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**APPENDIX 4E
&
PRELIMINARY
FINANCIAL REPORT
FOR YEAR ENDED**

30 JUNE 2024

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BOARD OF DIRECTORS

Nicholas Bolton	Managing Director
John Patton	Chairman
Antony Catalano	Non-Executive Director

COMPANY SECRETARY

John Patton

REGISTERED AND PRINCIPAL OFFICE

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AUDITORS

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Telephone: (03) 9824 8555
Website: www.williambuck.com

STOCK EXCHANGE

Australian Securities Exchange
Melbourne, Victoria
Website: www.asx.com.au

ASX CODE

KBC

SHARE REGISTRY

Automic Group
Investor Services: 1300 288 664
General Enquiries: (02) 8072 1400
Website: www.automicgroup.com.au

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APPENDIX 4E

1. Reporting period

Name of Entity	Keybridge Capital Limited
ABN:	16 088 267 190
Financial year ended:	30 June 2024
Previous corresponding reporting period:	30 June 2023

2. Results for announcement to the market

	2024 \$'000	Percentage increase / (decrease) over corresponding period
Revenues from ordinary activities (<i>item 2.1</i>)	2,032,157	(40.6)%
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	13,371,327	N/A
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	13,371,327	N/A

Dividends (<i>item 2.4</i>)	Amount per security	Franked amount per security
2024 final dividend	0.00¢	N/A
2024 interim dividend	0.00¢	N/A
Final Dividend Dates		
Ex-entitlement date	N/A	N/A
Record date	N/A	N/A
Last election date for DRP	N/A	N/A
Payment date	N/A	N/A

3. Net tangible assets per security (*item 3*)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (cents)	8.46¢	2.01

4. Details of entities over which control has been gained or lost during the period (*item 4*)

N/A

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APPENDIX 4E

Appendix 4E Contents and checklist of requirements

1. Reporting period and corresponding period.	Refer to Page 2 of this Appendix 4E.
2. Results for announcement to the market.	Refer to Page 2 of this Appendix 4E.
3. Statement of comprehensive income.	Refer to Page 4 of this Appendix 4E.
4. Statement of financial position.	Refer to Page 5 of this Appendix 4E.
5. Statement of cash flows.	Refer to Page 7 of this Appendix 4E.
6. Statement of changes in equity.	Refer to Page 6 of this Appendix 4E.
7. Details of dividends or distributions.	Refer to Page 2 of this Appendix 4E.
8. Details of dividend or distribution reinvestment plans in operation and the last date of receipt of an election notice for participation in any dividend or distribution reinvestment plan.	Refer to Page 2 of this Appendix 4E.
9. Net tangible assets per security.	Refer to Page 2 of this Appendix 4E.
10. Details of entities over which control has been gained or lost during the period.	Refer to Page 2 of this Appendix 4E.
11. Details of joint venture entities and associated entities.	Not applicable.
12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position.	Refer to Pages 8-9 of this Appendix 4E.
13. Accounting standards used in compiling reports by foreign entities.	Not applicable.
14. A commentary on the results for the period.	Refer to Page 8 of this Appendix 4E.
15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.	This report is based on financial statements which are in the process of being audited.
16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification a description of the likely dispute or qualification.	At this stage, it is likely that the audit report will be unqualified.
17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.	Not applicable.

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Keybridge Capital Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$
Profit from stablecoin arbitrage		
Sale of stablecoin	6,863,419	53,563,259
Cost of stablecoin sold	<u>(6,838,337)</u>	<u>(55,096,957)</u>
Gross (loss) / profit	25,082	(1,533,698)
Other revenue and income		
Fees	51,676	108,956
Interest revenue	639,713	382,228
Dividend revenue	52,682	2,539,635
Other income	1,288,086	395,000
Other gains and losses	19,397,007	(1,764,028)
Expenses		
Fair value losses on equity investments	-	(1,721,564)
Personnel expenses	(697,936)	(797,675)
Corporate expenses	(156,712)	(346,303)
Legal expenses	(940,328)	(2,741,232)
Administration expenses	(5,471,860)	(179,805)
Other expenses	(12,017)	(96,863)
Finance expenses	(824,605)	(793,109)
Impairment on loans	<u>(20,746)</u>	<u>(2,397,051)</u>
Profit/(loss) before income tax expense	13,330,042	(8,945,509)
Income tax expense	<u>-</u>	<u>-</u>
Profit/(loss) after income tax expense for the year attributable to the members of Keybridge Capital Limited	13,330,042	(8,945,509)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	<u>-</u>	<u>(1,874)</u>
Other comprehensive income for the year, net of tax	<u>-</u>	<u>(1,874)</u>
Total comprehensive income for the year attributable to the members of Keybridge Capital Limited	<u>13,330,042</u>	<u>(8,947,383)</u>
Basic and diluted earnings/(loss) per share (cents) attributable to the ordinary equity holders of the company	6.43	(4.32)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Keybridge Capital Limited
Statement of financial position
As at 30 June 2024

	Consolidated	
	2024	30 Jun 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	792,046	105,572
Financial assets at fair value through profit or loss	11,863,873	6,074,371
Inventories	-	1,282
Trade and other receivables	2,813,548	138,311
Other assets	173,784	34,694
Security deposit	-	320,000
	<u>15,643,251</u>	<u>6,674,230</u>
Non-current assets classified as held for sale	60,827	-
Total current assets	<u>15,704,078</u>	<u>6,674,230</u>
Non-current assets		
Financial assets at fair value through profit or loss	630,975	630,975
Trade and other receivables	12,385,846	6,379,058
Property, plant and equipment	43,998	-
Total non-current assets	<u>13,060,819</u>	<u>7,010,033</u>
Total assets	<u>28,764,897</u>	<u>13,684,263</u>
Liabilities		
Current liabilities		
Trade and other payables	5,969,787	3,373,064
Borrowings	403,329	5,906,514
Employee benefits	459,036	228,925
Total current liabilities	<u>6,832,152</u>	<u>9,508,503</u>
Total liabilities	<u>11,217,810</u>	<u>9,508,503</u>
Net assets	<u>17,547,087</u>	<u>4,175,760</u>
Equity		
Issued capital	257,044,033	257,044,033
Reserves	22,288,066	8,916,739
Accumulated losses	(261,785,012)	(261,785,012)
Total equity	<u>17,547,087</u>	<u>4,175,760</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Keybridge Capital Limited
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Share-based payments \$	Profit reserve \$	Foreign currency translation \$	Accumulated losses \$	Total equity \$
Consolidated						
Balance at 1 July 2022	257,009,533	321,600	8,459,287	137,726	(252,839,503)	13,088,643
Loss after income tax expense for the year	-	-	-	-	(8,945,509)	(8,945,509)
Other comprehensive income for the year, net of tax	-	-	-	(1,874)	-	(1,874)
Total comprehensive income for the year	-	-	-	(1,874)	(8,945,509)	(8,947,383)
Transactions with members in their capacity as members:						
Shares issued	34,500	-	-	-	-	34,500
Balance at 30 June 2023	257,044,033	321,600	8,459,287	135,852	(261,785,012)	4,175,760

	Issued capital \$	Share-based payments \$	Profit reserve \$	Foreign currency translation \$	Accumulated losses \$	Total equity \$
Consolidated						
Balance at 1 July 2023	257,044,033	321,600	8,459,287	135,852	(261,785,012)	4,175,760
Profit after income tax expense for the year	-	-	13,371,327	-	-	13,371,327
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	13,371,327	-	-	13,371,327
Balance at 30 June 2024	257,044,033	321,600	21,830,614	135,852	(261,785,012)	17,547,087

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Keybridge Capital Limited
Statement of cash flows
For the year ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$
Cash flows from operating activities		
Receipts from Stablecoin arbitrage	6,863,419	53,563,259
Payments for Stablecoin	(6,838,337)	(55,073,513)
Fees received	51,676	108,956
Recovery of legal fees	681,000	395,000
Payments to suppliers and employees	(7,480,140)	(3,367,028)
	<u>(6,722,382)</u>	<u>(4,373,326)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Proceeds from sale of financial assets at fair value through profit or loss	20,000,914	8,343,394
Payments for financial assets at fair value through profit or loss	(16,070,931)	(8,059,286)
Dividends received	52,682	2,628,708
Interest received	659,954	6
	<u>4,642,619</u>	<u>2,912,822</u>
Net cash from investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	-	34,500
Loan facility payments	355,681	(1,260,000)
Proceeds from borrowings	700,000	2,300,000
Proceeds from borrowings from related parties	2,950,000	7,183,583
Repayments of borrowings to related parties	(1,032,281)	(6,371,635)
Interest and other finance costs paid	(207,163)	(365,435)
	<u>2,766,237</u>	<u>1,521,013</u>
Net cash from financing activities		
Net increase in cash and cash equivalents	686,474	60,509
Cash and cash equivalents at the beginning of the financial year	105,572	54,680
Effects of exchange rate changes on cash and cash equivalents	-	(9,617)
	<u>-</u>	<u>(9,617)</u>
Cash and cash equivalents at the end of the financial year	<u><u>792,046</u></u>	<u><u>105,572</u></u>

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PRINCIPAL ACTIVITIES

Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets in the life insurance (New Zealand), property and funds management sectors and strategic holdings in Yowie Group Ltd (ASX: YOW), Molopo Energy Limited (Molopo), RNY Property Trust (RNY) and HHY Fund (HHY).

Keybridge is a company limited by shares that was incorporated in New South Wales in June 1999 and has been listed on the Australian Securities Exchange (ASX) since December 1999 (ASX Code:KBC).

REVIEW AND RESULTS OF OPERATIONS

Keybridge's principal activities during the year were management of its portfolio of listed and unlisted investments/loan assets.

FINANCIAL RESULTS FOR THE YEAR

The profit of the Consolidated Entity for the financial year ended 30 June 2024 after providing for income tax was \$13,330,042 (2023: loss of \$(8,945,509)).

Keybridge paid no ordinary dividends for the current financial year.

Keybridge sold its position in the Magellan Global Fund Options (ASX: MGFO) for \$17.8 million in December 2023. To facilitate the trade, Keybridge and its Managing Director, Mr Nicholas Bolton, agreed to enter a Standstill Agreement with Magellan Financial Group Limited (ASX: MFG), limiting future dealings in MFG and its related entities for a period of two (2) years. The Company has also agreed to pay Mr Bolton \$4.3 million (NPV) to enter into a separate restraint agreement with the Company, with the payment to be made at the end of the two (2) year period.

In May 2024, Keybridge received an offer of debt finance of \$3.5 million from an external financier (secured by 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)), which the Company did not proceed with. Consequently, Keybridge revalued its loan to \$3.5 million.

In addition, as previously announced, Keybridge currently holds an investment at nil that could, alternatively, be carried at an equity accounted value of approximately \$7.35 million, which equates to approximately 3.5 cents per Keybridge share. There is presently a dispute with the trustee in relation to this investment which Keybridge is working through with the trustee and further details will be provided in due course.

STRATEGY FUTURE OUTLOOK

Keybridge intends to continue its investment activities in future years. The results of these investment activities depend upon the performance of the underlying investee entities/loan counterparties and securities in which Keybridge invests. The investments' performances depend on many economic factors and also industry and investee/counterparty-specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of Keybridge's investments or forecast the likely results of Keybridge's activities.

DIVIDENDS

The Directors have not determined to pay a final dividend.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 29 December 2023, Keybridge announced a takeover bid for Yowie Group Limited, which closed at 7.00pm on 26 April 2024. Acceptances received under the takeover bid resulted in Keybridge's relevant interest in the ordinary shares of Yowie increasing to 78.359%. Keybridge has accounted for its investment in Yowie at a carrying value of \$6,694,183 based on its proportionate share of Yowie's net asset position (based on the June 2024 balance sheet).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In July 2024, the Company entered into a short-term loan agreement for \$3 million, which was fully repaid in early August 2024.

In July 2024, the Company advanced an unsecured loan to an asset rich entity owned by Mr Bolton equal to the unpaid standstill fee and bonus. The loan is on commercial terms with an interest rate of 10% p.a., capitalising yearly and the maturity date is tied to the restraint of trade liability payment date (of December 2025).

Keybridge refers to previous disclosure regarding its funding of the liquidator for PR Finance Group Limited (in Liquidation) (PRFG) to recover losses from the entity's former directors.

The liquidator recently withdrew from these proceedings and despite having argued that the directors' insurer should be responsible for the costs of the proceeding, on 28 August 2024 a Court ordered that the liquidator pay parties' costs. As part of this hearing, funds of \$1.8 million were lodged with the Court as security for potential costs. Consequently, it is likely these funds will be called upon and, accordingly, Keybridge expects to recognise a loss. Keybridge is considering its position in relation to this matter.

No other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may affect:

- (i) the operations of the Company in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Company in future financial years

SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.