

# News Release

## KEY INSURANCE LAUNCHES RIGHTS ISSUE

**Kingston, Jamaica, December 16, 2020** – Key Insurance has announced that its planned Rights Issue has been launched. The Rights Issue was approved at Key’s 2020 Annual General Meeting, which was hosted virtually on October 22, 2020. Through the Rights Issue, Key hopes to raise equity funding of approximately J\$670million by offering existing shareholders the right to subscribe for additional shares in the Company, in proportion to their existing stockholdings.

In the offering circular detailing the Rights Issue dated December 11, 2020, Chairman of Key Insurance, GK Group CEO Don Wehby explained “The capital the rights issue will raise will be critical to the implementation of Key’s vision and strategic plan, which focuses on achieving profitability targets and sustainable long-term growth, which in turn will provide an attractive return on investment to our shareholders. The Board is extremely optimistic about Key’s future, and we are confident that the management team is well positioned to maximise the Company’s full potential and shareholder value.”

In March this year, GK, through its wholly owned subsidiary, GraceKennedy Financial Group Limited, acquired 65 percent of the share capital of Key. The new Board of Directors led by Wehby soon defined four strategic drivers for the company: sustained growth and innovation; consumer centricity; improved business processes for greater efficiency; and a performance driven culture.

Under the rights issue New Ordinary Shares in Key have been provisionally allotted to the Company’s Existing Ordinary Stockholders in the proportion of 259 New Ordinary Shares for every 500 Existing Ordinary Stock Units held by the stockholder, at a subscription price of J\$3.50 per share. The offer of shares is renounceable, meaning that existing Key shareholders can assign their rights to these shares, wholly or in part, to others, whether they are shareholders in the Company or not. Excess Shares will be placed in an Excess Shares Pool and will be made available to Key shareholders who have indicated that they wish to acquire more New Ordinary Shares than their allotment.

The Rights Issue is one component of the overall strategy implemented by Key’s Board and management team in 2020 geared towards strengthening the Company’s capital base so as to ensure regulatory compliance and future growth. Key has also entered into an agreement for the divestment of its investment property located at 18-22 Knutsford Boulevard. The sale of the property will be completed in the first quarter of 2021.

“I would like to thank our shareholders, for the confidence they have shown in the Board and management of Key this year. Although it is still early days, we have already seen significant improvement in Key’s performance. With the continued support of our valuable investors we look forward to strengthening Key’s financial position, exceeding targets, and honouring our customers’ needs,” said Wehby.

The Key Rights Issue is scheduled to open on December 23, 2020 and will close on January 11, 2021. The last opportunity for Key shareholders to renounce their rights, wholly or in part, is January 2, 2021. The share offer is being underwritten by GK Capital Management Limited.

Additional details about the Rights Issue can be found on the Key insurance website ([www.keyinsurancejm.com](http://www.keyinsurancejm.com)) and the website of the Jamaica Stock Exchange ([www.jamstockex.com](http://www.jamstockex.com)).

**6c Half Way Tree Road, Kingston 5**

**Tel:** (876) 929-7940-3, (876) 929-1218-9 ~ **Fax:** (876) 929-7944 ~ **Toll Free :** 888-CALL KEY (255-5539)

**Board Chairman:** Donald Wehby

**Directors:** Herma McRae | Kareem Tomlinson | Linval Freeman | Mariame McIntosh Robinson | Sandra Masterton | Rochelle Cameron | Kerry-Ann Heavens (Director & Company Secretary)