

Monday, 16 October 2023

ASX Code: KBC

ASX MARKET ANNOUNCEMENT

NET ASSET BACKING – SEPTEMBER 2023

Keybridge Capital Limited (ASX:KBC) gives notice that its unaudited after-tax Net Asset Backing as at 30 September 2023 was 1.71 cents per share.

Net Asset Backing

	%	Current Month 30 Sep 2023	Previous Month 31 Aug 2023	Year End 30 Jun 2023
Net Asset Backing for Period Ending:	Change			
Pre-Tax Net Asset Backing per share	1.79%	\$0.0171	\$0.0168	\$0.0204
Post-Tax Net Asset Backing per share	1.79%	\$0.0171	\$0.0168	\$0.0204
Total issued (listed) share capital ^(Note 1)		207,337,836	207,337,836	207,337,836

Net Assets	Current Month 30 Sep 2023		Previous Month 31 Aug 2023
	\$'million	% of Net Assets	\$'million
Cash and cash equivalent	0.023	0.6%	0.082
Listed Securities ^(Note 2)	5.556	156.5%	5.452
Managed Funds ^(Note 3)	0.028	0.8%	0.028
Other Investments ^(Note 4)	0.222	6.3%	0.221
Loan Receivables:			
• Private Equity ^(Note 5)	1.440	40.6%	1.440
• Insurance ^(Note 6)	4.428	124.7%	4.347
• Property ^(Note 7)	0.835	23.5%	0.835
• Other	0.000	0.0%	0.000
Other Assets	0.779	21.9%	0.949
Provision for tax	-	-	-
Derivatives	(0.006)	(0.2)%	(0.006)
Other Liabilities ^(Note 8)	(9.755)	(274.8%)	(9.861)
Net Assets	3.550	100%	3.488

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 30 September 2023) 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 6 million unlisted shares currently issued under the Company's Executive Share Plan¹.
- (2) **Listed Securities** – As at 30 September 2023, Keybridge held 166,058,136 options in the Magellan Global Fund (ASX: MGFO) with a market price of 1.1 cents per option.
- (3) **Managed Funds** – In the 31 October 2022 NTA, 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 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 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\$3.8m (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).

- (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\$0.835m, after having regard to historical valuations conducted on the property. At month end, the loan was carried at A\$0.835m.

- (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.

¹ Refer KBC's Notice of AGM released on ASX on 30 October 2014 and KBC's ASX announcement dated 19 December 2014: