



KAIZEN GLOBAL
Investments

Unaudited NTA per share May 2023

Kaizen Global Investments Limited ("**KGI**") advises that the unaudited pre-tax Net Tangible Asset (**NTA**) backing per share of the company as at 31 May 2023 is **\$1.1042** and on a post-tax basis is **\$1.1259**.

A 6.5 cent dividend was paid to all shareholders during the month, which explains the vast majority of the reduction in NTA. Remember that the 6.5 cents per share passes from the company to the shareholders – so as a shareholder you simply have the 6.5 cents in your pocket vs on the balance sheet of KGI.

The company has a holding in Updater, a growth relocation tech company based in the US, that has been growing but is EBITDA negative. We've highlighted before that the environment for cash burning companies facing growth capital raises is very difficult at present. This is the only other cash burning private company owned, but we thought it prudent to write down the holding value by 20% as capital raises are going through at lower valuation rounds in general. This does not change our investment view of the opportunity for the company – it is a timing issue. Many technology and growth companies have had access to plentiful capital and the proverbial music has stopped. Those that can survive this capital raising winter will find less competition on the other side and will, potentially, be more valuable as a result.

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.

Lisa Grindlay
Company Secretary

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