

ASX Announcement

27 May 2022

Kelsian Enters Agreement for Sale of East London Bus Operations

Key Highlights

- Next step achieved in the reorganisation and repositioning of Kelsian's presence in the important UK transport market to enhance long-term competitiveness
- Tower Transit Lea Interchange bus operations to be divested to a subsidiary of Stagecoach Group Plc, subject to satisfaction of conditions
- Agreed total consideration of £20 million (approx. A\$35 million¹)

Kelsian Group Limited (ASX:KLS) ("Kelsian"), advises it has today entered into binding agreements (subject to certain conditions precedent) ("**Transaction**") with Stagecoach Bus Holdings Limited, a subsidiary of Stagecoach Group Plc (together referred to as "**Stagecoach**") in relation to the sale and divestment of Kelsian's East London public bus transport service operations at Lea Interchange, for a total consideration of £20 million (approximately A\$35 million¹).

The Transaction includes:

- Divesting of 11 route contracts, approximately 500 bus and depot staff, lease of the Lea Interchange depot site and operating assets for the associated bus operations of approximately 150 buses;
- Agreed consideration for the Lea Interchange operations and assets payable by Stagecoach is £20 million, of which £10 million will be payable on completion and £1 million per annum for ten years commencing on the first anniversary following completion, subject to certain property related conditions.

The completion of the Transaction will be another major milestone in Kelsian's repositioning in the important UK transport market, which will provide a strategic platform for potential UK and European expansion opportunities.

Kelsian will continue to participate in the London bus market via its 12.5% stake in the RATP Dev Transit London Ltd joint venture in the western region of London and its ongoing 100% freehold interest in the Westbourne Park bus depot. The Transaction does not impact Kelsian's interest in the joint venture in any way, which in turn, does not impact on any of Kelsian's activities in the UK outside of the London bus market.

¹ Based on exchange rate of 1 GBP: 1.75 AUD

Completion of the transaction is targeted for late June 2022 and is subject to satisfaction of certain conditions precedent including:

- Third party customer consents from Transport for London;
- Grant of other necessary operating licences and consents from relevant traffic regulatory authorities;
- Financier consent for novation of existing bus and associated financing arrangements to Stagecoach; and
- Kelsian financier consents for the restructure and disposal of the assets as a result of the proposed transaction.

Authorised for lodgement with the ASX by the Group Chief Executive, Clint Feuerherdt

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About Kelsian Group Limited

Kelsian is Australia's largest land and marine transport service provider and tourism operator, with established operations in London and Singapore.

Headquartered in Adelaide since 1989, Kelsian has grown through strategic acquisitions and organic growth to emerge as a leader in public bus and marine transport, and tourism operations. Today, the group is one of Australia's most experienced providers of multi-modal public transport services and tourism experiences, boasting performance-driven capabilities across ferry, bus, and light rail both domestically and internationally. Every year Kelsian moves more than 222 million customers and operates approximately 4,200 buses, 116 vessels and 24 light rail vehicles and has around 9,500 employees.

Kelsian is a leading business in zero emission transport technology with a genuine focus and care for the environment promoting a culture of sustainability. We have recently placed Australia's largest order for electric buses. We were also the first in Australia to purchase hydrogen buses to service public transport contracts.