



KAIZEN GLOBAL
Investments

Unaudited NTA per share September 2023

Kaizen Global Investments Limited ("**KGI**") advises that the unaudited pre-tax Net Tangible Asset (**NTA**) backing per share of the company as at 30 September 2023 is **\$0.9911** and on a post-tax basis is **\$1.0469**.

The primary reason for the reduction in NTA is the issue of 5% more shares due to achieving for hitting the EBITDA target of \$0.25 per share from the operating company in the year to June 30, 2023. In addition, our recovery names in travel and infrastructure were hit during September.

We have re-looked at the underlying investments and are confident in the long-term thesis, but short-term focus on consumer sentiment and rising interest rates is impacting share prices. For example, we have a European airport that is slowly recovering to pre Covid-19 traffic levels (98.2% of total volumes) yet the share price is down almost half the levels pre crisis. It could almost double to return to old highs.

In the first quarter of 2022, an investment that we held in Sydney airports was acquired, and delisted, by various investment and infrastructure funds. We believe that these assets are quasi monopolies with long-term pricing power and are very attractive to patient capital. Over the short-term a bump up in performance is good, but over the long-term, it would be better to be a holder, as one has to find other assets with good risk/reward characteristics. The weakness in share prices doesn't impact our long-term view, but is painful as we mark to market each month.

Recall that a 6.5 cent dividend was paid to all shareholders during the month of May 2023, which reduced the NTA but went to shareholders as cash. So, as a shareholder you simply have the 6.5 cents in your pocket vs on the balance sheet of KGI.

As highlighted in the first half results of 2021, we have taken a tax charge for the sale of the private business in the audited 1H numbers, as per the accounting standards. Investors should be aware that if we make an acquisition of a controlling stake out of the proceeds of the sale, within two years, this tax charge will not crystallise and it will be added back to the NTA.

All holding enquiries should be directed to our share registry, Boardroom on 1300 737 760.

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Company Secretary

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