

Wednesday, 12 February 2020

ASX Codes: KBC; KBCPA

ASX MARKET ANNOUNCEMENT

Keybridge agrees to issue \$1.52m in ordinary shares at 6.9c

Keybridge has agreed to place 22,000,000 ordinary shares¹ to sophisticated investors at an issue price of 6.9c per share, raising \$1.518 million. The shares will be issued upon receipt of funds, no earlier than 17 February 2020. No shareholder approval for the placement is required, including under Listing Rule 10.11.1 to 10.11.4.

The Company intends to apply the funds towards repayment of the outstanding CRPN early-redemption requests, of which, approximately \$2.5m currently remains outstanding.

Keybridge obtained a waiver of Listing Rule 7.9 from ASX (Waiver) to facilitate a placement during the 6.5c WAM Active Bid². The terms of the Waiver required that Keybridge obtain approval from ADIT, to facilitate the placement during the first 3 months of its 6.6c takeover offer. Approval from ADIT for the placement was successfully obtained.

The placement is at a price higher than the Company's last reported NTA, both of the current takeover bids and the conversion price otherwise available to the Company under the CRPN early redemption requests. Accordingly, the Keybridge Board considered a placement at 6.9c to be in the best interests of the Company, taking into account that it is less dilutionary to shareholders than a CRPN conversion and in circumstances where it is value accretive to the Company's last published NTA.

An Appendix 3B New Share Issue Notification accompanies this announcement.

FOR FURTHER INFORMATION:

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¹ In light of the suspension of the Company's shares from trading, the investors have applied for the shares on the basis that they will be restricted from trading on ASX for 12 months from the date of issue.

² The ASX waiver was granted primarily as a result of WAM Active making its original bid over 3 months prior, on 14 October 2019, before replacing it with a varied bid on 13 December 2019. Keybridge contended that, in the circumstances, the Listing Rule was not intended to prohibit a company's function for a total of 5 months as would otherwise have been the consequence of the two WAM Active Bids.