holding; and
- irrevocable authorised the Offeror to execute all such documents, transfers and assurances, and do all such acts, matters and things that the Offeror may consider necessary or desirable to:
 - fulfil the Reversal Condition and to give effect to the transfer of your Processed Shares from WAM Active back into your name; and
 - upon fulfillment of the Reversal Condition, to give effect to the transfer of your Processed Shares from your name to any of the Offerors, with such allocation to be determined by the Offerors in their absolute discretion.

8. Important notices

This Offer Document does not take into account your individual investment objectives, financial situation or particular needs. It does not contain personal advice. The Offeror is not licensed to provide financial product advice in relation to the Processed Shares or any other financial products. This Offer Document should not be relied on as the sole basis for any investment decision in relation to Processed Shares or the Catalano Offer generally.

We strongly recommend that before making any decision, you consider the information provided, taking into account your investment objectives, financial situation and needs. We also strongly recommending discussing your options with your financial and/or legal advisers, particularly in relation to the Acceptance Form.

You should obtain professional advice concerning the taxation consequences of accepting the Catalano Offer before you make a decision.

Please read the information in this document carefully. If you are in any doubt about the information or the action to be taken, please contact your adviser without delay.

ACCEPTANCE FORM

FOR THE OFFER BY CATALANO SUPER INVESTMENTS PTY. LTD. ACN 136 627 471 AS TRUSTEE FOR THE CATALANO SUPERANNUATION FUND AND ANTSTEF PTY. LTD. AS TRUSTEE FOR THE ANTSTEF TRUST ACN 620 143 384 (EACH AN OFFEROR) TO ACQUIRE YOUR PROCESSED SHARES IN KEYBRIDGE CAPITAL LIMITED

KBC-1234567890

SAM SAMPLE
1 SAMPLE STREET
SYDNEY NSW 2000

Important Notice

You should carefully read the Offer Document which this Acceptance Form accompanies and which explains the Catalano Offer, and consider seeking their own independent financial and taxation advice in relation to their particular circumstances before making a decision on whether to accept the Catalano Offer. All defined terms used in this Acceptance Form have the same meaning as set out in the Offer Document which accompanies this Acceptance Form.

To the Offeror:

I/we, the undersigned, **ACCEPT** the offer dated 9 July 2020 (**Catalano Offer**) (the terms of which offer are set out in the Offer Document that accompanies this Form) in respect of all of my/our Processed Shares in Keybridge Capital Limited as specified below and hereby agree to transfer to the Offeror my Processed Shares for the offer price of 7.1 cents per Processed Share and agree to be bound by the terms and conditions of the Catalano Offer, including without limitation my/our grant of power of attorney as specified below.

I/we, the undersigned, represent and warrant to the Offeror that at the time of acceptance of the Catalano Offer or, if at the time of acceptance the Catalano Offer is subject to the Reversal Condition, at the time the Catalano Offer becomes free from the Reversal Condition and also at the time of registration of the transfer of my/our Processed Shares to the Offeror, those Processed Shares are free from all mortgages, charges, liens, encumbrances, security interests and restrictions on transfer of any kind (other than restrictions under Keybridge Capital Limited's constitution) and that I/we will have a presently exercisable and unconditional right to sell the Processed Shares to the Offeror.

Number of Processed Shares	Net Amount (being the difference between 6.9 cents and 7.1 cents per Processed Share)
10,000	\$ 20.00

To complete this Form, follow these THREE Steps...

Step 1 – Provide your electronic funds transfer details in the boxes below

Account name	<input type="text"/>
BSB	<input type="text"/>
Account Number	<input type="text"/>
SWIFT number (for non-Australian residents)	<input type="text"/>

Step 2 – Review the below Power of Attorney

Power of Attorney

- I/we the undersigned, irrevocably appoint(s) each Offeror (or any director, secretary, agent or nominee of each Offeror) to be my/our attorney (**Attorney**) to do in my/our name on my/our behalf everything necessary and expedient to:
 - satisfy the Reversal Condition, including but not limited to communicating with WAM Active Limited and/or Boardroom Pty Ltd (being WAM Active's share registry), Keybridge Capital Limited and/or Advanced Share Registry Services (being Keybridge Capital Limited's share registry), and executing any forms or documents necessary to arrange the transfer of the Processed Shares back into my/our name, and thereafter from my/our name to the name of any of the Offerors, with such allocation to be determined by the Offerors in their absolute discretion;
 - if, following the Reversal Condition being fulfilled, your Processed Shares are held in a CHESS Holding:
 - instruct your Controlling Participant to initiate acceptance of the Catalano Offer in respect of your Processed Shares; and

- (ii) give any other instructions in relation to your Processed Shares to your Controlling Participant, as determined by the Offeror acting in its own interests as a beneficial owner and intended registered holder of those Processed Shares, including the transfer of your Processed Shares from a CHESS Holding to an issuer sponsored holding;
 - (c) with effect from the date on which the Reversal Condition is fulfilled, exercise any of the voting rights attached to the Processed Shares as your true and lawful attorney, including (without limitation) powers and rights to requisition, convene, attend at and vote in person, by proxy or by body corporate representative at, all general meetings of Keybridge Capital Limited;
 - (d) complete or correct any errors in, or on the acceptance form or any transfer form, fill in any blanks remaining on those forms and generally rectify any error in, or omission from, those forms as may be necessary to make my/our acceptance of the Catalano Offer and transfer of my/our Processed Shares effective, provided no such change shall increase the number of Processed Shares for which I/we have accepted the Catalano Offer;
 - (e) appoint one or more substitute attorneys to exercise all or any of the Attorney's powers under this power of attorney and to revoke any such appointment and in this power of attorney "Attorney" includes such a substitute attorney; and
 - (f) stamp and register this power of attorney.
2. I/we will ratify and confirm all acts, matters and things done by the Attorney in exercising its powers under this power of attorney if so required.
3. I/we indemnifies/y the Attorney against liability, costs, charges, expenses and loss arising from the exercise by the Attorney of its powers under this power of attorney.
4. I/we declare/s that:
- (a) all acts, matters and things done by the Attorney in exercising its powers under this power of attorney are as valid and enforceable as if they had been done by me/us;
 - (b) a person who deals with the Attorney may accept as conclusive evidence a written statement signed by the Attorney that this power of attorney has not been revoked;
 - (c) this power of attorney is given for valuable consideration and is irrevocable once given; and
 - (d) I/us and any person claimed under it/them are bound by anything the Attorney does in exercising its powers under this power of attorney.

Step 3 – Execute and return this Acceptance Form

Complete and return this form by post in the enclosed reply paid envelope to the address below:

Catalano Offer
c/- Advanced Share Registry Pty Ltd
PO Box 1156
Nedlands WA 6909

Your Acceptance Form must be returned by mail in order to validly accept the Catalano Offer. You can use the reply paid envelope enclosed with the Offer Document to do this.

The Form must be received by the Offeror by no later than 4.00pm on Wednesday, 30 September 2020 (Melbourne time) for you to validly accept the Catalano Offer.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company
Secretary/Sole Director
(cross out titles as applicable)

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date