

Tuesday, 15 November 2022

ASX Code: KBC

ASX MARKET ANNOUNCEMENT

NET ASSET BACKING – OCTOBER 2022

Keybridge Capital Limited (ASX:KBC) gives notice that its unaudited after-tax Net Asset Backing as at 31 October 2022 was 5.35 cents per share.

Net Asset Backing

	%	Current Month 31 Oct 2022	Previous Month 30 Sep 2022	Year End 30 Jun 2022
Net Asset Backing for Period Ending:	Change			
Pre-Tax Net Asset Backing per share	-13.71%	\$0.0535	\$0.0620	\$0.0633
Post-Tax Net Asset Backing per share	-13.71%	\$0.0535	\$0.0620	\$0.0633
Total issued (listed) share capital ^(Note 1)		206,837,836	206,837,836	206,837,836
Net Assets		Current Month 31 Oct 2022	Previous Month 30 Sep 2022	
		\$'million	% of Net Assets	\$'million
Cash and cash equivalent		0.440	4.0%	0.053
Listed Securities		9.958	90.0%	10.551
Managed Funds ^(Note 2)		0.838	7.6%	1.556
Other Investments ^(Note 3)		0.691	6.2%	0.610
Loan Receivables:				
• Private Equity		2.416	21.8%	0.000
• Insurance ^(Note 4)		3.989	36.1%	3.842
• Property ^(Note 5)		0.835	7.5%	0.835
• Other		0.000	0.0%	0.000
Other Assets		0.438	4.0%	0.421
Provision for tax		-	-	-
Derivatives		(0.006)	(0.1)%	0.031
Other Liabilities ^(Note 6)		(8.535)	(77.1)%	(5.084)
Net Assets		11.063	100%	12.814

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 31 October 2022) in HHY Fund, Metgasco Ltd (ASX:MEL), Molopo Energy Limited and Yowie Group Ltd (ASX:YOW). In addition, the Company has a significant holding in WAM Active Limited (ASX:WAA).

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) **Managed Funds** – Keybridge Management have reflected the trading update announced on 1 November 2022 in the NTA as at 31 October 2022, including the carrying value of its equity investment in RNY Property Trust being reduced to nil. Keybridge Management has formed the view that that the reduced value is appropriate based on the fund's current capital structure and prevailing market conditions.
- (3) **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
- (4) **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).

- (5) **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.

- (6) **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: