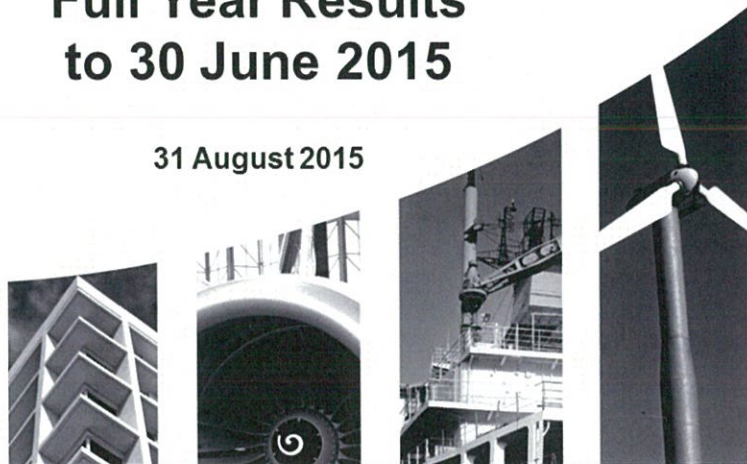




Full Year Results to 30 June 2015

31 August 2015



Welcome.

My name is Nicholas Bolton, Keybridge's Managing Director, and I am pleased to present to you Keybridge's financial results for the year ended 30 June 2015. This presentation addresses the present status of Keybridge's financial position, its portfolio of assets, and the outlook for the business.

During the year ended 30 June 2015, Keybridge:

- Declared a final dividend of 0.25 cents per share fully franked, bringing dividends paid to shareholders for the year to 0.5 cents fully franked.
- Returned \$0.571 million through an on-market buyback, in a Net Tangible Asset (NTA) accretive manner for remaining shareholders.
- Returned \$4.957 million to shareholders in the form of a 7% pa including franking, 5 year convertible note in-specie to existing shareholders. This brings total returns to shareholders of \$5.528 million.
- Acquired Aurora Funds Management Limited (Aurora), a boutique alternative assets manager, and successfully integrated the team and business into the Keybridge Group. The Keybridge team has as a result grown from 5 full time employees to 17.
- Acquired a strategic 10.1% stake in Foundation Life, formerly Tower Life NZ.
- Acquired, with associates, a strategic 19.67% stake in Molopo Energy, a \$68 million cashbox at a discount to NTA.
- Acquired a 19.99% interest in HHY Fund and appointed Aurora Funds Management as manager and Responsible Entity. HHY is an \$11 million listed cashbox trust.
- I joined the PTB Group Board as Keybridge's representative to allow greater influence on our 19.86% shareholding.
- Exited our economic interest in a very difficult asset, AMX Money, for a \$1.0 million book gain.
- Continued the orderly and opportunistic realisation of our legacy assets, realising \$3.832 million.

I will now turn to the results for the full year.

Summary

- Net profit after tax of \$0.968 million
- Final fully franked dividend declared of 0.25 cents per share
- Including the 0.25 cents per share interim dividend - total dividends of 0.50 cents per share paid for the year
- \$3.832 million of investment realisations from difficult assets
- Completed the acquisition of Aurora Funds Management Limited
- \$5.528 million returned to shareholders through:
 - the issue of Convertible Redeemable Promissory Notes (\$4.957 million) and
 - the acquisition of 2.9 million shares (\$0.571 million) via the on-market buy-back program
- Audited Net Asset Value of 20.3 cents per share at 30 June 2015

2

Last year was a significant transition year for Keybridge.

Management continued to exit difficult historical investments with realisations totalling \$3.832 million achieved during the year.

Aurora was acquired to put Keybridge onto a new strategic direction to become a significant Alternative-Asset Funds Management business.

As part of this new funds management strategy, Keybridge also acquired significant stakes in two ASX-listed entities – HHY and Molopo Energy, with the aim of growing funds under management.

After years of accounting losses, Keybridge returned to profitability and at the end of the year rewarded shareholders with:

- A total of 0.5 cents per share in fully franked dividends (0.25 cents per share interim and 0.25 cents per share final); and
- A return of \$4.957 million in capital through a pro-rata issue of Convertible Redeemable Promissory Notes (CRPN) which pay a fixed rate of 7% per annum fully franked.

Profitability

	2015 \$000	2014 \$000
Income	3,554	1,886
Operating Costs	(3,496)	(2,776)
Recovery Costs	(1,000)	(1,432)
Borrowing Costs	(27)	(1)
Pre Tax Operating (loss)	(969)	(2,323)
Foreign Exchange Gain	1,194	81
Bargain Purchase Gain	-	23
Net (reversal)/ impairments	915	(549)
Income Tax	(172)	(151)
NPAT	968	(2,919)

3

Income

Total investment and interest income was up on FY14.

All of Keybridge's new and retained investments contributed either accrued or cash interest income.

Keybridge holds a number of strategic, active and passive investments in listed company shares which incurred a net unrealised mark-to-market loss of \$0.320 million for the year (2014: \$0.497)

Further, Keybridge's investments are spread globally with currency movements resulting in net unrealised FX gains over the period of \$1.194 million (2014: gain of \$0.081 million).

Aurora also contributed to \$0.549 million of fee income for the three months since acquisition on 27 March 2015.

Operating Expense

Keybridge's total operating expenses were higher at \$4.496 million compared with \$4.208 million in 2014.

The increase was largely as a result of consolidating Aurora for the final quarter of the year.

Legal and professional costs of \$1.0 million (2014:\$1.432 million) relate to ongoing litigation and legal fees incurred in potential recovery of assets. There were also costs incurred in preparing the CRPN Product Disclosure Statement which included an ATO class ruling, and for due diligence in acquiring Aurora.

Net Impairment Reversal

A historical impairment was reversed following the recovery of a loan to Ridgway Capital, which had previously been written down to nil.

Profitability

	2015		
	1H \$000	2H \$000	Total \$000
Income	918	2,636	3,554
Operating Costs	(1,060)	(2,436)	(3,496)
Non-recurring Costs	(157)	(843)	(1,000)
Borrowing Costs	-	(27)	(27)
Pre Tax Operating Profit/(loss)	(299)	(670)	(969)
Foreign Exchange	1,030	164	1,194
Net Impairments reversal	-	915	915
Income Tax	-	(172)	(172)
Net Profit After Tax	731	237	968

4

Looking at the two halves of the year, it is evident that the acquisition of Aurora has significantly changed the profile of Keybridge's financial figures.

Both fee income and operating costs have increased substantially.

The costs also remain inflated by non-recurring legal fees of approximately \$0.8 million to recover assets previously written down to nil. Keybridge achieved one significant recovery of a problem loan which delivered approximately \$1.0 million gain, shown as a reversal of impairment. We anticipate further recoveries will be achieved in coming months.

Foreign exchange continues to impact our reported earnings, with a fall in the Australian dollar being beneficial to the carrying value of our assets. The Company's currency exposure is partially hedged.

Although Keybridge generally does not have to pay tax until the accumulated losses have been utilised, Keybridge did receive fully franked dividends such that the tax of \$0.172 million represents the grossed up franking credits received during the year.

Operating Cash Flow

Year to 30 June 2015	\$000
Cash Balance 1 July 2014	14,535
Investment income	2,138
Investment realisations	14,506
New investments	(24,292)
Operating Costs	(3,774)
Dividends paid	(208)
Placement of shares	500
On market Share Buy-Back	(572)
Cash Balance 30 June 2015	2,883
Average Cash Holdings	9,410

5

Generating cash income continues to be a key focus.

- Interest income received from cash on deposit \$0.15 million and \$0.70 million from new and retained investments.
- Aurora Funds Management fees of \$0.5 million and cost recovery fees in Keybridge of \$0.45 million
- Overall cash decreased from June 2014 as a result of acquiring Aurora, investing in Foundation Life and making significant additional listed equity investments, including strategic stakes in Molopo and HHY Fund.
- Keybridge also bought back almost \$0.6 million of its own shares, and then placed shares to Aurora staff as part of the acquisition.

Balance Sheet

	June 2015 \$000
Investments	18,846
Historical investments	17,585
Cash	2,833
Other Assets	3,462
Liabilities	(10,368)
Shareholders' Funds	32,358

30 June 2015 NAV: \$0.203 per share

31 July 2015 NAV (unaudited): \$0.203 per share

6

Shareholders' funds were \$32.358 million as at 30 June 2015, with net asset value (NAV) of 20.3 cents per share.

The 2.8 cents per share decrease from 30 June 2014 can be attributed to the capital return to shareholders in the form of CRPN.

At 31 July 2015, the unaudited NAV has remained flat at 20.3 cents per share.

At 30 June 2015, net currency exposure as a percentage of total NAV (Australian Dollar equivalent) was: A\$:76%, US\$:14%, Euro:8%, NZ\$:2%

Liabilities include the following significant components:

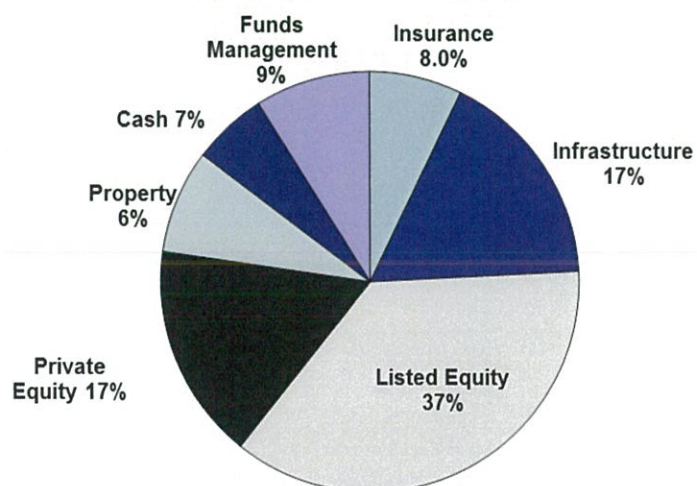
- CRPN \$4.957 million
- Short listed equity positions \$1.09 million (with contra amount in either cash or receivables);
- Borrowings of \$1.02 million by Aurora to offset its regulatory capital requirements;
- Accrued expenses and creditors which includes legal and professional fees \$1.2 million;
- Deferred contingent settlement payment \$0.8 million for purchase of Aurora.

During the year, the following movements occurred in share capital:

- Keybridge acquired 2,920,852 shares via the on-market buy-back program at an average of 19.6 cents per share (all purchased before the return of capital in June of 2.8 cents per share);
- Placement of 2,597,000 shares to Aurora staff as part of the acquisition;
- 984,000 shares issued in the dividend reinvestment plan; and
- Returned capital of \$4,957,000 via the issue of CRPN.

Investments and Cash

30 June 2015
Total investments \$39.264m



7

At 30 June 2015, the total book value of Keybridge's assets was \$39.264 million, consisted:

- Listed Equity 37%, includes strategic stakes in PTB, Molopo and HHY
- Infrastructure 17%
- Private Equity 17%
- Funds Management 9%
- Insurance 8%
- Property 6%
- Cash 7%

Core Business Investments

Listed Equity

- Total book value \$14.3 million as at 30 June 2015, with significant shareholdings being:
 - a 17.79% stake in Molopo, which has sold all of its oil and gas exploration and production, and is now cash backed
 - a 19.99% investment in Hasting High Yield Fund, now renamed HHY Fund. Aurora has been appointed as RE and Manager
 - a 19.86% investment in PTB Group Limited (PTB), a turbo-prop aircraft parts and services supply organisation with operations in Queensland and New South Wales

8

Listed Equity: *Total book value \$14.343 million.*

The majority of investments have been small shareholdings in companies listed on the ASX and other international stock exchanges with three larger strategic holdings:

- a 17.79% stake in Molopo, which was historically an oil and gas exploration and production company. Molopo has exited all of its former oil production and exploration assets, and currently has a large cash balance with no debt, but is facing litigation in relation to previous trading activities. Keybridge considers that the current market valuation of Molopo's shares trading on the ASX is well below the value of its likely cash backing after the litigation is settled. In December 2014 Molopo appointed Antony Sormann as Keybridge's representative to its Board.
- a 19.99% investment in Hasting High Yield Fund, now renamed HHY Fund. Keybridge has recently announced that Aurora has been appointed as the Responsible Entity and Manager of the Fund.
- a 19.86% investment in PTB Group Limited (PTB), a turbo-prop aircraft parts and services supply organisation with operations in Queensland and New South Wales. During the half year PTB appointed Nicholas Bolton as Keybridge's representative to its Board.

Core Business Investments

Funds Management

- Total book value \$3.5 million as at 30 June 2015
 - On 27 March 2015 Keybridge completed the acquisition of Aurora Funds Management for \$3.797 million plus \$2.44 million of net tangible assets (largely cash)
 - Aurora is the Responsible Entity and Investment Manager for 6 alternative investment funds:
 - the Aurora Fortitude Absolute Return Fund (AFARF)
 - Aurora Absolute Return Fund (ASX:ABW)
 - Aurora Dividend Income Trust (ASX:AOD)
 - Aurora Global Income Trust (ASX:AIB)
 - Aurora Property Buy-Write Income Trust (ASX:AUP)
 - HHY Fund (previous Hasting High Yield Fund) (ASX:HHY)
 - The collective retail funds under management at 30 June 2015 was approximately \$141 million

9

Funds Management: *Total book value \$3.496 million.*

On 27 March 2015 Keybridge completed the acquisition Aurora for \$3.797 million plus \$2.44 million of net tangible assets (largely cash).

As a result of the transaction, Aurora Funds Limited (the vendor) used the proceeds to return capital to its shareholders. As Keybridge held a 19.9% investment in Aurora Funds Limited approximately \$1.06 million of the purchase price was returned to Keybridge by way of a Capital Return.

Aurora is the Responsible Entity and Investment Manager for a number of alternative investment funds, including the Aurora Fortitude Absolute Return Fund (AFARF); Aurora Absolute Return Fund (ASX:ABW); Aurora Dividend Income Trust (ASX:AOD); Aurora Global Income Trust (ASX:AIB); Aurora Property Buy-Write Income Trust (ASX:AUP); and HHY Fund (previous Hasting High Yield Fund) (ASX:HHY).

The collective retail funds under management (FUM) at 30 June 2015 was approximately \$141 million.

Keybridge expects that it will be able to provide Aurora with an increased capacity to expand its alternative asset management offering.

Core Business Investments

Insurance

- Total book value A\$3.1 million as at 30 June 2015
 - On 28 August 2014 Keybridge invested NZD3.8 million into Foundation Life Holdings (FLH)
 - The investment is structured to earn ongoing interest at 9% per annum, payable at the end of FLH's financial year, plus some upside over time
 - During the year received NZD0.6 million in repayments, which included both return of capital and interest payments

10

Insurance: *Total book value \$3.136 million*

On 28 August 2014 Keybridge invested NZD3.8 million into Foundation Life Holdings (FLH). FLH purchased all of the shares in Tower Life New Zealand, a life insurance subsidiary of Tower Limited. The investment is structured to earn ongoing interest at 9% per annum, payable at the end of FLH's financial year, plus some upside over time. Keybridge has already received NZD0.6 million in repayments during the year, which included both return of capital and interest payments.

Historical Investments

Infrastructure

- Solar facility in Spain - Total book value \$6.7 million as at 30 June 2015:
 - Plant operating at full capacity
 - Spanish regulatory changes are now in place, which caps revenue
 - EUR0.8 million in repayments received for 2015

11

Infrastructure: *Total book value \$6.668 million.*

Keybridge retains full ownership of a 1.05MWp twin-axis tracking solar photovoltaic (PV) park in the Murcia region in southern Spain, named Totana.

During the 2014 financial year, the Spanish government finalised a second round of amendments to the original feed-in tariff resulting from a series of austerity measures attempting to reduce its budget deficit. The regulations entered into force on 11 June 2014 but applied retrospectively from 14 July 2013.

The tariff is now based on what the Spanish government has deemed to be a reasonable fixed rate of return on capital invested for such an asset. The Spanish government has indicated that the next review of tariffs will not occur before 2017. Until then, total annual compensation under the new structure is expected to continue to deliver approximately EUR0.53 million (AUD 0.78 million) of gross annual revenue, down from approximately EUR0.75 million (AUD1.1 million) per annum.

During the year, Keybridge received EUR0.8 million (AUD1.162 million) in repayments which included both return of principal and interest payments.

Historical Investments

Private Equity

- Total book value \$6.5 million as at 30 June 2015
 - Investment in US limited liability company which holds units in private equity fund
 - Loan accrues interest at 14.5% per annum
 - Investment value increase due to decline of the Australian Dollar against the US Dollar

12

Private Equity: *Total book value \$6.529 million.*

Keybridge holds a limited recourse loan to RPE1 Investor LLC, a Colorado USA limited liability company, which holds units in a Private Equity Fund.

This loan accrues interest at 14.5% per annum and has a maturity date of 31 December 2017. Keybridge's loan of USD5.0 million is secured by Republic Limited Partnership Capital's interest in the Private Equity Fund (RPE). RPE's internal valuation of the Fund was USD28.2 million (AUD 36.7 million) (as of end March 2015) with the value of the stake forming Keybridge's security interest valued at approximately USD14.1 million (AUD 18.4 million).

Keybridge received no repayments from its Private Equity investment during the financial year 2015 and accrued only AUD0.1 million of income.

Historical Investments

Property

- Total book value \$2.2 million as at 30 June 2015.
 - In September 2014, Keybridge took direct control of the last two loans that were held in a fund run by Ashe Morgan, which invested in first ranking mortgage loans over commercial properties
 - During the year one of the properties was sold and the loan is expected to be repaid in October 2015
 - One other investment in the property portfolio was repaid during the year and generated a return on investment of 20.2% in ten months

13

Property: *Total book value \$2.259 million.*

In September 2014, Keybridge took direct control of the last two loans that were held in a fund run by Ashe Morgan, which invested in first ranking mortgage loans over commercial properties. The loans are secured by property in the Melbourne suburb of Prahran and a property in the Sydney suburb of Manly. During the year the Melbourne property was sold and the loan is expected to be repaid in October 2015.

Keybridge's other investment in the property portfolio was repaid during the year and generated a return on investment of 20.2% in ten months.

Management and Board

- Five personnel in Keybridge management team
- Keybridge Board consists of three non-executive directors and two executive directors
- Twelve personnel in Aurora Funds Management team
- Aurora Funds Management Board consists of three executive directors

14

Keybridge's focus is to continue to grow its Aurora business and its funds under management more generally. Keybridge will also maintain its program of managing or selling off its historical assets with a view to maximising shareholder value.

Outlook

- Keybridge's focus is to continue to grow its Aurora business and its funds under management more generally
- Keybridge will also maintain its program of managing or selling off its historical assets with a view to maximising shareholder value
- Other non-core assets will be managed to maximise shareholder returns

15

Keybridge's focus is to continue to grow its Aurora business and its funds under management more generally.

Keybridge will also maintain its program of managing or selling off its historical assets with a view to maximising shareholder value.

Contact

Nicholas Bolton
Managing Director
(02) 8622 6692 or 0416 606 899
nbolton@keybridge.com.au

16

Thank you for your time today. If you have any follow-up questions, please contact me directly.