



Maiden dividend March 2023

19 April 2023

Kaizen Global Investments Limited (“**KGI**”) is pleased to announce that it will pay its first dividend to shareholders.

Post the successful integration of the hair care business, that was acquired in May 2022, the Board is pleased to announce the payment of a **fully franked maiden dividend of 6.5 cents per share** for the **first half**. This is equivalent to an 8.66 cent gross dividend (tax has been paid by the company, and the franking *credit* of approximately 2.166 cents will be passed to investors for their tax return).

The record date, for receiving the dividend, is Thursday 27th April, 2023, the ex-dividend date Wednesday 26th April, with the payment to take place on May 8th, 2023.

In Australia, a **100% fully franked dividend** has a **credit attached** which allows domestic investors to record in their tax return that 25% tax has already been paid. Hence the first half dividend could be thought of as a gross number (8.66 cents) when comparing against other potential return streams e.g. a term deposit. Based on the current share price of \$1.10 the fully franked dividend of 6.5 cents would represent a yield of 7.87% gross (for the first half dividend) when adding in the franking credit.

The Board will consider, subject to trading conditions and outlook for the 2023/2024 year, payment of a **further dividend in the second half**.

Mr Grindlay (Chief Investment Officer) said “*We are very pleased to be paying our maiden dividend. We have made investments in private businesses since inception and, as a board, always consider the various options for redeployment of capital at the highest returns for the lowest risk. In previous years we have bought back and cancelled shares (which was accretive to NTA per share) and this is something that we will always consider. It is pleasing to be able to return a fully franked dividend of 6.5 cents this half (which is a gross dividend of 8.66 cents) and we thank investors for their patience and commitment to the company’s journey. It is worth noting that many of the listed investment companies (LICs) we have observed/analysed, trade on yields of 4-5% and pay dividends from investment market gains. KGI is different as it can pay dividends from the cash flows generated from private businesses that are owned.*”

Dividend reinvestment plan (DRP)

One sometimes sees a DRP plan running in parallel with a dividend payment. This allows a shareholder to ‘buy’ new shares immediately instead of taking the cash, and there is often a small discount to the share price to make this more attractive (e.g. a 3% discount). At this point, we do not think that issuing new shares at these prices is attractive to all shareholders over the long-term.

Shareholders should speak to their financial advisor if they have any questions regarding the dividend or franking credits, or investing in general.

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