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All Aboard America!

Acquisition and equity raising

15 March 2023

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Importance notices and disclaimer

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- a pro-rata, accelerated, non-renounceable issue of new fully paid ordinary shares in Kelsian (‘**New Shares**’) to eligible Kelsian shareholders under section 708AA of the *Corporations Act 2001* (Cth) (‘**Corporations Act**‘) as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (‘**Entitlement Offer**‘); and
- a placement of New Shares to new and existing institutional shareholders under sections 708 and 708A of the Corporations Act (‘**Placement**’)

(the Entitlement Offer and Placement together being the ‘**Offer**’) conducted in connection with Kelsian’s proposed acquisition of AAAHI Topco Corporation, a Delaware corporation which controls All Aboard America! Holdings Inc. and its group of businesses (‘AAAHI’) (‘Acquisition’). You are advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation.

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Subject to the remainder of this paragraph, the pro forma financial information in this Presentation has been prepared by Kelsian in accordance with the recognition and measurement principles, but not disclosure requirements, of the Australian Accounting Standards ('**AAS**') and International Financial Reporting Standards ('**IFRS**') on a post-IFRS 16 basis. Investors should note that AAAHI prepares its financial information in accordance with US GAAP, and Kelsian makes no representation as to the compliance of any financial information relating to AAAHI included in this Presentation with the requirements of US GAAP. Kelsian has undertaken a limited analysis to convert AAAHI financial information prepared in accordance with US GAAP into information that complies with AAS and IFRS for the purpose of presenting the pro forma information in this Presentation, but no assurances are given by Kelsian or any Other Person (as defined below) that this has been undertaken adequately or correctly. In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

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Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based.

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You acknowledge and agree that the eligibility of investors for the purposes of the Entitlement Offer and the Placement is determined by reference to a number of factors, including legal and regulatory requirements, logistical and share registry constraints and the discretion of Kelsian and/or the Lead Manager. You further acknowledge and agree that, to the maximum extent permitted by law, each of Kelsian and the Other Persons expressly excludes and disclaims any and all duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion.

You acknowledge and agree that your existing holding (if any) will be estimated by reference to Kelsian's beneficial register on 9 March 2023 which shows historical holdings as at that date and is not up to date. There will be no verification or reconciliation of the holdings as shown in the historical beneficial register, and accordingly this may not truly reflect your actual holding. Kelsian and the Other Parties do not have any obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations nor do they have any obligation to allocate pro rata on the basis of existing securityholdings. If you do not reside in a permitted Offer jurisdiction for the relevant tranche of the Offer you will not be able to participate in that tranche of the Offer.

Allocations are at the sole discretion of the Lead Manager and/or Kelsian, and Kelsian and the Other Parties disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion (including, without limitation, where based on your assumed holding, if any), to the maximum extent permitted by law.

Communications that a transaction is “covered” (i.e. aggregate demand indications exceed the amount of the security offered) are not an assurance that the transaction will be fully distributed.

The Lead Manager, together with its affiliates, is a full service financial institution engaged in various activities, which may include (but not be limited to)trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Lead Manager and its affiliates have provided, and may in the future provide, financial advisory, financing services and other services to Kelsian and to persons and entities with relationships with Kelsian, for which they have received or may receive customary fees and expenses. In the ordinary course of their various business activities, the Lead Manager and its affiliates may act as market maker or purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of Kelsian, its affiliates and/or persons and entities with relationships with Kelsian and/or its affiliates. The Lead Manager and its affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of those assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in those assets, securities and instruments. As at 9 March 2023, Macquarie Group Limited together with its affiliates beneficially owns 1% or more and a net long of 0.5% or more of the equity securities of Kelsian Group Ltd.

The Lead Manager and/or its affiliates are acting as lead manager, underwriter and bookrunner to the Offer. The Lead Manager, in conjunction with its affiliates, is acting in the capacity as such in relation to the Offer and will receive fees and expenses for acting in this capacity.

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Agenda

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Executive summary

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Transaction overview

Transaction overview	• Kelsian has entered into a binding agreement to acquire 100% of All Aboard America! Holdings Inc. (**AAAHI**)[1], a leading provider of passenger motorcoach services to corporate, government, education, Liquefied Natural Gas (**LNG**), and tourism sector customers in the USA (**Acquisition**) • Acquisition Enterprise Value of US$325 million[2] (A$487 million[2,3]), in addition to the assumption of US$26 million (A$39 million[4]) of lease liabilities[5], equivalent to approximately 6.9x, EV / pro forma normalised EBITDA for the 12 month period ending 31 December 2022 (**CY22**)[2,6]
AAAHI overview	• AAAHI is a leading transport solutions platform providing contract and charter coach passenger services in the south and south-west of the USA • Comprehensive platform of six geographically diversified, highly regarded brands with strong cultural alignment • Customers diversified by revenue contribution, service type and end-markets • Continuous investment in people, fleet and operations with an emphasis on safety – Strong driver retention and leadership in each operational market provides recruiting advantage – Large, diversified and well-maintained fleet of 1,063 vehicles with an average fleet age of approximately 7.6 years[7] • Track record of delivering strong revenue and earnings growth, with consistent margin expansion through successful contract retenders, new clients and projects and prudent cost control • CY22 revenue of US$208 million[6] (A$300 million[8]) and pro forma normalised EBITDA of US$51 million[6] (A$74 million[8]), representing approximately 25% EBITDA margin[6]
Strategic rationale	• Entry into the large and attractive USA market, through an established, highly regarded, customer centric operator with a multi-state footprint • Further diversifies Kelsian's multi-modal operations across four countries • Diverse and loyal blue-chip customer base, with a focus on corporate, government, education, LNG, and tourism sector customers • Highly scalable platform in a fragmented market, providing a base to pursue ongoing growth opportunities in adjacent geographies and end-markets, leveraging Kelsian's core competencies • Attractive financial profile with approximately 85% in recurring revenue[9], track record of earnings growth and strong cash flow conversion • Upper single digit EPSA accretion in pro forma CY22, before any bonus adjustment[2,6,10] • High quality local management team with strong market expertise committed to continuing growth plans – Oversight from newly established local Board with representation from Kelsian Board and management to be expanded to include AAAHI representatives following completion

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) Kelsian is affecting this transaction through the acquisition of 100% of the shares in AAAHI TopCo Corporation from AAAHI Holdings LLC, an entity controlled by funds managed/advised by Tensile Capital Management. Throughout this presentation, the Acquisition refers to Kelsian's acquisition of AAAHI TopCo Corporation and its subsidiary group, including AAAHI. (2) Prior to any completion adjustments. (3) Assumes AUDUSD rate of 0.6680. (4) Assumes AUDUSD spot rate of 0.6815 as at 31 December 2022. (5) Prior to the potential impact of formal purchase price allocation exercises post-completion. (6) AAAHI CY22 financials based on unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence and the indicative impact of conversion from US GAAP accounting principles to IFRS accounting principles, the principal adjustment being AASB 16 lease accounting adjustment of US$7.5 million increase to EBITDA. (7) Average fleet age as at 31 December 2022 based on the mid-point of the model-year (i.e. June 30) recorded in AAAHI fleet register. (8) AAAHI financials have been converted to AUD using the average daily spot AUDUSD rate for each corresponding half year period ending in 30 June or 31 December. (9) Recurring revenue based on AAAHI management calculations for CY22, excluding approximately US$1.4 million of other revenue. (10) EPSA reflects earnings per share excluding the impact of potential amortisation of identifiable intangibles recognised as a result of the acquisition and one-off transaction costs. Assumes effective tax rate of approximately 27% applied to AAAHI earnings, reflecting indicative USA federal and state level taxes. Increase in EPSA of Kelsian is on a pro forma basis assuming the Acquisition had come into effect from 1 January 2022 and prior to applying any adjustment factor to take into account the bonus element of the Entitlement Offer consistent with AASB 133. Underlying EPSA for CY22 has been used as the Kelsian basis for this calculation. Restating Kelsian EPSA based on this bonus element adjustment factor would increase Kelsian EPSA accretion by approximately 1.4%. The bonus element of the Entitlement Offer is calculated to reflect the discount to the theoretical ex-rights price ("TERP") (excluding the Placement and Vendor Conditional Share Issue) and is based on Kelsian's last traded price at 13 March 2023 of A$6.35 per share. TERP includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer, and excludes shares issued under the Placement and Vendor Conditional Share Issue.

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Transaction overview (cont)

Financial impacts	• AAAHI has achieved strong growth in recent years and is well positioned to continue growing, particularly in end-markets such as LNG • AAAHI achieves higher EBITDA margins in comparison to Kelsian's existing business • The Acquisition is expected to increase Kelsian's International Bus segment's EBITDA margin by approximately 11.5% on a pro forma basis for CY22[1] • The Acquisition is expected to be upper single digit EPSA accretive on a pro forma basis for CY22[1,2] • Pro forma net financial debt as at 31 December 2022, adjusted to include the impact of the Transaction, of A$510 million[3,4] prior to completion adjustments – Pro forma net financial debt / CY22 pro forma normalised EBITDA of 2.54x[5]
Transaction funding and equity raising	• Acquisition funded by a combination of (collectively, with the Acquisition, the **Transaction**): – A fully underwritten institutional placement to eligible investors of A$135 million (**Placement**) – A fully underwritten 1 for 8.5 pro rata, accelerated, non-renounceable entitlement offer to raise approximately A$143 million (**Entitlement Offer**) – A$226 million drawdown from accordion debt facilities (USD facilities)[4] • The offer price under the Placement and Entitlement Offer of A$5.55 per share ("**Offer Price**") represents a 12.6% discount to Kelsian's last traded price of A$6.35 per share on 13 March 2023 and 10.5% discount to the theoretical ex-rights price (**TERP**)[6] • The Group CEO and all Kelsian directors who are shareholders, holding 21.8% of Kelsian fully paid ordinary shares on issue at the date of announcement, intend to fully or partially take-up their rights under the Entitlement Offer
AAAHI management	• AAAHI's highly experienced management team will be retained and incentivised by the proposed USA extension of Kelsian's long-term incentive plan to support the ongoing growth of the AAAHI business • Certain AAAHI business founders and senior management have elected to reinvest A$3 million in aggregate of their Acquisition proceeds in a subscription for Kelsian shares, conditional on Acquisition completion (**Vendor Conditional Share Issue**), at the Offer Price
Timing and conditions	• The Acquisition remains subject to customary conditions for a transaction of this nature, including a customary regulatory approval from the Surface Transportation Board (**STB**). Summary details of Conditions Precedent are provided on page 31 • The Acquisition is expected to be completed prior to 30 June 2023

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) AAAHI CY22 financials based on unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence and the indicative impact of conversion from US GAAP accounting principles to IFRS accounting principles, the principal adjustment being AASB16 lease accounting adjustment of US$7.5 million increase to EBITDA. (2) Enterprise Value of US$325 million (A$487 million) prior to any completion adjustments. EPSA reflects earnings per share excluding the impact of potential amortisation of identifiable intangibles recognised as a result of the acquisition and one-off transaction costs. Assumes effective tax rate of approximately 27% applied to AAAHI earnings, reflecting indicative USA federal and state level taxes. Increase in EPSA of Kelsian is on a pro forma basis assuming the Acquisition had come into effect from 1 January 2022 and prior to applying any adjustment factor to take into account the bonus element of the Entitlement Offer consistent with AASB 133. Underlying EPSA for CY22 has been used as the Kelsian basis for this calculation. Restating Kelsian EPSA based on this bonus element adjustment factor would increase Kelsian EPSA accretion by approximately 1.4%. The bonus element of the Entitlement Offer is calculated to reflect the discount to the theoretical ex-rights price ("TERP") (excluding the Placement and Vendor Conditional Share Issue) and is based on Kelsian's last traded price at 13 March 2023 of A$6.35 per share. TERP includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer, and excludes shares issued under the Placement and Vendor Conditional Share Issue. (3) Kelsian pro forma net financial debt as at 31 December 2022, excluding the impact of post balance date acquisitions including Horizons West totalling approximately A$41.7 million, which includes approximate transaction costs and excludes any contingent, deferred consideration and earn-out component. (4) Assumes AUDUSD rate of 0.6680 for drawdown of accordion debt facilities (USD facilities). (5) Presented on a pre-IFRS 16 basis. Kelsian pro forma EBITDA excludes contribution from post balance date acquisitions including Horizons West. AAAHI CY22 EBITDA of A$63 million based on unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence. (6) TERP of A$6.20 per share based on last close price of A$6.35 per share and including shares issued under the Institutional Entitlement Offer, the Retail Entitlement Offer, the Placement and the Vendor Conditional Share Issue. TERP is a theoretical calculation only and the actual price at which Kelsian shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

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Kelsian's recent achievements

Solid base creates optionality to pursue growth strategy

- ✓ **Solid 1H23 result** reflecting benefits of long-term, low-risk government-backed service contracts, providing consistent predictable earnings base
- ✓ **Balance sheet strength,** disciplined approach to capital allocation and proven ability to deleverage
- ✓ Continuing to partner with government clients to **deliver sustainable transport solutions,** including investing in fleet conversion and depot infrastructure
- ✓ **Majority of costs well hedged** through contract indexation mechanisms or passed on to end customers, with strategies in place to normalise labour shortages
- ✓ **Delivery of significant organic growth,** including new bus contracts won in Sydney, demonstrating leadership in operational excellence, safety, decarbonisation and efficiency
- ✓ Rebound in domestic tourism leading **to strong growth in Marine and Tourism businesses**
- ✓ **Track record of successful growth through strategic acquisitions** including the acquisition of Go West Tours, Horizons West Coachlines, and Channel Islands with bus operations on the islands of Guernsey and Jersey

Overview of AAAHI

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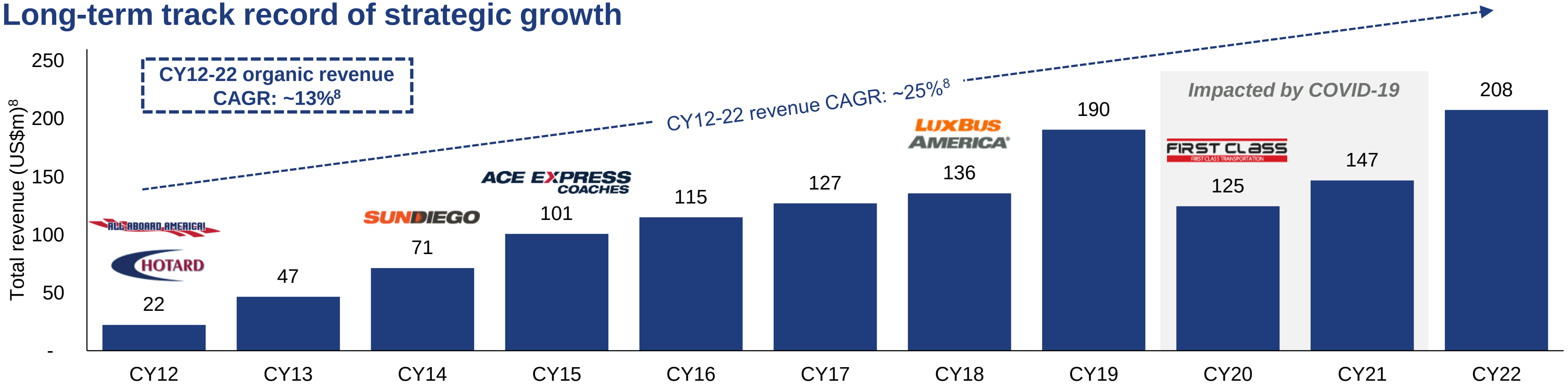
AAAHI overview

AAAHI is the 4th largest motorcoach operator in the USA[1], with a decentralised operating model servicing corporate, government, education, LNG, and tourism sector customers

Key statistics

6 Integrated brands	**2,000+** Customers in CY22	**728 / 335** Owned and operated / other vehicles[2,3]	**US$208 million** CY22 revenue	**85%** Recurring revenue in CY22[4]
16 Operating locations	**1,400+** Employees[5]	**18** Leased strategically located vehicle facilities & parking sites[6]	**US$51 million** CY22 pro forma normalised EBITDA[7]	**~25%** CY22 pro forma normalised EBITDA margin[7]

Long-term track record of strategic growth



Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) IGS research and analysis (9 September 2022). (2) As recorded in the AAAHI fleet register as at 31 December 2022. (3) Other vehicles include operated and leased and operated vehicles. (4) Recurring revenue based on AAAHI management calculations for CY22, excluding approximately US$1.4 million of other revenue. (5) As at 31 January 2023. (6) As at 31 December 2022. (7) AAAHI CY22 financials based on unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence and the indicative impact of conversion from US GAAP accounting principles to IFRS accounting principles, the principal adjustment being AASB16 lease accounting adjustment of US$7.5 million increase to EBITDA. (8) AAAHI revenue from CY20 onwards has been normalised based on unaudited management financials. Revenue prior to CY20 has not been normalised.

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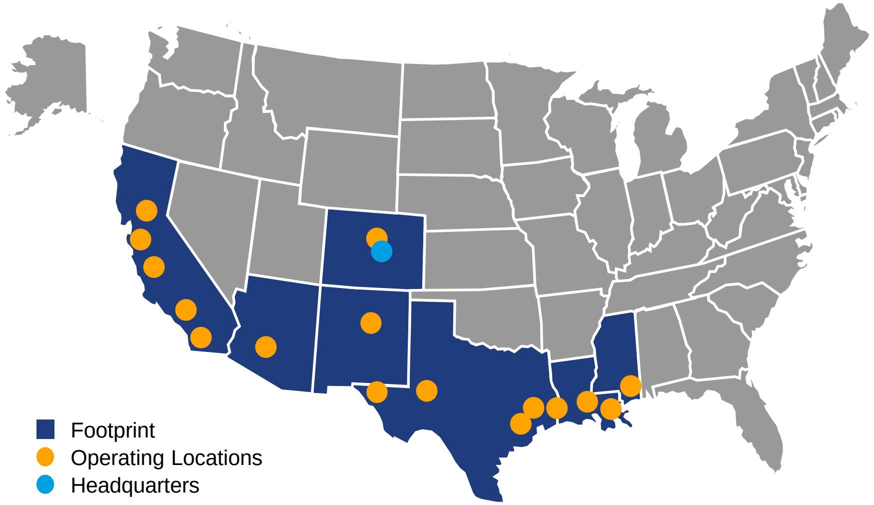
Overview of AAAHI brands

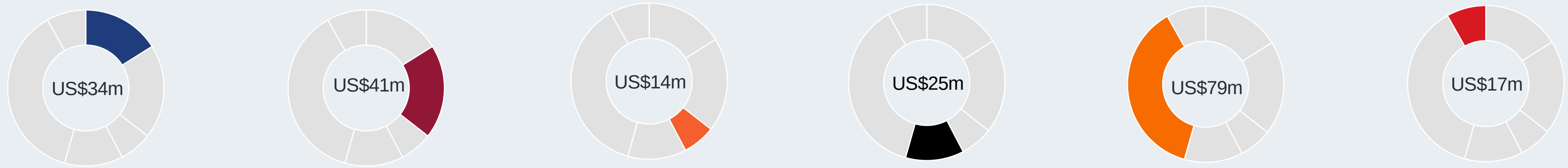
Comprehensive platform of six geographically diversified, highly regarded brands with strong cultural alignment operating in seven states

Multi-jurisdictional, diversified footprint across high population growth states in the south and south-west of the USA

- ✓ Diversified footprint across the south and south-west of the USA, with significant fleet scale and coverage
- ✓ Decentralised model for tailored customer engagement in each region, which is important for winning local contracts
- ✓ Strong cultural alignment maintained through consistent safety and operational performance targets



ALL ABOARD AMERICA! | HOTARD | SUNDIEGO | ACE EXPRESS COACHES | LUXBUS AMERICA | FIRST CLASS



Brand	CY22 Revenue[1]	States
All Aboard America!	US$34m	Arizona, New Mexico, Texas
Hotard	US$41m	Louisiana, Mississippi, Texas
SunDiego	US$14m	California
Ace Express Coaches	US$25m	Colorado
LuxBus America	US$79m	California
First Class	US$17m	Texas

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) AAAHI revenue split by business unit split based on unaudited management financials for CY22 excluding approximately US$2.4 million of holding company eliminations.

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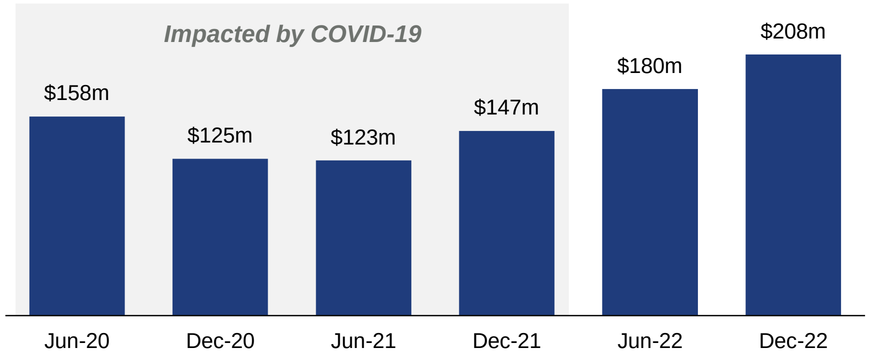
Strong financial profile

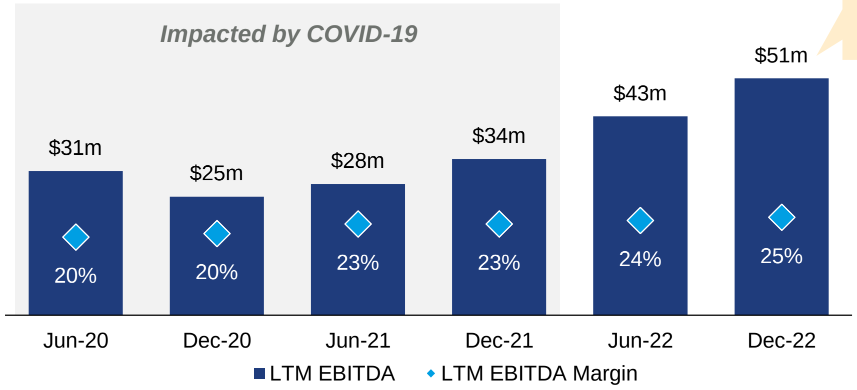
AAAHI has a diversified revenue mix and a track record of earnings growth

Revenue (US$m, LTM)[1]

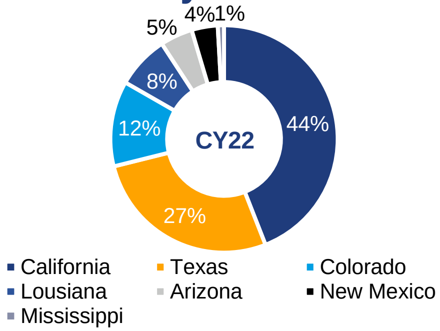


EBITDA (US$m, LTM) and margin profile (%)[1]

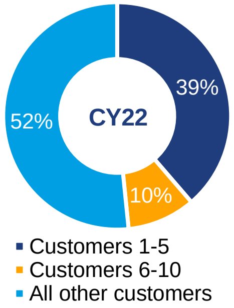
Growth has continued since CY22



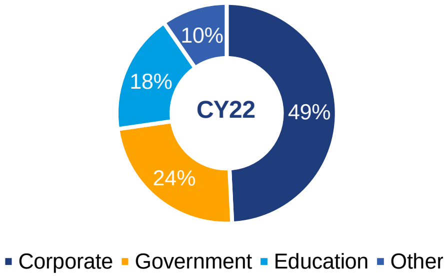
Revenue by state[2]



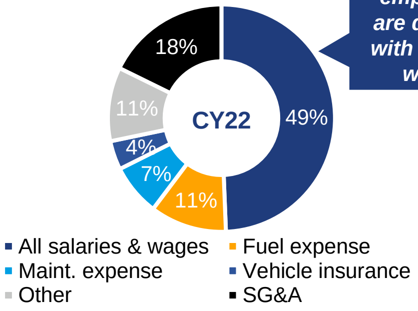
Revenue by customer[3]



Revenue by end-market[4]



Cost breakdown[5]



75% of employees are drivers[6], with variable wages

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) AAAHI financials based on audited and unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence and the indicative impact of conversion from US GAAP to IFRS accounting principles. (2) AAAHI revenue by state split based on unaudited management financials for CY22. (3) AAAHI revenue by customer split based on unaudited management financials for CY22, including approximately US$9 million of additional revenue, largely attributable to accrual adjustments and intercompany eliminations. (4) AAAHI revenue by end-market split based on unaudited management financials for CY22 and management segment classifications, excluding approximately US$1.5 million of other revenue. (5) Cost breakdown presented on a US GAAP basis, not including any adjustments for conversion from US GAAP to IFRS accounting principles. (6) As at 31 January 2023.

Investment highlights

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Investment highlights

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- **Entry into the large and attractive USA market**, through an established, highly regarded, customer centric operator with a multi-state footprint
- Further **diversifies Kelsian's multi-modal operations across four countries**
- **Diverse and loyal blue-chip customer base**, with a focus on corporate, government, education, LNG, and tourism sector customers
- Highly scalable platform in a fragmented market, providing a base to **pursue ongoing growth opportunities in adjacent geographies and end-markets**, leveraging Kelsian's core competencies
- Attractive financial profile with **approximately 85% in recurring revenue[1]**, track record of earnings growth and strong cash flow conversion
- **Upper single digit EPSA accretion in pro forma CY22,** before any bonus adjustment[2]
- **High quality local management team** with strong market expertise committed to continuing growth plans

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) Recurring revenue based on management calculations for CY22, excluding approximately US$1.4 million of other revenue. (2) Enterprise Value of US$325 million (A$487 million) prior to any completion adjustments. AAAHI CY22 financials based on unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence and the indicative impact of conversion from US GAAP accounting principles to IFRS accounting principles, the principal adjustment being a AASB16 lease accounting adjustment of US$7.5 million increase to EBITDA. EPSA reflects earnings per share excluding the impact of potential amortisation of identifiable intangibles recognised as a result of the acquisition and one-off transaction costs. Assumes effective tax rate of approximately 27% applied to AAAHI earnings, reflecting indicative USA federal and state level taxes. Increase in EPSA of Kelsian is on a pro forma basis assuming the Acquisition had come into effect from 1 January 2022 and prior to applying any adjustment factor to take into account the bonus element of the Entitlement Offer consistent with AASB 133. Underlying EPSA for CY22 has been used as the Kelsian basis for this calculation. Restating Kelsian EPSA based on this bonus element adjustment factor would increase Kelsian EPSA accretion by approximately 1.4%. The bonus element of the Entitlement Offer is calculated to reflect the discount to the theoretical ex-rights price ("TERP") (excluding the Placement and Vendor Conditional Share Issue) and is based on Kelsian's last traded price at 13 March 2023 of A$6.35 per share. TERP includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer, and excludes shares issued under the Placement and Vendor Conditional Share Issue.

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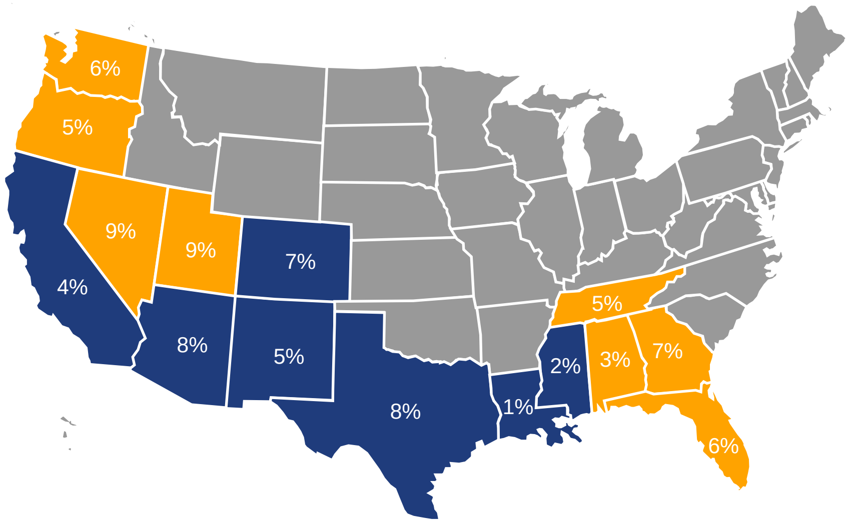
Entry into large and attractive USA market

AAAHI provides an established platform in the USA to pursue growth in existing high population growth states and expand into the US$30 billion+ broader bus transportation market

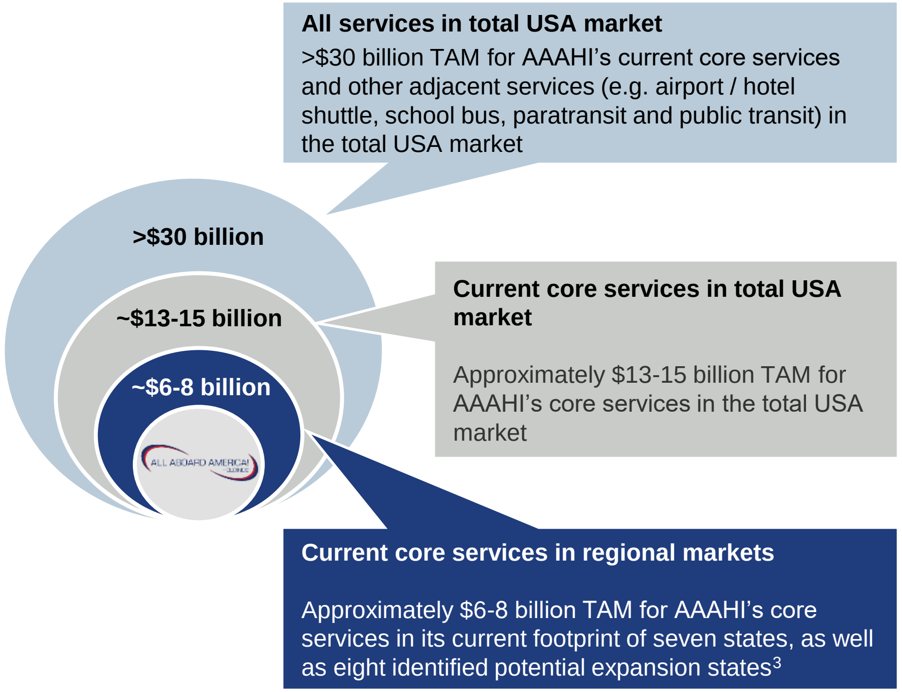
Operations in high population growth states underpin growth fundamentals

Forecasted USA state population growth (2022-2028)[1]

- Average of states currently serviced by AAAHI: 5.1%
- Average of states currently identified as near term expansion opportunities: 6.3%
- Total USA: 3.1%



Substantial total addressable market (TAM, US$ billion) presents opportunity for attractive growth[2]



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Favourable themes and tailwinds of the USA market

Prevailing investment and growth in AAAHI's key end-markets support positive outlook

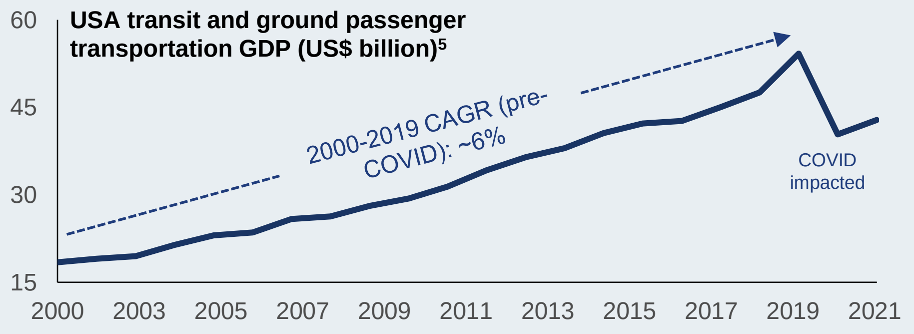
Substantial committed government investment

- ✓ Privatisation and outsourcing of public transportation
- ✓ Supportive government funding and investment environment, driven by the Infrastructure Investment & Jobs Act (IIJA)[1] passed in November 2021
  - ✓ **US$550 billion** overall investment in infrastructure across the USA, with the **largest investment in public transit in history**
  - ✓ **US$90 billion guaranteed funding for public transit over next 5 years**[2]
- ✓ Public transport is a compelling solution to support emissions targets and address traffic congestion
  - ✓ IIJA includes **US$7.5 billion** investment in **low emission** buses and ferries, and **US$5+ billion** in funding for agency adoption of low emissions buses

Global reset in energy supply focused on security driving historic investment in USA LNG capacity

- ✓ North American gas demand projected to grow from approximately 120 billion cubic feet per day (bcfd) in 2022 to over 130 bcfd in 2027[3]
- ✓ **Potential $100 billion investment** wave over the next 5 years into USA LNG export infrastructure[4], including 4 projects under construction, 2 projects in 'probable development' stage and at least 10 additional possible projects
- ✓ LNG facilities have long (typically 3-5 year) construction phases with predictable timelines providing substantial lead times for fleet optimisation
- ✓ Expansion projects expected to support continued demand for busing services in the future

Long-term growth in transit and ground passenger transportation GDP



Other macroeconomic themes providing tailwinds

- ✓ Employee transportation provides a differentiated offering for employers
  - ✓ **Attractive benefit** for employers to offer in tight labour markets
  - ✓ Increased demand as corporates **focus on back-to-office** strategies
  - ✓ **Lack of existing options**, with disjointed public transit and high congestion
- ✓ Energy transition and government support for mass green energy targets provides mass transit tailwind
  - ✓ Higher density mass transit is **more carbon gas emission efficient**
  - ✓ **Government investment in electrification** to drive significant opportunities
- ✓ Cost of living pressures coupled with low unemployment should **underpin strong ridership**

✓ ***End-market aligned with Kelsian core competencies***

Notes: (1) The White House. (2) Includes new investments and reauthorizations. (3) McKinsey & Company Article: How North American natural gas could alleviate the global energy crisis (November 2022). (4) Woodmac Opinion: Third wave USA LNG: a $100 billion opportunity (February 2023). (5) Federal Reserve Bank of St. Louis. Data presented for the period from 31 December 2000 to 31 December 2021.

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AAAHI is a highly regarded, customer centric operator

Strong alignment of Kelsian and AAAHI culture and values across a range of operating performance metrics

	ALL ABOARD AMERICA! HOLDINGS	KELSIAN CONNECTING PEOPLE & PLACES
Focus on essential and non-discretionary end-markets with government and blue-chip corporate counterparties	✓	✓
Operational flex that allows demand management, capacity utilisation and yield management	✓	✓
Loyal customers with long-term relationships and high levels of customer satisfaction	*100% renewal for contracted customers and approximately 71% of charter services revenue is recurring*[1]	✓
Strong focus on people and culture to support driver retention rates	✓	✓
Safety-focused culture and complementary insurance coverage	✓	✓
Well invested fleet supported by capital allocation for in-house maintenance	*>55% of fleet aged less than 7 years*[2]	✓
Established sustainability expertise with hydrogen bus and EV capabilities supporting net zero emissions targets	✗ ← ***Opportunity to introduce Kelsian's core competencies to the AAAHI platform (refer to page 21)***	✓
Decentralised operating model supported by experienced locally-based management teams to optimise effectiveness and efficiency	✓	✓

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) Charter services recurring revenue based on AAAHI management calculations for CY22. (2) As at 31 December 2022, with age determined based on the mid-point of the model-year (i.e. June 30) recorded in AAAHI fleet register.

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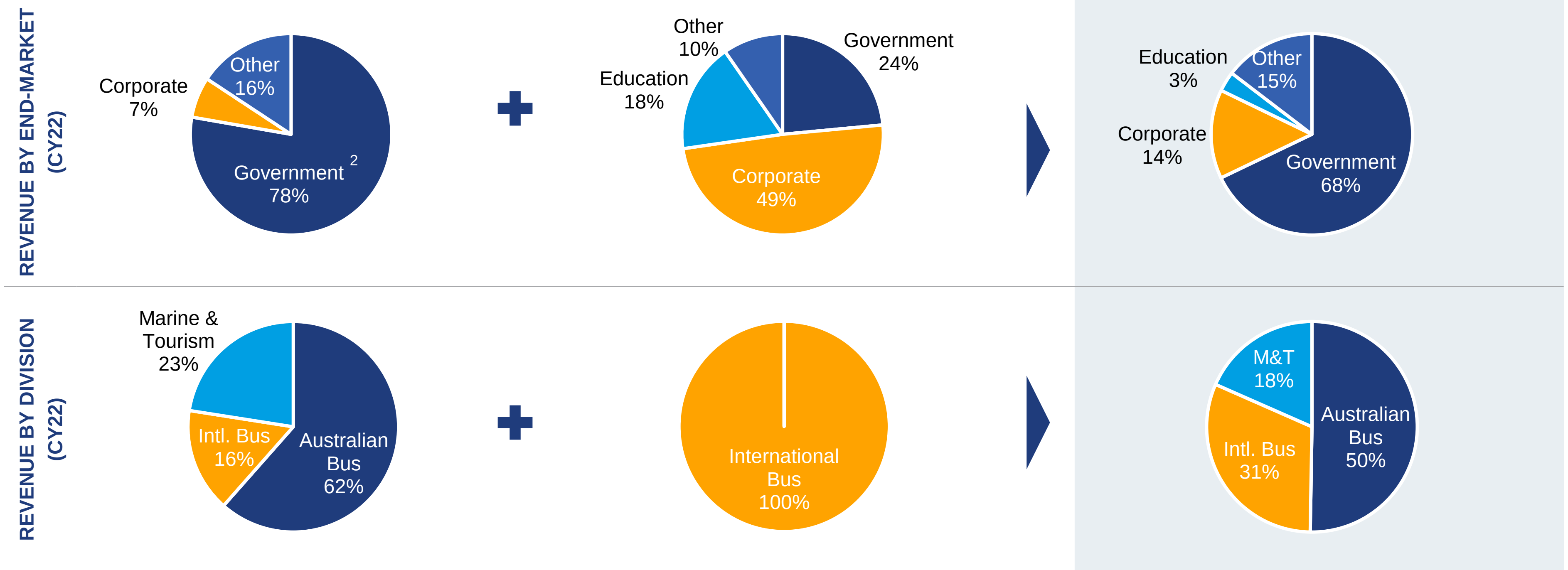
Further diversifies Kelsian's international operations

The acquisition of AAAHI further diversifies Kelsian's end-market exposure and meaningfully increases the International Bus Segment's contribution to the combined group

KELSIAN CONNECTING PEOPLE & PLACES | ALL ABOARD AMERICA! HOLDINGS [1] | **Combined group**



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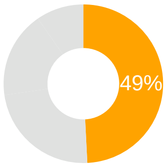
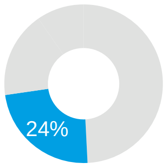
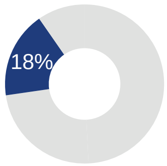
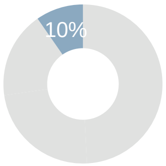
Diverse and loyal blue-chip customer base

AAAHI has a diverse and loyal base of over 2,000 customers with high levels of contract renewals and recurring revenue

	Corporate (inc. LNG)	Government	Education	Other
CY22 revenue[1]	US$101 million 	US$48 million 	US$36 million 	US$20 million 
Avg. contract duration	~3 years	3+ years	Predominantly recurring charter or contracts smaller than top 20	<1 year
Typical service characteristics	• Fixed route services at a defined rate • Revenue not determined by passenger volume (e.g. no farebox risk)	• Provider of essential services • Large scale contracts • Revenue not determined by passenger volume (e.g. no farebox risk)	• Provider of services for frequently occurring and predictable events • Revenue not determined by passenger volume (e.g. no farebox risk)	• Motorcoaches for customised services on a single-trip basis to meet specific scope • Utilise vehicle downtime • High-margin services with dynamic pricing and scalability
Cost pass through	• Majority of contracts have fuel cost pass-through • Some contract have labour cost pass-through mechanisms • Shorter-duration contracts facilitate cost recovery through pricing revisions • Track record for maintaining and / or expanding margin			
Key customers	Multiple Nasdaq 100 customers, large LNG E&C providers and other large corporates	Various state and federal government departments	Major universities and educational institutions	Global tourism operators

Notes: Figures are subject to rounding. AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) AAAHI revenue by end-market split based on unaudited management financials for CY22 and management segment classifications, excluding approximately US$1.5 million of other revenue.

Scalable platform to leverage Kelsian's competencies

Market tailwinds and introduction of Kelsian's core competencies can be leveraged to drive performance optimisation and growth in the AAAHI business

Kelsian will support AAAHI to keep scaling

- ✓ Support and capital to continue to grow fleet and pursue new tenders
  - ✓ Potential to enter up to eight identified new states for operations
- ✓ Continued cross-selling of contract and charter services
- ✓ Operators of scale are reliable in a tight labour and vehicle market environment
- ✓ Highly fragmented market presents significant incremental M&A opportunities
- ✓ Approximately US$800 million of near-term public transit tenders in AAAHI markets

Opportunity to leverage platform into highly fragmented adjacent end-markets[1]

	End-markets for AAAHI to potentially enter meaningfully				
Operator	**School**	**Paratransit**	**Public transit**	**Public long-haul**	**Other modes**
First Student	✓				
First Transit		✓	✓		
Transdev		✓	✓		Rail
RATP		✓	✓		Tram
Keolis	✓	✓	✓		Rail
MV	✓	✓			Rail
Nat. Express	✓		✓		Rail
Greyhound				✓	
Coach USA				✓	

Headquarters and scale of USA operations may provide opportunity to leverage Kelsian's expertise in ferries

Introducing Kelsian's core competencies to the AAAHI platform

Optimise operations using Kelsian's core competencies	• Leverage scheduling expertise • Shared tendering capabilities • Implement enterprise procurement process • Standardise technology, workshop, and inventory management • Major market mass transit credentials
Leverage Kelsian's sustainability expertise to scale green operations	• Expected medium to long-term demand for electrification and / or other green-fuels in the USA • Competitive advantage for attracting new and existing clients with focus on sustainability targets, leveraging Kelsian's EV / hydrogen fleet roll-out and operating expertise
Continue the track record of successful M&A and access to capital to pursue growth opportunities	• Significant M&A expertise, with track record of successful bolt-on acquisitions Kelsian recent acquisitions: Transit Systems, Go West, Tower Transit, Horizons West AAAHI recent acquisitions: Ace Express Coaches, SunDiego, LuxBus America, First Class • 40+ opportunities identified by AAAHI to integrate into its group • Expansion opportunities identified in eight states[2]

Notes: (1) Company websites and other public sources. (2) Identified by AAAHI management.

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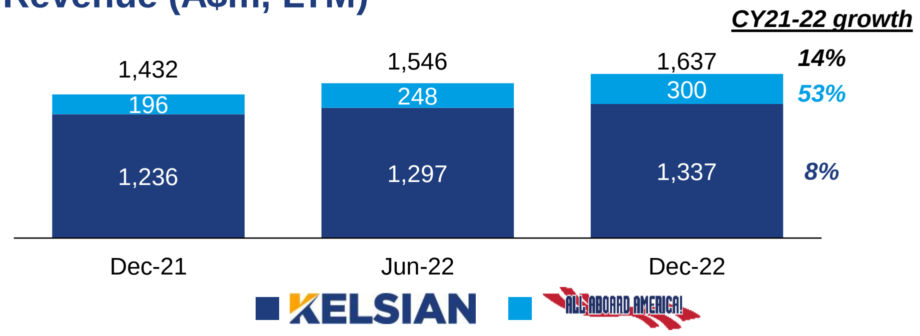
Attractive financial outcomes of the combination

AAAHI contributes an attractive financial profile with track record of earnings growth and strong margins and cash flow conversion

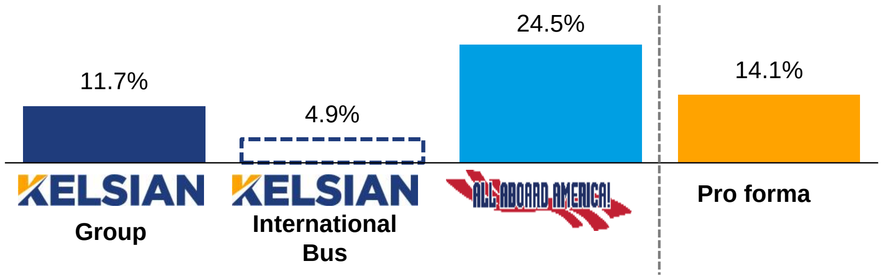
Expected financial outcomes

- AAAHI is a high revenue growth and EBITDA margin business
- Contracted or recurring nature of services provides high visibility on near-term earnings
- The transaction is expected to be upper single digit EPSA accretive on a pro forma basis for CY22, prior to the impact of one-off transaction costs[1]

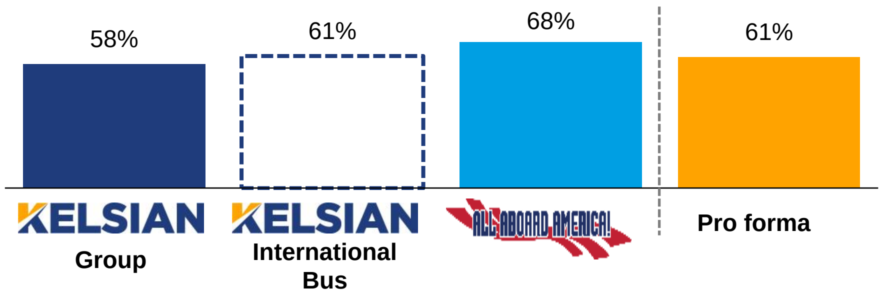
Revenue (A$m, LTM)



CY22 EBITDA margin



CY22 cash flow conversion[2]



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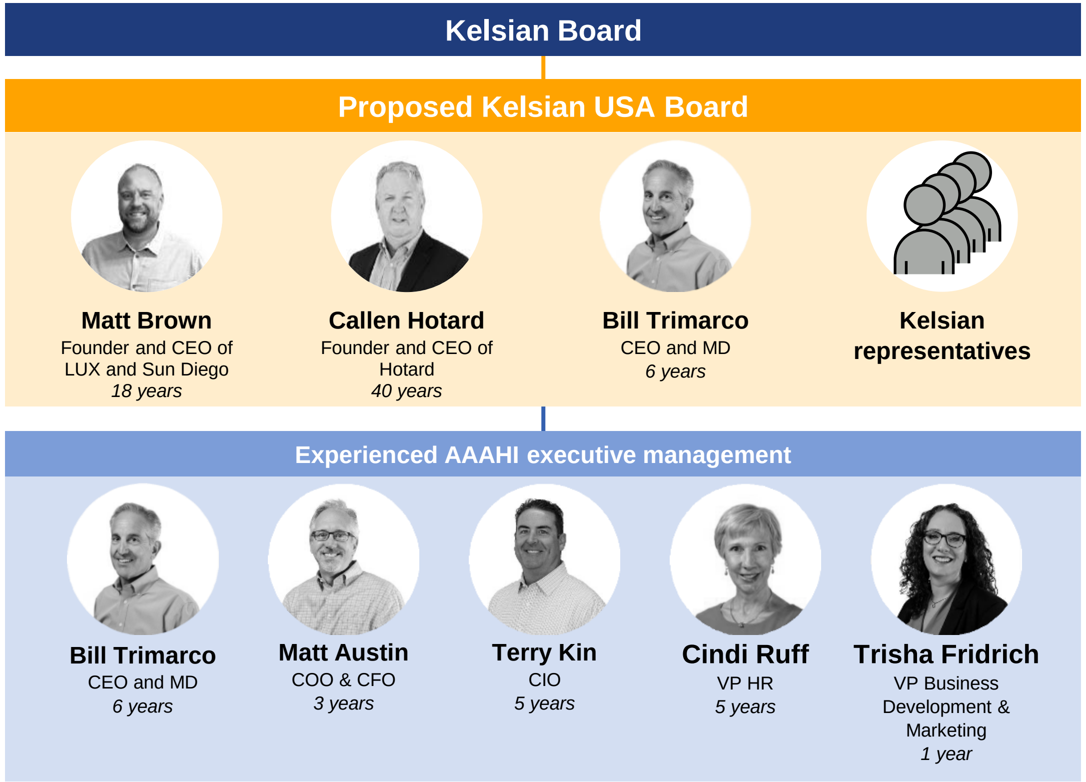
High quality management team

AAAHI's committed local management team will be retained and transitioned to an incentive plan to support the ongoing growth of AAAHI

Management and integration

- Dedicated Kelsian USA Board established, with participation anticipated from AAAHI representatives to support alignment
- Committed, experienced executive management team to remain in place, providing local and focused support to drive ongoing performance and growth
- Local general managers to continue to support brand operations, day-to-day excellence and customer relationships
- Opportunity to leverage Kelsian's head-office support and global expertise into a national platform
  - Over the first 12 months, Kelsian Board and management are committed to providing on the ground support and oversight in the USA alongside the existing AAAHI management team
- Kelsian's long term incentive plan will be extended to the USA to enable Management to participate in it alongside other Kelsian management
- Certain AAAHI business founders and senior management have elected to partially reinvest their Acquisition proceeds in a subscription for Kelsian shares under the Vendor Conditional Share Issue, conditional on Acquisition completion

Dedicated local management and Board



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Transaction funding

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Sources and uses

Acquisition to be funded via a A$278 million[2] Placement and Entitlement Offer, A$226 million[3] drawdown of debt and A$3 million Vendor Conditional Share Issue

Sources and uses of funding

Sources	Up to A$m
Gross Placement and Entitlement Offer proceeds[2]	278
Debt drawdown[3]	226
Vendor Conditional Share Issue	3
Total Sources	**507**

Uses	A$m
Acquisition of AAAHI	487
Transaction costs	21
Total Uses	**507**

Liquidity and balance sheet position

- As at 31 December 2022, adjusted to include the impact of the Acquisition and the Placement and Entitlement Offer, Kelsian will have total pro forma net financial debt of $510 million[3,4] and net financial debt / CY22 pro forma normalised EBITDA of 2.54x[5]
  – Metrics above do not adjust for Kelsian's Government backed contracted assets with a vehicle termination payment obligation of A$70.8 million as at 31 December 2022

Pro forma 31 December 2022 net financial debt

	A$m
Net financial debt (as at 31 December 2022)[4]	284
Plus: debt drawdown to fund the Acquisition[3]	226
Pro forma net financial debt	**510**
Pro forma net financial debt / CY22 EBITDA[5]	**2.54x**

Notes: Figures are subject to rounding. AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. Kelsian audited balance sheet as at 31 December 2022. AAAHI unaudited balance sheet as at 31 December 2022. (1) Prior to any completion adjustments. (2) Kelsian may upsize or downsize final allocations to successful eligible participants. (3) Assumes AUDUSD rate of 0.6680. (4) Kelsian pro forma net financial debt as at 31 December 2022, excluding the impact of post balance date acquisitions including Horizons West totalling approximately A$41.7 million which includes approximate transaction costs and excludes any contingent, deferred consideration and earn-out component. (5) Presented on a pre-IFRS 16 basis. Kelsian pro forma EBITDA excludes contribution from post balance date acquisitions including Horizons West. AAAHI CY22 EBITDA of A$63 million based on unaudited management financials, adjusted for certain adjustments and normalisations identified during Kelsian's limited due diligence.

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Details of the Offer

Offer structure	• A fully underwritten institutional placement to eligible investors of A$135 million (**Placement**) • A fully underwritten 1 for 8.5 pro rata, accelerated, non-renounceable entitlement offer to raise approximately A$143 million (**Entitlement Offer**) • Approximately 50 million new fully paid ordinary shares to be issued under the Placement and Entitlement Offer plus 1 million under the Vendor Conditional Share Issue, representing approximately 23.2% of existing Kelsian shares on issue (“**New Shares**”)[1]
Offer Price	• The Placement and Entitlement Offer will be conducted at A$5.55 per New Share (**Offer Price**) • The Offer Price represents: – Approximately 12.6% discount to the last close price of $6.35 per share on Monday, 13 March 2023 – Approximately 10.5% discount to the theoretical ex-rights price (**TERP**[2]) of A$6.20 per share
Placement and Institutional Entitlement Offer	• Placement and Institutional Entitlement Offer to be conducted by way of a bookbuild process that will open on Wednesday, 15 March 2023 and close at 5.00pm (Sydney time) on Thursday, 16 March 2023
Vendor Conditional Share Issue	• Certain AAAHI business founders and senior management have elected to reinvest A$3 million of their Acquisition proceeds in a subscription for Kelsian shares, at the Offer Price, conditional on Acquisition completion
Retail Entitlement Offer	• The Retail Entitlement Offer will open at 9.00am (Sydney time), Thursday, 23 March 2023 and close at 5.00pm (Sydney time), Wednesday, 5 April 2023 • Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement, up to a maximum of 50% of their Entitlement at the Offer Price
Kelsian Board participation	• The Group CEO and all Kelsian directors who are shareholders, holding 21.8% of Kelsian fully paid ordinary shares on issue at the date of announcement, intend to fully or partially take-up their rights under the Entitlement Offer
Underwriter	• Macquarie Capital (Australia) Limited is the Lead Manager, Bookrunner and Underwriter to the Offer
Co-Manager	• Taylor Collison Limited is acting as Co-Manager to the Offer
Ranking	• New shares issued will rank equally with existing ordinary shares on issue
Record Date	• Monday, 20 March 2023 (7.00pm Sydney time)

Notes: (1) Based on 218,541,786 fully paid ordinary shares on issue. (2) TERP of A$6.20 per share based on last close price of A$6.35 per share and including shares issued under the Institutional Entitlement Offer, the Retail Entitlement Offer, the Placement and the Vendor Conditional Share Issue. TERP is a theoretical calculation only and the actual price at which Kelsian shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

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Equity raising offer timetable

Event	Date
Announcement of the Acquisition, Placement and Entitlement Offer	**Wednesday, 15 March 2023**
Institutional Entitlement Offer and Placement opens	**Wednesday, 15 March 2023**
Kelsian to obtain a further 1-day trading halt with immediate effect	Thursday, 16 March 2023 (before market opens)
Institutional Entitlement Offer and Placement closes	Thursday, 16 March 2023 (5.00pm Sydney time)
Announce results of Institutional Entitlement Offer and Placement	Friday, 17 March 2023 (9.00am Sydney time)
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 17 March 2023
Record Date for the Entitlement Offer	Monday, 20 March 2023 (7.00pm Sydney time)
Despatch of Information Booklet and Entitlement and Acceptance Forms	Thursday, 23 March 2023
Retail Entitlement Offer opens	**Thursday, 23 March 2023 (9.00am Sydney time)**
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 24 March 2023
Allotment and trading on ASX of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 27 March 2023
Retail Entitlement Offer closes	**Wednesday, 5 April 2023 (5.00pm Sydney time)**
Announce results of Retail Entitlement Offer	Wednesday, 12 April 2023 (9.00am Sydney time)
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 13 April 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 14 April 2023
Trading on ASX of New Shares issued under the Retail Entitlement Offer	Monday, 17 April 2023
Despatch of holding statements for New Shares to retail holders	Monday, 17 April 2023

Notes: The above timetable is indicative only and subject to change without notice. All dates and times are Sydney time. Excludes the Vendor Conditional Share Issue.

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A. Pro forma financials

Appendix

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Pro forma balance sheet

A$m	Kelsian as at 31 December 2022	Placement, Vendor Conditional Share Issue and Entitlement Offer[1]	Debt funding[2]	AAAHI acquisition[3]	Estimated transaction costs	Pro forma as at 31 December 2022[4]
Assets						
Cash	95	281	226	(487)	(21)	**95**
Other current & non current assets	1,309	-	-	592	-	**1,900**
Total assets	1,404	281	226	105	(21)	**1,995**
Total liabilities	(759)	-	(226)	(105)	-	**(1,090)**
Net assets	645	281	-	-	(21)	**905**
Equity						
Share capital	573	281	-	-	-	**854**
Retained earnings and reserves	72	-	-	-	(21)	**51**
Non-controlling interests	-	-	-	-	-	**-**
Total Equity	645	281	-	-	(21)	**905**

Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) Total proceeds from the Entitlement Offer, the Placement and the Vendor Conditional Share Issue of A$283 million. (2) Assumes AUDUSD rate of 0.6680 for drawdown of accordion debt facilities (USD facilities). (3) Acquisition value of US$325 million (A$487 million) prior to any completion adjustments. Assumes AUDUSD rate of 0.6680. (4) The Acquisition will be subject to formal purchase price allocation exercises post completion. The pro forma balance sheet allocates the difference between the agreed Acquisition consideration and AAAHI's net operating assets acquired to Goodwill and Intangibles.

B. Additional information

Appendix

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Summary of key acquisition terms

Purchase price	• The initial purchase price is US$325 million[1] (A$487 million[1,2]), to be paid in cash at closing • The initial purchase price is subject to typical post-closing purchase price adjustments in respect of working capital, cash, indebtedness, transaction expenses, tax benefits and capital expenditures
Conditions Precedent	• No AAAHI material adverse effect • United States STB approval of the transaction • AAAHI and Kelsian performance of all covenants in all material respects
Representations and Warranties	• Kelsian and AAAHI each make representations and warranties that are customary for transactions of this type • Kelsian recourse for AAAHI or seller breaches of representations and warranties is via a customary (for transactions of this type in the USA) representations and warranties insurance policy
Covenants	• Kelsian and AAAHI each enter into covenants that are customary for transactions of this nature • Covenant to use commercially reasonable efforts to obtain regulatory approvals • Covenant for AAAHI to cooperate with Kelsian financing of the transaction and for Kelsian to use reasonable best efforts to obtain that financing • Typical covenants restricting certain activities by AAAHI during the period between signing and closing
Termination	• Either party may terminate the Agreement: – should closing not occur before the Initial Outside Date of 12 July 2023, unless extended due to delay in STB approval at the election of either party; – should the other party materially breach; or – should a judicial order or similar prohibit the transaction from being consummated.
Break Fee	• Break fee amount is US$17.5 million (A$26.2 million[2]) • Payable by Kelsian to seller if seller terminates the Agreement due to Kelsian's material breach • Kelsian monetary damages for which it is liable for termination of the acquisition agreement by AAAHI are capped at the amount of the Break Fee, other than for wilful and material breach leading to termination
Restrictive covenants	• Seller and certain shareholders of seller enter into restrictive covenants agreements effective after closing of the transaction • Restrictions include customary confidentiality, non-solicitation and non-disparagement provisions • Includes non-competition (applicable to individual shareholders) and no-buy (applicable to Tensile Capital Management) restrictions

Notes: (1) Prior to any completion adjustments. (2) Assumes AUDUSD rate of 0.6680.

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C. Key risks

Appendix

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Key risks

This section discusses some of the key risks associated with any investment in Kelsian (including matters in relation to the Acquisition), which may affect the value of Kelsian shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Kelsian. Before investing in Kelsian, you should be aware that an investment in Kelsian has a number of risks, some of which are specific to Kelsian and some of which relate to listed securities generally, and many of which are beyond the control of Kelsian.

Before investing in Kelsian, you should consider whether this investment is suitable for you.

Potential investors should carefully review publicly available information on both Kelsian and AAAHI (such as that available on the websites of Kelsian, AAAHI and the ASX and, in particular, previous Kelsian regulatory announcements, annual reports and periodic disclosures), carefully consider their personal circumstances (including the ability to lose all or a portion of their investment) and consult their professional advisers before making an investment decision. Many of the risks highlighted in this section may be heightened due to the current economic climate, the current and potential future impact of COVID-19 and the situation in Ukraine. Additional risks and uncertainties that Kelsian is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Kelsian's operating and financial performance (both standalone and post-Acquisition, as applicable).

ACQUISITION SPECIFIC RISKS	
Acquisition risks	Kelsian and its advisers have undertaken financial, operational, legal, tax, environmental, insurance, regulatory and other analyses in respect of AAAHI in order to determine its attractiveness to Kelsian and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by Kelsian and its advisers, draws conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, assumptions, misinterpretation of economic or other circumstances, lack of fulsome information or otherwise). To the extent that actual results achieved by AAAHI are weaker than those indicated by Kelsian's analysis, there is a risk that there may be an adverse impact on the financial contribution of AAAHI to the financial performance of Kelsian, and the financial performance of Kelsian more broadly.
Completion risk	Completion of the Acquisition is conditional on the satisfaction (or, if applicable, waiver) of certain conditions set out Appendix B entitled '*Additional information* ', including receipt of approval of the Acquisition by the United States Surface Transportation Board, material compliance by each of the parties to the acquisition agreement to the covenants contained in the Acquisition Agreement and no material adverse effect of AAAHI having occurred. If these conditions are not satisfied by the Initial Outside Date of 12 July 2023 then Kelsian and the vendors will each have the right to terminate the Acquisition Agreement. There is no guarantee that such conditions will be satisfied (or waived, if applicable). In particular, there can be no guarantee that Kelsian will obtain the necessary approval to complete the Acquisition within the necessary time frame, or at all, or that such approval will be granted on terms that are acceptable to Kelsian or on an unconditional basis. If any of the closing conditions in the Acquisition Agreement are not satisfied (or waived) or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all, and/or the anticipated benefits of the Acquisition may not occur. Additionally, should Kelsian materially breach its covenants under the Acquisition Agreement, the vendors will have the right to terminate the Acquisition Agreement and collect a break fee of US$17.5 million from Kelsian and otherwise the vendors may seek to compel Kelsian to complete the Acquisition. If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), Kelsian will need to consider alternative uses for the proceeds from the Offer, or ways to return or distribute them to shareholders. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised under the Offer to investors may have a material adverse effect on Kelsian's financial performance, financial position and the price of Kelsian's ordinary shares.
Assumed liabilities	If the Acquisition completes, Kelsian may become directly or indirectly exposed to liabilities in connection with AAAHI's past and/or present conduct or exposed to liabilities that AAAHI has incurred as a result of present or prior acts or omissions, including onerous and potentially uncapped indemnities given under customer contracts and other arrangements, and liabilities which are contingent, of an uncertain amount or which may not have been identified during Kelsian's due diligence, or which were of a greater magnitude than expected, for which insurance may not be adequate or available or for which Kelsian was unable to obtain sufficient contractual protection (whether due to restrictions under applicable law or regulation, or otherwise). These could include liabilities relating to current or future litigation, criminal penalties, disgorgement orders issued by regulators in respect of revenue generated by AAAHI and other regulatory actions, health and safety claims and other liabilities. Such liabilities may adversely affect the ultimate value of Kelsian's investment in AAAHI and the financial performance or position of Kelsian after the Acquisition.

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Key risks (cont)

ACQUISITION SPECIFIC RISKS	
Due diligence risk	Kelsian undertook a due diligence process in respect of AAAHI which relied in part on discussions with AAAHI management and other AAAHI-related personnel and the provision and review of financial and other information provided by AAAHI. While Kelsian considers the due diligence process undertaken to be customary and appropriate, it is unable to verify the accuracy, reliability or completeness of all the information provided to it against independent data. Similarly, Kelsian has prepared (and made assumptions in the preparation of) the financial information included in this Presentation relating to the AAAHI group on a stand-alone basis and also relating to Kelsian post-Acquisition in reliance on financial information and other information provided by or on behalf of AAAHI, and some of that information was unaudited. If any of the data or information provided to and relied upon by Kelsian in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of AAAHI may be materially different to the financial position and performance expected by Kelsian and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Kelsian. There is a risk that AAAHI's financial position, performance and prospects may be materially different from the financial information reflected in this Presentation.
Representations and warranties insurance risk	Kelsian has obtained representations and warranties insurance in the United States to cover claims for breach of certain representations and warranties contained in the Acquisition Agreement and claims associated with pre-closing taxes. Kelsian's sole remedy for such matters is to make a claim under the insurance policy, with recourse to the vendors with respect to such matters available only in instances of fraud. The representations and warranties insurance policy is subject to certain exclusions and limitations on liability. Where such exclusions or limitations apply (including with respect to issues identified during Kelsian's due diligence related to the Acquisition), Kelsian has taken customary steps to address material issues identified in its due diligence related to the Acquisition. Notwithstanding these steps, there is a risk that Kelsian will not be able to fully recover losses arising from a breach of a representation or warranty or to make claims under the relevant indemnity through the representations and warranties insurance, and it may not have recourse to recover associated losses from the vendors.
Non-renewal of key contracts	All of AAAHI's contract with its top 10 customers ranked by CY22 revenue are in effect. However, two customer contracts (Amtrak and Target Hospitality), which together represent approximately 5% of AAAHI's total revenue in CY22, will expire within six months of the date of this presentation. It is possible that not all of these contracts will be renewed at all, or on substantially the same or similar terms, which may adversely affect the financial performance of AAAHI. More generally, a significant portion of AAAHI's revenue is payable under contracts that are typically competitively tendered or negotiated. Consequently, there is a risk that AAAHI is unsuccessful in any future tender or appointment for a contract that it currently services and, if so, this would impact the revenue received by its business. In addition, many of the contracts to which AAAHI is party can be terminated for reasons outside of AAAHI's control. For instance, a number of AAAHI's contracts are terminable by the counterparty for convenience (and with little or no notice requirements) without cause. If exercised, this could have a material adverse impact on AAAHI's financial position and performance.
Change of control	The Acquisition may trigger change of control clauses in one material contract and two property leases to which AAAHI is a party, including one contract which represented approximately 6% of AAAHI's total revenue in CY22. This contract also contains rights in the event of termination, which require AAAHI to transfer vehicles to an alternative supplier of the counterparty's choosing or vests the counterparty with an option to purchase the vehicles at book value, which may be lower than the potential realisable value via sale through other arrangements. While Kelsian intends to seek change of control consents and waivers from relevant counterparties prior to completion of the Acquisition, the Acquisition Agreement is not conditional on receipt of those consents and waivers and Kelsian may be required to complete the Acquisition without those consents and waivers. If those consents and waivers are not obtained prior to completion of the Acquisition Agreement, applicable counterparties may have a right to terminate their contract or lease with AAAHI and/or may seek to renegotiate on less favourable terms. If that happens, or if there is a financial cost involved in seeking such consents, this may have a material impact on AAAHI's financial position, performance and prospects.
Debt financing and funding risk	If the proposed Acquisition occurs, there will be an increase in Kelsian's debt levels. The use of debt financing to partially fund the Acquisition means that Kelsian will be more exposed to risks associated with gearing. For example, Kelsian will be more exposed to any movements in interest rates. In addition, Kelsian will have a higher level of gearing post acquisition and will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for Kelsian to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of Kelsian.
New fleet risk	AAAHI (and Kelsian more broadly) will be required to acquire additional fleet (including vehicles) to service any significant future service contracts, expansions in operations and growth in demand. There is no guarantee that any such fleet will be available when necessary, or on what terms (including as to financing) it will be possible to acquire them. To the extent Kelsian (including, post-Acquisition, AAAHI) is not able to source additional fleet when required, it may not be in a position to deliver on growth opportunities which may adversely affect the prospects of Kelsian on a post-Acquisition basis. In addition, to the extent Kelsian (including, post-Acquisition, AAAHI) is required to debt finance any future fleet acquisitions, there is no guarantee that Kelsian will be able to secure additional debt facilities at all or at a cost similar to its existing facilities, which may adversely affect the financial performance of Kelsian.

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Key risks (cont)

ACQUISITION SPECIFIC RISKS	
Integration risk	The Acquisition will increase Kelsian's business, operational profile, capital structure and size compared to that of Kelsian on a standalone basis. There is a risk that the success and profitability of Kelsian following completion could be adversely affected if AAAHI is not integrated effectively. There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, divert management attention or that the anticipated benefits may not be achieved. Possible problems may include: • impacts on relationships with key customers and other stakeholders; • differences in corporate culture between the businesses being integrated; • lack of capability and talent to deliver integration; • unanticipated or higher than expected costs, delays or failures relating to integration of businesses, support operations, accounting or other systems; • unanticipated or higher than expected costs or extensive delays in the planned upgrades, migration, integration and decommission of information technology systems and platforms; • loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to procure or retain employees; and • failure to derive the expected benefits of the strategic growth initiatives. Any failure to or delay in achieving integration may impact on the financial performance, operation, position and/or market share of Kelsian and the price of Kelsian shares.
Future earnings	Kelsian has undertaken financial and business analysis of AAAHI to determine its attractiveness to Kelsian and whether to pursue the Acquisition. To the extent the actual results achieved by AAAHI are weaker than those anticipated, there is a risk that the profitability and future earnings from the operations of Kelsian may differ in a materially adverse way from the pro forma performance as reflected in this Presentation.
Acquisition accounting and purchase price allocation	Kelsian presents its financial information in accordance with the recognition and measurement principles, but not disclosure requirements, of the Australian Accounting Standards ('**AAS**') and International Financial Reporting Standards ('**IFRS**') on a post-IFRS 16 basis, whereas AAAHI presents its financial information in accordance with US GAAP. While Kelsian has undertaken a limited analysis to convert AAAHI financial information prepared in accordance with US GAAP into information that complies with AAS and IFRS for the purpose of considering the financial impact of the Acquisition on Kelsian and preparing pro forma financial information and forward modelling, this may not have been undertaken adequately or correctly and the impact of the Acquisition on the financial position and performance of Kelsian on a post-Acquisition basis may differ materially from that currently expected. In addition, following completion of the Acquisition, Kelsian will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of AAAHI. The pro forma adjustments to reflect the estimated financial effect of the accounting for the business combination in this Presentation are illustrative only. AAS require an allocation of fair value of assets and liabilities acquired. The inclusion of AAAHI reflects provisional amounts for the assets and liabilities acquired based on historic costs other than goodwill. Post-Acquisition, a purchase price allocation exercise will be undertaken which may identify a material amount of amortisable intangibles and hence may materially impact future non-cash amortisation charges. Additionally, the allocation exercise may give rise to material differences in values allocated to the pro forma balance sheet line items in page 29. In accordance with AASB 3, AAAHI's identifiable assets, liabilities and contingent liabilities, including intangible assets, must be identified and valued as at the Acquisition date. The purchase price is then allocated across the fair value of these assets, liabilities and contingent liabilities, with any residual recognised as goodwill. The valuation of intangible assets is a complex and time-consuming process that may require specialist skills and detailed information about the business, which will become available to Kelsian following completion of the Acquisition. In addition, each of the identified intangibles acquired may have a limited life and must be amortised over that life in contrast to goodwill, which is subject to annual impairment review. Indefinite life intangibles are not amortised and are reviewed for impairment annually. A detailed identification and valuation process will therefore be undertaken after the Acquisition completes. Under AASB 3, Kelsian has up to 12 months from the closing date of the Acquisition during which retrospective adjustments can be made to the provisional Acquisition accounting. Kelsian has not completed an exercise to consider the fair value of the tangible and identifiable assets and the liabilities to be acquired along with any related deferred tax amounts. No value has been attributed to potential carry forward tax losses or deferred tax liabilities related to intangible assets for the purposes of the pro forma historical statement of financial position. Accordingly, adjustments will impact the recorded amounts of assets and liabilities of Kelsian and will have an impact on depreciation and amortisation charges in future financial periods, therefore having an impact on earnings before interest and tax and net profit after tax.
Loss of key staff	It is possible that there will be some unintended loss of key staff leading up to and following the Acquisition. Loss of key staff may have an impact on AAAHI's collective 'know-how', brand and reputation, and could lead to a loss of certain key suppliers and customers who might have long standing relationships with particular key AAAHI employees.

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Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)	
Business resilience	Kelsian has a diverse and expansive supply chain footprint. However, financial losses stemming from a natural disaster, civil or labour unrest, terror incident, major fire or other similar incident are possible. In particular, the COVID-19 pandemic has impacted Kelsian's business and its financial performance. To date, the main impacts have been in relation to constrained or volatile passenger patronage or demand (either due to government-imposed lock downs or an increased level of working-from-home arrangements), workforce availability, additional operational costs, increased supply chain risks (including increased costs, delivery times and supply certainty) and cyber security risks. Kelsian workplaces have experienced instances of positive COVID-19 cases which have disrupted operations (including redeployment of staff and arranging for the deep cleaning of any exposure sites) and impacted productivity. Employees infected with COVID-19 or exposed to COVID-19 may be required to self-isolate in accordance with government guidelines. Similar incidents may occur in the future. The COVID-19 pandemic and related actions taken in response to it by the Australian, the United States and other international governments, including lockdowns, border controls and travel restrictions and the effect of the pandemic on the economy more broadly, may have an adverse impact on Kelsian's financial performance and availability of labour required to provide services. The longer term impacts of COVID-19 and other pandemics on economic or industry conditions and customer preferences are uncertain and may adversely impact Kelsian's future operating and financial performance. Future waves of COVID-19, the outbreak of another pandemic, or other unplanned operational incidents present a risk to Kelsian's business and operations.
Competition	Kelsian operates in a competitive industry. Kelsian (including, post-Completion, AAAHI) competes on the basis of a number of factors, including the quality of its services and products, reputation and price. However, there is no assurance that competitors will not succeed in offering services or products that are more economically or otherwise more desirable than those being offered by Kelsian.
Economic/growth conditions	Kelsian provides its services and products to individuals, companies and government agencies across a range of economic sectors. The state of the economy and the sectors of the economy to which Kelsian is exposed may materially impact future prospects and may have an adverse impact on the demand and pricing for Kelsian's services and products and its operating and financial performance. Factors which have impacted Kelsian's results in recent periods include increases and decreases in GDP and CPI in jurisdictions in which Kelsian currently operates and will operate post-Acquisition, foreign currency movements, and increases and decreases in the tourism sector activity.
Changes in government policy and regulation	Kelsian is exposed to changes in government policies and regulations which may limit Kelsian's ability to determine and recover fees and charges for its services or may reduce or eliminate government subsidies presently paid to Kelsian. Each of the main product markets in which Kelsian provides services (and will provide services post-Acquisition) is subject to varying degrees of government policy and regulation. There is a risk that governments may from time to time make changes to policy and regulation. These changes may relate to the fees and charges that are able to be raised by Kelsian from customers for the provision of services. In particular, governments may seek to introduce price controls which remove or limit Kelsian's ability to determine and implement pricing structures for its services. Changes to policies and regulations may also affect the level of government subsidies Kelsian receives in connection with some of its bus and/or ferry services. Such changes may have the potential to adversely impact upon Kelsian's profitability and future growth prospects. Changes in government legislation and policy in those jurisdictions in which Kelsian operates (and will operate post-Acquisition), in particular changes to taxation, workplace health and safety, chain of responsibility, intellectual property, customs, tariffs, property, environmental, franchising and competition laws, may affect the future earnings, asset values and the relative attractiveness of investing in Kelsian shares.
Business operations	In the performance of its business, Kelsian may be subject to conditions or operational risks, some of which are beyond its control, that can reduce sales of its products or services and/or increase costs of both current and future operations. These conditions or operational risks include, but are not limited to: lack of systemisation or standardisation within the business, changes in legislative requirements, restrictions on passenger movement, variation in timing of regulatory approvals, abnormal or severe weather, environmental or climatic conditions including floods, fire, major cyclone, earthquake or other natural disasters, equipment failures, unexpected maintenance, technical problems, accidents leading to injury or death or property damage (whether suffered by Kelsian, its personnel, its customers or third parties), information technology system failures, lease renewals, damage by third parties, inadequate or inefficient operating systems, systems security breaches, site loss or damage, industrial disruption, widespread fleet recall, supply chain risks (including increased cost, delivery times and supply certainty) and adverse regulatory action including fleet grounding. An inability to secure ongoing supply of goods and services at prices assumed within targets could potentially impact the results of Kelsian's operations. A prolonged and unplanned interruption to Kelsian's operations could significantly impact the Company's financial performance. In addition, there is a risk that Kelsian will not be able to respond adequately or in a timely manner to any business disruption, which could have an adverse effect on Kelsian, including through loss of revenue, reputational damage, regulatory, legal and financial exposure or loss of customers.

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Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)	
Failure to meet regulatory standards	Kelsian's operational vehicles, including ferries, buses and coaches currently operate, and will in future operate, under licences and approvals issued by government agencies (including, post-Acquisition, by the regulatory and licensing regimes in the US). Kelsian's operations could be adversely affected if: • it is unable to maintain any licence or approval which it is required to obtain or maintain in order to conduct its operations; • it breaches any applicable legislation or regulatory requirement; • it is required to comply with new or additional legislative or regulatory requirements; or • the cost of complying with the applicable legislation and regulations increases. For example, a decision by a relevant government to increase security standards in respect of one or all of buses, sea going vessels or ports, or a significant material change in environmental legislation that was not reimbursed in contract costs, could have a material adverse effect on Kelsian's business, reputation, financial condition and financial performance, and could give rise to litigation risk.
Adverse changes in demand	The demand for transportation and tourism services depends upon a wide variety of matters. Some of Kelsian's transportation services are insulated from demand factors by virtue of the nature of the contracted operations or by having a base level of passenger and freight business largely resulting from geographic factors and lack of any viable alternative transport options. For example, certain freight movements between Kangaroo Island and the South Australian mainland rely upon Kelsian services and establishment of a viable competitive service would require significant outlays in suitable vessels and infrastructure. However, even these types of transportation services may be impacted by other factors such as restrictions in movement of passengers. In addition, customer demand for Kelsian's tourism services can be affected by restrictions on travel to and within the territories in which it operates, the strength of the relevant currency against the home currency of the customer, and the cost of travel to the relevant country.
Financing / funding risk	Kelsian's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise funds for operations and growth activities and to service, repay and refinance debts as they fall due. Existing funds (including the funds raised under the Offer) may not be sufficient for expenditure that might be required for new or existing projects. While the directors of Kelsian believe it has a number of alternatives to raise funding (which may include both debt and equity sources of funding), there can be no guarantee that Kelsian will be able to raise sufficient funding on acceptable terms or at all. To the extent Kelsian does require funding for its future capital needs, the availability and terms of such funding are uncertain and may be less favourable to Kelsian than anticipated, which may negatively impact Kelsian's future profitability and financial flexibility. Funding terms may also place restrictions on the manner in which Kelsian conducts its business and impose limitations on Kelsian's ability to execute on its business plan and growth strategies. In addition, a breach of covenant or other undertaking under Kelsian's existing finance facilities could lead to a review event or event of default.
Loss of personnel	Kelsian's operations are dependent upon a stable workforce and the continued performance, efforts, abilities and expertise of its key management personnel and other skilled employees. The loss of services of such personnel, or the inability to attract suitably qualified additional personnel, could have a materially adverse effect on the operations of Kelsian as it may not be able to recruit suitable replacements for key personnel within a short timeframe. Possible consequences include disruption of Kelsian's normal business operations, loss of knowledge (including to competitors), inadequate mentoring, adverse impact on relationships with customers and suppliers, reputational damage and delays in implementing Kelsian's business strategy. The employment market for drivers and technicians has become more challenging since the pandemic. In certain parts of the business this has increased recruitment and retention costs, and has the potential to impact operations.
Health and safety	Kelsian's operations involve health and safety risks to its personnel, its customers and third parties. These risks include (but are not limited to) injuries associated with the servicing and operation of the bus and marine fleet safety and training, traffic accidents, traffic management and related accidents, technical malfunctions, faulty equipment, equipment failure, collisions and suicide. Such incidents could potentially lead to serious injury or death of Kelsian personnel, its customers or third parties, and which could result in reputational damage, legal liability, loss of licences or permits, loss of opportunities to bid for new contracts and/or adverse operating impacts for Kelsian, with consequential adverse effects for Kelsian's financial performance and position.
Industrial disputes	Kelsian's operations are dependent upon a stable workforce. Some of its workforce is currently unionised (and, post-Acquisition may become increasingly unionised including in the US), and Kelsian is exposed to the risk of industrial action and disputes arising from claims for higher wages or better conditions which could disrupt parts of Kelsian's business and may have an adverse impact upon its operating and financial performance, earnings and cashflows.

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Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)	
IT systems	**Reservations, ticketing or scheduling systems** Kelsian's reservations, ticketing or scheduling systems may be negatively impacted by hardware malfunction, an overloading of a system or by a deliberate and unauthorised attack. In such an event, Kelsian's operations could face disruption with consequential adverse effects on Kelsian's financial condition and performance. **Other IT and communications systems** As with most businesses, there is, and will continue to be, a heavy reliance on the smooth functioning of the computer and communications network within Kelsian. There is always a risk that failure of any of these systems could affect business operations, including as a result of service interruptions, power losses, computer system failures, hardware and software defects or malfunctions, hardware and software updates, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data, computer viruses, other malware or cyber attacks, penetration by hackers seeking to disrupt operations or misappropriate information, break ins, sabotage, intentional acts of vandalism and other breaches of security. This risk is partially mitigated by the computer and communication back-up systems that Kelsian has put in place.
Diesel fuel cost increases	The majority of Kelsian's current vessels and buses are (and, post-Acquisition, will continue to be) powered by diesel fuel. Any rises in the cost of fuel (through either increases in the direct cost of diesel or a weakening of the relevant currency against the US dollar or other currency in which it may happen to be priced) could therefore have an adverse effect on Kelsian's financial position and performance. If fuel costs increase through either the cost of diesel or the weakening of the relevant currency compared to the US dollar, any subsequent fuel surcharge imposed by Kelsian to offset fuel increases could have a dampening effect on travel and result in lower profitability for Kelsian. It is also possible that Kelsian may not be able to impose a fuel surcharge sufficient to offset fuel increases. These risks are partially mitigated by fuel hedging arrangements which Kelsian has entered into and by the majority of its bus contracts containing indexed price adjustment structures that hedge these exposures.
Availability of fuel	Kelsian does not carry large fuel reserves and any major shortage of fuel or fuel additives (whether through strikes, worldwide shortage, or other causes) may affect the ability to continue to provide ferry and bus services. Such a disruption could have an adverse effect on Kelsian's financial position and performance. In respect of contracted bus operations, generally three to six days of fuel reserves are held at each depot location. If there is a disruption to fuel supply, buses may need to obtain fuel at other locations, which could increase costs. It is also possible that a fuel disruption could prevent buses from operating. In practice, given the essential nature of bus services, these bus operations have been given priority access to fuel during periods of disrupted fuel supply. However, there is no contractual right that stipulates priority access to fuel.
Destination risks and environmental factors	Natural environmental disasters (such as fire, flood, storms, storm damage or other extremes of weather) can impact greatly on Kelsian's business, particularly given the exposure of some destinations such as Kangaroo Island, Queensland and Northern Territory (and, after completion of the Acquisition, the US including California), to such extremes. In the event of a natural environmental disaster Kelsian may be prevented from operating its normal services (whether ferry or bus services). Such a disruption could have an adverse effect on Kelsian's financial position and performance.
Foreign currency risk	Kelsian currently derives its revenue in Australian dollars, Singapore dollars, the Guernsey pound sterling and the Jersey pound sterling, and will also derive revenue in United States dollars post-Acquisition. While Kelsian pays for its fuel in the local currency of the relevant business, the price of fuel is also affected by the value of the United States dollar.
Fleet maintenance programs	Kelsian believes it has an efficient maintenance program and a well-stocked vessel and vehicle inventory system. However, Kelsian's fleet of marine vessels and buses are (and its post-Acquisition will continue to be) often reliant upon third party suppliers for parts that in some instances may need to come from overseas. For ferries, access to shipyards for the slipping of the vessels also cannot be guaranteed. As a consequence, there is a risk that some vessels and vehicles may be temporarily out of service due to the unavailability of required spare parts or access to shipyards. A vessel or vehicle out of service for any reason, such as for maintenance, survey requirements or upgrade could adversely affect Kelsian's financial position and performance. Replacement vessels are not readily accessible. In addition, excessive repairs and maintenance expenditure may have a material adverse effect on the financial performance of Kelsian. In respect of contracted bus operations, the vast majority of maintenance is carried out in in-house workshop facilities and spare vehicles are available and built into contract pricing to cover regular and ad hoc maintenance and accident repairs.

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Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)	
Insurance risk	Kelsian maintains insurance coverage as determined appropriate by its Board and management, but no assurance can be given that Kelsian will continue to be able to obtain such insurance coverage at reasonable rates (or at all) for certain events, or that any coverage it obtains will be adequate and available to cover all claims, including (but not limited to) environmental losses, property damage, public liability or losses arising from business interruption, flood, war, riots and civil commotion. In addition, Kelsian self-insures for certain risks that are considered to arise in the ordinary course of the business as determined appropriate by its Board and management, or which are not insurable (such as COVID-19 risks). In addition, while Kelsian undertook customary due diligence into the insurances held by AAAHI, it intends to undertake a further review of those insurances after completion of the Acquisition and, if appropriate, to increase the scope and coverage of those insurances. However, there is no guarantee that a claim which exceeds the level of AAAHI's existing insurances will not be made. Any losses incurred due to uninsured risks, or a loss in excess of the insured amounts, could lead to a loss of some of the capital invested by Kelsian, and could adversely affect the financial performance of Kelsian. Additionally, if Kelsian is unable to maintain sufficient insurance cover in the future, Kelsian's financial performance may be adversely affected. Increases in insurance premiums (whether as a result of insurance claims or otherwise) may also adversely affect Kelsian's financial performance.
Intellectual property	Kelsian's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it as well as Kelsian's confidential information. Intellectual property that is important to Kelsian includes, but is not limited to, know how, patents, trademarks, domain names, its website, business names and logos. Kelsian relies on contractual arrangements and laws regulating intellectual property to assist in protecting its intellectual property. However, such intellectual property may not always be capable of being legally protected. It may be the subject of unauthorised disclosure or unlawfully infringed, or Kelsian may incur substantial costs in asserting or defending its intellectual property rights or protecting its confidential information.
Brand and reputational risk	The reputation and branding of Kelsian is an important factor in its success. Anything that diminishes Kelsian's reputation or brand would be likely to be adverse to Kelsian and may diminish the demand for Kelsian's services thereby detrimentally affecting Kelsian's profitability and prospects for growth.
Environmental sustainability	Kelsian's success is dependent, in part, on identifying and developing innovative offerings to deliver sustainable transport solutions. Public concerns regarding global warming and environmental sustainability may have an effect on the tourism and transport industry. Transport, being a high user of fossil fuels, is likely to be required to seek more environmentally friendly alternatives. This could have the effect of either increasing operating costs due to the reduction in carbon output or reducing the number of travellers. The transition to use of alternate fuels and better utilisation of resources may also improve net profit, increase uncertainty of performance and create different opportunities for the business.
Terrorism	All major transport providers worldwide are potentially a terrorist target. Any such attack on Kelsian vessels, vehicles, depots, port facilities or the infrastructure they rely on may have a major adverse material effect on Kelsian's ongoing profitability and reputation and the value of the business insurance being held to cover this type of event.
Physical loss or damage	Kelsian's operations are subject to the risk of physical loss or damage to its vessels (whether hull or machinery), vehicles and resorts, and the infrastructure on which it relies. Loss or damage to any of these assets or infrastructure whether caused by fire, explosion, collision with other vessels, vehicles, infrastructure or property, or as a result of the perils of the sea or traffic accident, or otherwise, may adversely affect Kelsian's financial performance and/or result in litigation. Although Kelsian maintains insurance cover for its buildings, vessel and vehicle fleet, and the ownership and operation of those assets, claims made pursuant to insurance policies may be disputed or the cover may prove to be inadequate in particular circumstances. In addition, there may be exposure to legal liability arising out of Kelsian's ownership or operation of that asset, whether related to loss or damage to third party property and/or bodily injury.
Future acquisitions	In undertaking its business, from time to time Kelsian may pursue strategic acquisitions and other growth initiatives (such as the Acquisition). To finance such future acquisitions, Kelsian may incur additional indebtedness as permitted under its financing facilities and may seek to raise additional capital. Such actions and the terms on which such funding could be obtained may have a material adverse impact on Kelsian's financial position. To the extent that Kelsian grows through acquisition, it will face operational and financial risks commonly encountered with such a strategy, including but not limited to, continuity or assimilation of the operations and personnel of the acquired business, dissipation of Kelsian's management resources and impairment of relationships with employees and customers of the acquired businesses as a result of changes in ownership and management. In addition, depending on the type of transaction, it may take a substantial period of time to completely realise an acquisition's full benefit or synergies. While Kelsian has and will conduct due diligence enquiries in relation to any past and future acquisitions, it is possible that one or more material issues or liabilities may not have been or may not be identified, or are of an amount that is greater than expected, and that the standard protections (in the form of representations, warranties and indemnities) negotiated by Kelsian prior to the relevant acquisition are inadequate in the circumstances. Such issues or liabilities could adversely affect Kelsian's financial performance and position and future prospects, or could result in litigation.

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Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)	
Legal claims	Kelsian is exposed to, and may be involved in, potential legal and other claims or disputes from time to time in the course of its businesses with its contractors, shareholders, sub-contractors, employees, former employees, government agencies or regulators, end-consumers, customers, vendors or suppliers and other parties (including, after completion of the Acquisition, in the United States). Such legal and other claims or disputes may include (but are not limited to) potential class actions, contractual disputes, property damage claims, personal liability claims, products and services liability claims, wage underpayment and working conditions claims, or contractual and statutory penalties for failure to fulfil statutory and contractual obligations in relation to the quality of products and services, as well as governmental enquiries and investigations with respect to its operations. Litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, Kelsian. They can also take up significant time and attention from management and the Board. Accordingly, Kelsian's involvement in litigation and disputes could have an adverse impact on its financial position and performance. In addition, regulatory actions, disputes and other legal claims may result in fines, penalties and other sanctions, as well as other costs and expenses (including adviser costs in defending or responding to the relevant claim and settlement payments).
General economic conditions	Any deterioration in the domestic and global economy may have a material adverse effect on the performance of Kelsian businesses and Kelsian's share price. It is possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks, may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.
ASX listing	ASX imposes various listing obligations on Kelsian which must be complied with on an ongoing basis. Whilst Kelsian must comply with its listing obligations, there can be no assurance that the requirements necessary to maintain the listing of the Kelsian's shares will continue to be met or will remain unchanged.
Taxation	Future changes in the taxation laws of Australia, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Kelsian shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Kelsian operates (and, post-Acquisition, the United States), may impact the future tax assets or liabilities of Kelsian. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns. An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in Kelsian.
Changes in accounting standards	Changes in accounting or financial reporting standards may adversely impact the financial performance reported by Kelsian.

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Key risks (cont)

EQUITY RAISING RISKS	
Underwriting risk	Kelsian has entered into an Underwriting Agreement under which the Lead Manager has agreed to fully underwrite the Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur under the Underwriting Agreement, the Lead Manager may terminate the agreement. Those circumstances are set out in Appendix E entitled '*Underwriting agreement summary*'. The ability of the Lead Manager to terminate the Underwriting Agreement in respect of some events (including breach of the Underwriting Agreement by Kelsian) will depend (amongst other things) on whether the Underwriter has reasonable and bona fide grounds to believe that the event: (i) could give rise to a liability of the Underwriters under, or could give rise to the Underwriter contravening or being considered to be in contravention of, applicable law; (ii) has or may have a material adverse effect on the marketing, settlement or outcome of the Offer or likely trading price of Kelsian's shares on the ASX; or (iii) has resulted in or may result in a material change in the financial position, performance or prospects of Kelsian and its group from that which existed as at the date of this Presentation, other than as disclosed to the ASX prior to the date of this Presentation, and which has resulted in or mat result in a material adverse effect on the success of the Offer. The Acquisition Agreement does not provide for a termination right in favour of Kelsian in circumstances where the Underwriting Agreement is terminated. If the Underwriting Agreement is terminated for any reason, there could be an adverse impact on the amount of proceeds raised under the Offer, which could result in Kelsian not having access to equity capital to contribute towards funding the Acquisition and which may result in Kelsian incurring additional costs (for example, by way of interest payments on debt), which could have a material adverse impact on Kelsian's financial position and prospects.
Market generally	There are general risks associated with investments in equity capital such as Kelsian shares. The trading price of shares in Kelsian may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors which may affect the market price of shares include: • general movements in Australian and international stock markets; • investor sentiment; • Australian and international economic conditions and outlook; • changes in interest rates and the rate of inflation; • changes in government regulation and policies; • announcement of new technologies; • geo-political instability, including international hostilities and acts of terrorism; • demand for and supply of Kelsian shares; • operating results of Kelsian that may vary from expectations of securities analysts and investors; • changes in market valuations of other media companies; and • future issues of Kelsian shares. In particular, the share prices for many companies, including Kelsian, have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company specific influences referred to above, such as COVID-19 uncertainty, the general state of the economy, investor uncertainty, political instability and global hostilities and tensions. Such fluctuations may materially adversely impact the market price of shares in Kelsian.

D. International offer restrictions

Appendix

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International offer restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Guernsey

The New Shares may only be offered or sold in or from within the Bailiwick of Guernsey (i) to existing shareholders of the Company; (ii) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "POI Law"); or (iii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc., (Bailiwick of Guernsey) Law, 2000.

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International offer restrictions (cont)

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Jersey

The New Shares may only be offered and sold to a limited number of identifiable investors, including existing shareholders of the Company, in Jersey. No offer to subscribe for New Shares will be made to the public in Jersey.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

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International offer restrictions (cont)

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (“SCA”) or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to “professional investors” (as defined in the SCA Board of Directors’ Decision No.13/RM of 2021, as amended).

No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or under any US state securities laws. The New Shares may only be offered and sold in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Accordingly, the New Shares are only being offered and sold in “offshore transactions” in compliance with Regulation S under the US Securities Act.

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E. Underwriting agreement summary

Appendix

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Underwriting agreement summary

Macquarie Capital (Australia) Limited (the 'Underwriter') is acting as lead manager, bookrunner and underwriter for the Offer.

Kelsian has entered into an underwriting agreement with the Underwriter in respect of the Offer ('Agreement'). The Agreement contains typical undertakings, representations, warranties and indemnities in favour of the Underwriter. It also contains certain conditions precedent that are customary for a transaction of this nature. If those conditions precedent are not satisfied by the relevant time, the Underwriter may terminate the Agreement.

The Underwriter may also terminate its obligations under the Agreement if any of the following termination events occur:

1. (misleading disclosure) a statement contained in this Presentation, each cleansing statement given in relation to the Offer, the ASX announcement relating to the Offer, the retail entitlement offer booklet, the institutional confirmation letters, all correspondence with securityholders in respect of the Offer and any public information in relation to Kelsian or the Offer ('Offer Materials') (including any estimate, expression of belief or intention, or statement relating to future matters) is or becomes misleading or deceptive or likely to mislead or deceive or a matter required to be included is omitted from those materials, or there are no reasonable grounds for the making of any statement in those materials relating to future matters (including in relation to the Acquisition);
2. * (information) the due diligence committee report or any information supplied by or on behalf of Kelsian to the Underwriter for the purposes of it due diligence investigations relating to the Offer, the Offer Materials, or the Offer, is misleading or deceptive (including by omission);
3. (Offer Cleansing Statement) an cleansing statement relating to the Offer is defective, or a corrective statement is required to be issued under the Corporations Act 2001 (Cth) as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 ('Corporations Act')
4. * (adverse change) any adverse change, or development (including but not limited to any regulatory change) or event involving a prospective change, in the condition, financial or otherwise, or in the assets, liabilities, earnings, business, operations, management, profits, losses or prospects of Kelsian, any group member or AAAHI or their respective underlying investments occurs;
5. * (new circumstance) a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the Offer Materials had the new circumstance arisen before the Offer Materials were given to ASX;
6. * (change of law) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Agreement), any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets;
7. (unable to proceed) Kelsian is or will be prevented from conducting or completing the Offer (including granting the entitlements or issuing the New Shares) by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things or a third party applies to a court of competent jurisdiction seeking orders to prevent, or which will have the effect of preventing any of these things;
8. (ASIC determination) ASIC makes a determination, exemption or order which would prevent Kelsian from making the Offer under section 708AA or 708A, including a determination under section 708AA(3) or section 708A(2);
9. (listing):
   a) Kelsian ceases to be admitted to the official list of ASX or the New Shares (or interests in them) cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than a voluntary suspension requested by Kelsian and consented to by the Underwriter to facilitate the Offer (such consent not to be unreasonably withheld or delayed));
   b) ASX makes any official statement to any person, or indicates to Kelsian or Underwriter that it will not grant permission for the official quotation of the New Shares issued under the Entitlement Offer and Placement; or
   c) permission for the official quotation of the New Shares issued under the Entitlement Offer and Placement is not granted before the date of issue of those New Shares or, if granted, the approval is subsequently withdrawn, qualified or withheld;
10. (notifications):
    a) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer Materials or the Offer;
    b) ASIC commences, or gives notice of an intention to hold, any investigation or hearing in relation to the Offer or any of the Offer Materials; or
    c) ASIC prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against Kelsian;
11. (no misleading or deceptive conduct) Kelsian engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the making of the Offer;

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Underwriting agreement summary (cont)

12. * (market disruption) either of the following occurs:
   a) a general moratorium on commercial banking activities in Australia, the United States of America, Hong Kong, the United Kingdom or the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
   b) trading in all securities quoted or listed on ASX, the London Stock Exchange, HK Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;
13. * (hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, New Zealand, Canada (Ontario, Quebec, British Columbia), Singapore, Malaysia, Hong Kong, the United Kingdom, any member state of the European Union (excluding those which became member states from 2004 onwards), Norway, Switzerland or the People's Republic of China or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world, excluding any change or disruption that results from the present conflict or hostilities primarily involving Russia on one hand and Ukraine on the other (‘Russia-Ukraine Hostilities’), unless such change or disruption from the Russian-Ukraine Hostilities involve:
   a) the commencement of active and direct involvement in the Russia-Ukraine Hostilities by one or more of the United States, France, Germany, the United Kingdom or Australia;
   b) the use of nuclear, chemical, biological or other non-conventional weapons; or
   c) an attack on a nuclear facility.
14. * (political or economic conditions) the occurrence of any adverse change or disruption to the political conditions or financial markets of Australia, the United States of America, New Zealand, Canada (Ontario, Quebec, British Columbia), Singapore, Hong Kong, Malaysia, the United Kingdom, any member state of the European Union (excluding those which became member states from 2004 onwards), Norway, Switzerland or the People's Republic of China or the international financial markets or any change or development involving a prospective change in national or international political, economic or financial conditions;
15. * (warranties) a warranty contained in the Agreement on the part of Kelsian is untrue or incorrect when given or taken to be given or becomes untrue or incorrect;
16. * (Certificate) the certificate which is required to be furnished by Kelsian under Agreement is untrue, incorrect or misleading;
17. (delay) any event specified in the Agreement (including in the timetable) is delayed:
   a) in respect of the Institutional Offer, by 1 Business Day or more; or
   b) in respect of the Retail Entitlement Offer, by more than 1 Business Day,

   (in each case, other than an event within the sole control of the Underwriter), without the prior written consent of the Underwriter;
18. * (breach) Kelsian fails to perform or observe any of its obligations under the Agreement;
19. * (change in management) a change in the senior management or the board of directors of Kelsian occurs or is announced;
20. (prosecution) any of the following occurs:
   a) a director or proposed director of Kelsian is charged with an indictable offence in relation to any financial or corporate matter;
   b) any Government agency commences any public proceedings against Kelsian or any director in their capacity as a director of Kelsian, or announces that it intends to take such action; or
   c) any director or proposed director of Kelsian is disqualified from managing a corporation under any applicable law;
21. (ASX Waivers and ASIC Modifications) approval for any ASX waivers or ASIC modifications is withdrawn or is varied in a way that, in the reasonable opinion of the Underwriter, would have a material adverse effect on the success of the Offer;
22. * (Insolvency of a Group Member) an insolvency event occurs in respect of a member of the Kelsian group (excluding Kelsian) or there is an act which has occurred or any omission made which would result in an insolvency event occurring in respect of any member of the Kelsian Group (excluding Kelsian);
23. (Insolvency of Kelsian) an insolvency event occurs in respect of Kelsian or there is an act which has occurred or any omission made which would result in an insolvency event occurring in respect of Kelsian;
24. (withdrawal) Kelsian withdraws the Offer;

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Underwriting agreement summary (cont)

25. (Acquisition Agreement):
    a) * there is an amendment to the agreement giving effect to the Acquisition between Kelsian and the vendors of AAAHI ('Acquisition Agreement') other than with the consent of the Underwriter;
    b) any party to the Acquisition Agreement does, or (other than Kelsian) becomes entitled to, terminate or rescind the Acquisition Agreement;
    c) the Acquisition Agreement does not, becomes incapable of, or will not, complete in accordance with its terms; or
    d) * there is a breach of a representation or warranty or other obligation under the Acquisition Agreement; or
26. (Debt Commitment Letter):
    a) * there is an amendment to the debt commitment letter and annexed term sheet between Kelsian and its financiers in respect of the facility that will be utilised to partially fund the Acquisition ('Debt Commitment Letter') other than with the consent of the Underwriters;
    b) any party to the Debt Commitment Letter does, or becomes entitled to, terminate or rescind the Debt Commitment Letter;
    c) drawdown as contemplated by the Debt Commitment Letter does not, becomes incapable of, or will not, occur in accordance with its terms; or
    d) * there is a breach of a representation or warranty or other obligation under the Debt Commitment Letter.

No event set out above and marked with an "*" entitles the Underwriter to terminate its obligations under the Agreement unless the Underwriter has reasonable and bona fide grounds to believe that the event:

1. could give rise to a liability of the Underwriter under, or could give rise to the Underwriter contravening, or being considered to be in contravention of any applicable law;
2. has or may have a material adverse effect on the marketing, settlement or outcome of the Offer or the likely trading price of Kelsian's shares; or
3. has resulted in or may result in a material change in the financial position, performance or prospects of Kelsian and its controlled entities (taken as a whole group) from that which existed as at the date of this document, other than as disclosed to ASX prior to the date of this document, that has resulted in or may result in a material adverse effect on the success of the Offer.

If the Underwriter terminates its obligations under the Agreement, the Underwriter will be discharged from any of its obligations that remain to be performed under the Agreement. Termination of the Agreement by the Underwriter could have an adverse impact on the amount of proceeds raised under the Offer.

The Underwriter is entitled to be paid the following fees under the Agreement:

1. a management fee of 0.4% of the Institutional Offer Amount (being the Offer Price multiplied by the number of Shares to be issued under the Institutional Entitlement Offer and the Placement) and the Retail Offer Amount (being the Offer Price multiplied by the number of Shares to be issued under the Retail Entitlement Offer); and
2. an underwriting fee of 1.6% of the Institutional Offer Amount and Retail Offer Amount (in each case less any proceeds raised from the Group CEO and each director of Kelsian or entities that are controlled by them).

Kelsian may also pay to the Underwriter an incentive fee of 0.25% of the Institutional Offer Amount and Retail Offer Amount. The Underwriter is also entitled to be reimbursed for certain costs and expenses relating to the Offer.


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