

ASX Announcement

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23 March 2023

Despatch of Retail Entitlement Offer Booklet

Kelsian Group Limited (**Kelsian** or the **Company**) (ASX:KLS) refers to its previous announcements regarding its fully underwritten institutional placement and its 1 for 8.5 accelerated pro rata non-renounceable entitlement offer (**Entitlement Offer**), made on Wednesday 15 March 2023 and Friday 17 March 2023.

Kelsian is pleased to announce that the Retail Entitlement Offer Information Booklet and accompanying Entitlement and Acceptance Form, relating to the retail component of the Entitlement Offer (**Retail Entitlement Offer**), has been despatched to eligible shareholders today.

The Retail Entitlement Offer opens at 9.00am (Sydney time) today (Thursday, 23 March 2023) and is scheduled to close at 5.00pm (Sydney time) on Wednesday, 5 April 2023. It is expected to raise approximately \$45 million.

Only eligible retail shareholders may participate in the Retail Entitlement Offer. The eligibility criteria are set out in the Retail Entitlement Offer Information Booklet. Eligible retail shareholders can choose to take up all, part or none of their entitlement. Eligible retail shareholders should read the Retail Entitlement Offer Information Booklet and accompanying Entitlement and Acceptance Form in their entirety and consult with their stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

Key dates

An indicative timetable of key dates in relation to the Retail Entitlement Offer is detailed below.

Event	Date
Record Date for the Entitlement Offer	Monday, 20 March 2023 (7:00pm Sydney time)
Despatch of Retail Entitlement Offer Information Booklet and Entitlement and Acceptance Forms	Thursday, 23 March 2023
Retail Entitlement Offer opens	Thursday, 23 March 2023 (9.00am Sydney time)
Retail Entitlement Offer closes	Wednesday, 5 April 2023 (5.00pm Sydney time)
Announce results of Retail Entitlement Offer	Wednesday, 12 April 2023

Event	Date
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

NOTE

The timetable above is indicative only and may be subject to change. Kelsian reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Kelsian reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of new shares.

Authorised for lodgement with the ASX by the Company Secretary, Joanne McDonald.

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ABOUT KELSIAN

Kelsian is Australia's largest integrated multi-modal transport provider and tourism operator, with established bus operations in Singapore, London and the Channel Islands. Kelsian provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and liveability of the communities we serve.

Kelsian has over 30 years' experience delivering tourism and passenger transport services. The Group is a leader in sustainable public transport as the operator of Australia's largest zero emission bus fleet and Australia's largest electrified bus depot.

As at 31 December 2022, Kelsian directly employs 9,223 people and operates 3,991 buses, 113 vessels and 24 light rail vehicles that delivered more than 256 million customer journeys over the last year. Through its London bus joint venture, Kelsian is involved in employing a further 4,000 people operating 1,250 buses, including 350 electric vehicles.

IMPORTANT NOTICE

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

Not for release to US wire services or distribution in the United States

Thursday, 23 March 2023

Dear Shareholder,

Kelsian Group Limited – Pro-rata accelerated non-renounceable entitlement offer

As set out in its announcement on Wednesday, 15 March 2023, Kelsian Group Limited (ACN 109 078 257) (**Kelsian** or the **Company**) is undertaking a 1 for 8.5 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the capital of the Company (**New Shares**) (**Entitlement Offer**).

We are writing to you as an eligible shareholder, entitled to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

The Retail Entitlement Offer Information Booklet and an electronic copy of your personalised Entitlement and Acceptance Form can be accessed at: <https://www.investorserve.com.au/>. To access the online system, you will need to provide your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode.

The Retail Entitlement Offer Booklet can also be accessed via the Company's website <https://www.kelsian.com/march-2023-retail-entitlement-offer>

The Retail Entitlement Offer closes at 5:00pm (AEDT) on Wednesday, 5 April 2023.

The number of New Shares for which you are entitled to apply for under the Retail Entitlement Offer (**Entitlement**) is shown on your Personalised Entitlement and Acceptance Form. If you wish to subscribe for additional New Shares above your Entitlement (**Additional Shares**) you will be able to apply for Additional Shares up to 50% of your Entitlement (**Cap**).

Any New Shares referable to your Entitlement not taken up in full pursuant to the Retail Entitlement Offer (**Shortfall Shares**) may be made available to eligible retail shareholders who took up their full Entitlement and applied for Additional Shares (**Oversubscription Facility**). Additional Shares will only be allocated to eligible retail shareholders if there are Shortfall Shares available, subject to the Cap and other applicable laws and regulations.

Applications

To apply for New Shares under the Retail Entitlement Offer (including any Additional Shares under the Oversubscription Facility), please follow the instructions provided in your personalised Entitlement and Acceptance Form.

If you are unable to access <https://www.investorserve.com.au/>, please contact the Company's share registry on 1300 737 760 (in Australia) or +61 2 9290 9600 (outside Australia).

Actions required by Eligible Shareholders

There are a number of actions you may take:

- accept your full Entitlement;
- accept your full Entitlement and apply for Additional Shares under the Oversubscription Facility;
- accept part of your Entitlement; or
- if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Key dates for the Retail Entitlement Offer

Key Dates in relation to the Retail Entitlement Offer are as follows:

Event	Date
Record Date for the Retail Entitlement Offer	Monday, 20 March 2023 (7:00pm Sydney time)
Despatch of Retail Entitlement Offer Information Book and Entitlement and Acceptance Forms	Thursday, 23 March 2023
Retail Entitlement Offer opens	Thursday, 23 March 2023 (9:00am Sydney time)
Retail Entitlement Offer closes	Wednesday, 5 April 2023 (5:00pm Sydney time)
Announce results of Retail Entitlement Offer	Wednesday, 12 April 2023
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

You should read the entire Retail Entitlement Offer Information Booklet carefully and seek professional advice before deciding whether to invest in the Retail Entitlement Offer.

If you have any queries concerning the Retail Entitlement Offer, please contact your stockbroker, accountant or other professional adviser or the Offer Information Line on 1300 737 760 (in Australia) or +61 2 9290 9600 (outside Australia).

Yours faithfully,



Jeffrey R. Ellison AM
Chairman

Retail Entitlement Offer Information Booklet

Kelsian Group Limited
(ACN 109 078 257)

Details of a 1 for 8.5 fully underwritten pro rata accelerated non-renounceable entitlement offer at A\$5.55 per New Share to raise approximately A\$143 million.

**Retail Entitlement Offer closes at: 5.00pm (Sydney time) on
Wednesday, 5 April 2023**

If you are an Eligible Retail Shareholder, this Information Booklet and the personalised Entitlement and Acceptance Form accompanying it contains important information that requires your immediate attention. You should read both documents carefully and in their entirety. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

If, after reading this document, you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, accountant or other professional adviser. If you have any questions in relation to your Entitlement or personalised Entitlement and Acceptance Form, please contact the Offer Information Line on 1300 737 760 (Toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period.

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IMPORTANT NOTICES

This Information Booklet is dated Thursday, 23 March 2023 and has been issued by Kelsian Group Limited ('**Company**'). It relates to the Retail Entitlement Offer, which is part of the Entitlement Offer by the Company to raise approximately A\$143 million. Unless otherwise defined, capitalised terms have the meaning given to them in section 7 of this Information Booklet.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act (as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*). This Information Booklet is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. It does not contain all of the information which a prospective investor may require to make an informed investment decision. As a result, it is important for you to read and understand the publicly available information on the Company and the Entitlement Offer (for example, the information available on the Company's website at www.kelsian.com and on the ASX website at www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

If, after reading this Information Booklet, you have any questions about the New Shares being offered or any other matter, you should contact your stockbroker, accountant or other professional adviser. If you have any questions in relation to your Entitlement or personalised Entitlement and Acceptance Form, please contact the Offer Information Line on 1300 737 760 (Toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period.

This Information Booklet (including the accompanying Entitlement and Acceptance Form) should be read in its entirety before you decide to participate in the Entitlement Offer. In particular, the Investor Presentation in section 4 of this Information Booklet details important factors and risks that could affect the financial and operating performance of the Company. Please refer to the section entitled '*Appendix C. - Key risks*' of the Investor Presentation for details. When making an investment decision in connection with the Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in section 6 of this Information Booklet).

The Company may also make additional announcements after the date of this Information Booklet and throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether you should participate in the Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by the Company (by visiting the ASX website at www.asx.com.au) before making your Application or doing nothing with your Entitlement.

In addition to reading this Information Booklet in conjunction with the Company's other periodic and continuous disclosure announcements, you should conduct your own independent review, investigations and analysis of the Company and the New

Shares and obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision.

By paying for your New Shares (including any Additional Shares) through BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line), you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No party other than the Company has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

International Offer Restrictions

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders.

The distribution of this Information Booklet (including an electronic copy) outside of Australia and New Zealand may be restricted by law. If you come into possession of this Information Booklet, you should observe such restrictions, including those set forth in the section entitled '*Appendix D. - International offer restrictions*' of the Investor Presentation that is included in this Information Booklet.

Because of legal restrictions, you must not send copies of this Information Booklet or any material in relation to the Retail Entitlement Offer to any person outside Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia.

New Zealand

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 New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Information Booklet 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 U.S. Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable US state securities laws.

Entitlements may not be taken up by persons in the United States or by persons who are acting for the account or benefit of persons in the United States, and New Shares may not be offered to or sold to such persons. The New Shares issued pursuant to this Information Booklet will be offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act. Because of these legal restrictions, you must not distribute or send copies of this Information Booklet or any other material relating to the Entitlement Offer to any person in the United States.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 7. All references to currency are to Australian dollars and all references to time are to Sydney time, unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. Section 6 provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Entitlement Offer for Eligible Retail Shareholders. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer. The Legal Adviser has not authorised, permitted or caused the issue of this Information Booklet.

Privacy

Chapter 2C of the Corporations Act requires information about Shareholders (including name, address and details of the Shares held) to be included in the public register of the Company. Information is collected to administer your shareholding in the Company and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the Company and its related bodies corporate and its and their directors, officers, employees, agents, representatives and advisers. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number shown in section 8. The Share Registry's privacy policy is available on its website at www.boardroomlimited.com.au/corp/privacy-policy.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on a Shareholder's acceptance of the Entitlement Offer and on the Company's acceptance of any Application for Additional Shares are governed by the law applicable in South Australia, Australia. Each Shareholder submits to the non-exclusive

jurisdiction of the courts of South Australia and the Federal Court of Australia (Adelaide Registry).

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by the Company or any of its officers.

Past Performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future Performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "outlook", "should", "will", "plan", "propose", "predict", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include but are not limited to statements regarding outcomes and effects of the Entitlement Offer or the Acquisition. Any forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice. They involve known and unknown risks, uncertainties and other factors which are beyond the control of the Company and the Lead Manager (defined below) and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct. This includes any statements about market and industry trends which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events, expressed or implied, in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19 and conflict between Russia and Ukraine.

No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to the future

matters contained in this Information Booklet. None of the Lead Manager Parties have authorised, approved or verified any forward-looking statements.

These forward-looking statements are based on information available to the Company as at the date of this Information Booklet. Except as required by law or regulation (including the ASX Listing Rules), the Company is under no obligation to provide any additional or updated information (whether as a result of new information, future events or results, or otherwise).

Lead Manager

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**'Lead Manager'**) has been appointed as lead manager, bookrunner and underwriter to the Entitlement Offer (including the Retail Entitlement Offer). None of the Lead Manager Parties, nor the advisers to the Company nor any other person including clients named in this Information Booklet, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet (or any other materials released by the Company) and none of them makes or purports to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by them.

The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from, the Company.

Disclaimer

Eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of factors, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Lead Manager. To the maximum extent permitted by law, each of the Company and each Lead Manager Party and each of their respective affiliates disclaims any and all duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Lead Manager Parties expressly disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in the Information Booklet being inaccurate or due to information being omitted from this Information Booklet, whether by way of negligence or otherwise, and expressly disclaim all liabilities in respect of, and make no representation or warranty, express or implied, and take no responsibility for any part of, this Information Booklet other than references to their name, including as to the currency, accuracy, reliability or completeness of the information in this Information Booklet.

The Lead Manager Parties take no responsibility for any part of this Information Booklet or liability (including, without limitation, any

liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Information Booklet or otherwise arising in connection with it.

The Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by paying for your New Shares through BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line), you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

Statements made in this Information Booklet are made only as at the date of this Information Booklet. The information in this Information Booklet remains subject to change without notice.

Risks

Refer to the section entitled '*Appendix C. - Key risks*' of the Investor Presentation included in section 4 of this Information Booklet for a summary of general and specific risk factors that may affect the Company. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

Trading New Shares

The Company and the Lead Manager Parties will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe have been or will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in doubt as to these matters, you should first consult with your financial or other professional advisor.

No Entitlements trading

The Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

No cooling-off rights

Cooling-off rights do not apply to an investment in the New Shares. You cannot withdraw an Application once it has been submitted.

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CHAIRMAN'S LETTER

Thursday, 23 March 2023

Dear Shareholder

On behalf of Kelsian Group Limited ('Kelsian'), I am delighted to invite you to participate in the recently announced 1 for 8.5 pro rata accelerated non-renounceable entitlement offer of new ordinary shares in the capital of Kelsian ('New Shares') at an offer price of A\$5.55 per New Share ('Entitlement Offer').

On Wednesday, 15 March 2023, Kelsian announced its intention to raise approximately A\$278 million through an institutional placement (raising approximately A\$135 million) ('Institutional Placement') and the Entitlement Offer (raising approximately A\$143 million) (the Institutional Placement and the Entitlement Offer collectively, the 'Equity Raising'). As announced to the ASX on Friday, 17 March 2023, Kelsian has successfully completed the institutional component of the Entitlement Offer ('Institutional Entitlement Offer') and the Institutional Placement. The Institutional Entitlement Offer and Institutional Placement raised approximately A\$233 million in aggregate. This retail offer booklet ('Information Booklet') relates to the retail component of the Entitlement Offer ('Retail Entitlement Offer').

Why is Kelsian conducting the Equity Raising?

The funds raised through the Equity Raising will be used to partially fund the acquisition of All Aboard America! Holdings Inc. ('AAAH') ('Acquisition')¹ and to pay transaction costs associated with the Equity Raising and Acquisition.

AAAH is a leading transport solutions platform providing contract and charter passenger services in the south and south-west of the USA. The proposed Acquisition values AAAH at approximately US\$325 million² (A\$487 million^{2,3}) on an enterprise value basis.

Kelsian believes the Acquisition is strategically and financially compelling, will accelerate Kelsian's growth strategy and deliver strategic benefits. Key investment highlights of the Acquisition include:

- 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, liquefied natural gas 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 revenue⁴, track record of earnings growth and strong cash flow conversion;
- Upper single digit EPSA accretion in pro forma CY22, before any bonus adjustment⁵; and
- High quality local management team with strong market expertise committed to continuing growth plans.

Further information on the strategic benefits and rationale for the proposed Acquisition is contained in the Investor Presentation and the Initial Announcement included in section 4 of this Information Booklet.

¹ Kelsian is affecting this transaction through the acquisition of 100% of the shares in AAAH TopCo Corporation from AAAH Holdings LLC, an entity controlled by funds managed/advised by Tensile Capital Management. Throughout this Chairman's Letter and the Information Booklet, the Acquisition refers to Kelsian's acquisition of AAAH TopCo Corporation and its subsidiary group, including AAAH.

² Prior to any completion adjustments.

³ Assumes AUDUSD rate of 0.6680.

⁴ Recurring revenue based on management calculations for CY22, excluding approximately US\$1.4 million of other revenue.

⁵ Enterprise Value of US\$325 million (A\$487 million) prior to any completion adjustments. AAAH 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 AAAH 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.

Details of the Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to subscribe for one New Share for every 8.5 Existing Shares held at 7.00pm (Sydney time) on the Record Date of Monday, 20 March 2023 ('**Entitlement**') at the offer price of A\$5.55 per New Share ('**Offer Price**').

The Offer Price is the same price as was offered to the Institutional Investors who participated in the Institutional Placement and the Institutional Entitlement Offer, and as set out in the personalised Entitlement and Acceptance Form accompanying this Information Booklet. The Offer Price represents:

- a discount of approximately 12.6% to last close price of Shares on Monday, 13 March 2023 of A\$6.35; and
- a discount of approximately 10.5% to the theoretical ex-rights price ('**TERP**') of A\$6.20⁶.

If you take up your Entitlement in full, you may also apply for New Shares in excess of your Entitlement ('**Additional Shares**') at the Offer Price ('**Oversubscription Facility**'), capped at a maximum of 50% of your Entitlement ('**Cap**'). The allocation of Additional Shares under the Oversubscription Facility will be subject to availability. Applications made under the Oversubscription Facility may (after taking into account any scale backs required in connection with the Cap) be scaled back pro rata in accordance with shareholdings and subject to the Corporations Act, the ASX Listing Rules and to other applicable laws and regulations. Refer to section 2.4 of this Information Booklet for more information.

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) is acting as lead manager, bookrunner and underwriter to the Placement and Entitlement Offer ('**Lead Manager**' or '**Underwriter**'). Taylor Collison Limited is acting as co-manager.

The Entitlement Offer is non-renounceable and Entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of such part of their Entitlement they do not take up. I encourage you to consider this offer carefully.

Other Information

This Information Booklet contains important information, including:

- the Investor Presentation and Initial Announcement referred to above, which were released to the ASX on Wednesday, 15 March 2023 and provide information on Kelsian, the benefits expected from the Acquisition, details of the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form accompanies this Information Booklet. This form details your Entitlement. If you want to participate in the Retail Entitlement Offer, this form must be completed in accordance with the instructions contained in the form.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 5 April 2023 ('Closing Date').

Please read the details on how to submit your application carefully, which are set out in this Information Booklet.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of Kelsian, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Jeffrey R. Ellison AM
Chairman

⁶ TERP 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 Shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

SUMMARY OF THE EQUITY RAISING

Placement	
Issue price	A\$5.55 per New Share
Size	Approximately 24.3 million New Shares
Gross proceeds of the Placement	Approximately A\$135 million

Entitlement Offer	
Ratio	1 New Share for every 8.5 Existing Shares
Offer Price	A\$5.55 per New Share
Size	Approximately 25.7 million New Shares
Gross proceeds of the Entitlement Offer	Approximately A\$143 million
Total gross proceeds of the Equity Raising	Approximately A\$278 million

KEY DATES

Announcement of the Acquisition, Placement and Entitlement Offer	Wednesday, 15 March 2023
Institutional Entitlement Offer and Placement opens	Wednesday, 15 March 2023
Institutional Entitlement Offer and Placement closes	Thursday, 16 March 2023
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 17 March 2023
Record Date for the Entitlement Offer (7:00pm Sydney time)	Monday, 20 March 2023
Despatch of Retail Offer Entitlement Information Book and Entitlement and Acceptance Forms	Thursday, 23 March 2023
Retail Entitlement Offer opens (9.00am Sydney time)	Thursday, 23 March 2023
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 (5.00pm Sydney time)	Wednesday, 5 April 2023
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

Note: The timetable above is indicative only and subject to change. The Company, in conjunction with the Lead Manager, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Retail Entitlement Offer and to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases), and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date may have a consequential effect on the issue of New Shares. The Company also reserves the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. The quotation of New Shares is subject to confirmation from ASX.

1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder (as defined in section 5.1), you may take any one of the following actions:

Options available to you	Key considerations
1. Take up all of your Entitlement (and you can also apply for Additional Shares)	<ul style="list-style-type: none">• You may elect to purchase New Shares corresponding to your Entitlement at the Offer Price (see section 3 “How to Apply” for instructions on how to take up your Entitlement).• The New Shares issued to you will rank equally in all respects with the Existing Shares (including rights to dividends and distributions).• You may also apply for Additional Shares in excess of your Entitlement, capped at a maximum of 50% of your Entitlement (see section 2.4 for instructions on how to apply for Additional Shares). There is no guarantee that you will be allocated any Additional Shares.• Your percentage shareholding in the Company will not be diluted as a result of the Entitlement Offer, although the Placement may cause your percentage shareholding to be diluted from the Record Date (subject to any allocation to you of Additional Shares which may mitigate any dilution from the Placement).
2. Take up part of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see section 3 “How to Apply” for instructions on how to take up your Entitlement), but at a number that is fewer than your Entitlement.• The New Shares issued to you will rank equally in all respects with the Existing Shares (including rights to dividends and distributions).• That portion of your Entitlement not taken up will lapse and you will not receive any payment or value for that portion.• You will not be able to apply for any Additional Shares.• Your percentage shareholding in the Company will be diluted as a result of the Equity Raising.
3. Do nothing, and allow your Entitlement to lapse	<ul style="list-style-type: none">• If you do not take up any of your Entitlement, you will not be issued with any New Shares and your Entitlement will lapse. Your Entitlement is non-renounceable, which means it is non-transferable and cannot be sold, traded on the ASX or any other exchange, nor privately transferred.• You will not receive any payment or value for your Entitlement.• Your percentage shareholding in the Company will be diluted as a result of the Equity Raising.

If you are a retail Shareholder who is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

2. THE ENTITLEMENT OFFER

2.1 Overview

The Company intends to raise A\$278 million under the Equity Raising.

The Entitlement Offer component of the Equity Raising is comprised of:

- (a) **Institutional Entitlement Offer** – Between Wednesday, 15 March 2023 and Thursday, 16 March 2023, Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlements at the Offer Price of A\$5.55 per New Share. Entitlements under the Institutional Entitlement Offer were non-renounceable, so a bookbuild process in relation to Entitlements not taken up by Eligible Institutional Shareholders, as well as New Shares that otherwise would have been offered to Ineligible Shareholders, was also carried out. The Institutional Entitlement Offer and bookbuild was successfully completed on Thursday, 16 March 2023 and raised approximately A\$98 million;
- (b) **Retail Entitlement Offer** – As part of the Entitlement Offer component of the Equity Raising, Eligible Retail Shareholders (as defined in section 5.1) are now being offered 1 New Share for every 8.5 Existing Shares held as at 7.00pm (Sydney time) on Monday, 20 March 2023 ('Record Date'), at the Offer Price of A\$5.55 per New Share. The Entitlements of each Eligible Retail Shareholder are non-renounceable and are not tradeable or otherwise transferable; and
- (c) **Ability to apply for Additional Shares** – Eligible Retail Shareholders who take up all of their Entitlement may also apply for Additional Shares in excess of their Entitlement, capped at a maximum of 50% of their Entitlement. Further details on the ability to apply for Additional Shares are set out in section 2.4 of this Information Booklet.

The Placement component of the Equity Raising comprised the offer of approximately 24.3 million New Shares to Eligible Institutional Shareholders and certain other Institutional Investors. It was conducted by the Company in conjunction with the Institutional Entitlement Offer between Wednesday, 15 March 2023 and Thursday, 16 March 2023, and raised approximately A\$135 million.

The Equity Raising is fully underwritten. Macquarie Capital (Australia) Limited has been appointed by the Company as underwriter. Refer to section 5.8 of this Information Booklet for further information on the underwriting terms. Taylor Collison Limited is acting as co-manager.

The Company, in consultation with the Lead Manager, reserves the right to determine whether a shareholder is an Eligible Institutional Shareholder, Eligible Retail Shareholder or an Ineligible Shareholder.

You have a number of decisions to make in respect of your Entitlement. You should read this Information Booklet carefully before making any decisions in relation to your Entitlement.

Please refer to the ASX Announcements and the Investor Presentation in section 4 of this Information Booklet for information on the rationale for the Entitlement Offer, the use of proceeds of the Entitlement Offer and the Acquisition, and for further information on the Company.

2.2 Retail Entitlement Offer

Eligible Retail Shareholders are being sent this Information Booklet with a personalised Entitlement and Acceptance Form, which contains an offer of New Shares under the Retail Entitlement Offer.

The Retail Entitlement Offer opens at 9.00am (Sydney time) on Thursday, 23 March 2023 and is expected to close at 5.00pm (Sydney time) on Wednesday, 5 April 2023.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows pro rata rights issues to be made without a prospectus, provided certain conditions are satisfied.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Shareholders (as defined in section 5.1). See the 'Important Notices' section (particularly the heading 'International Offer Restrictions') for information on restrictions in participating in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of factors, including legal and regulatory requirements, logistical and registry constraints, and the discretion of the Company and the Lead Manager. Each of the Company and the Lead Manager Parties and their affiliates disclaims any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

2.3 Your Entitlement

Your Entitlement is set out in the accompanying personalised Entitlement and Acceptance Form, and has been calculated using the ratio of 1 New Share for every 8.5 Existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement has been rounded up to the nearest whole number of New Shares. Eligible Retail Shareholders may take up all or part of their Entitlement.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or any Entitlement and Acceptance Form or Application Monies that are received after the Closing Date.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in the section entitled 'Appendix C. - Key risks' in the Investor Presentation in section 4 of this Information Booklet.

2.4 Oversubscription Facility

Any Entitlement not taken up pursuant to the Retail Entitlement Offer will be offered under an Oversubscription Facility.

Eligible Retail Shareholders who take up all of their Entitlement (excluding any Listing Rule 10.11 Parties) may apply for Additional Shares. Any New Shares referable to Entitlements not taken up in full by the Closing Date ('Shortfall Shares') may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for Additional Shares.

You may not apply for Additional Shares in excess of 50% of your Entitlement ('Cap'). The Company will scale back any application for Additional Shares in excess of this Cap and will refund any monies received thereon without interest.

If you apply for Additional Shares, and if your application is successful (in whole or in part), your Additional Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. If you apply for Additional Shares, there is no guarantee that you will be allocated any Additional Shares.

Additional Shares will only be allocated to Eligible Retail Shareholders if there are Shortfall Shares available, and subject to the Corporations Act, Listing Rules and other applicable laws and regulations. If Eligible Retail Shareholders apply for more Additional Shares than there are Shortfall Shares available, the Company will (after taking into account any scale backs required in connection with the Cap) scale back allocations in accordance with the pro rata Entitlements of those Eligible Retail Shareholders who apply for Additional Shares ('Allocation Policy').

Application Monies received by the Company in excess of the amount in respect of your Entitlement will be treated as an application to apply for as many Additional Shares as that excess amount will pay for in full at the Offer Price (subject to the maximum number of Additional Shares and the Allocation Policy referred to above).

If, following allocation of New Shares under the Oversubscription Facility, there remain Shortfall Shares which have not been allocated, the Shortfall Shares will be issued to the Underwriter (subject to the terms of the Underwriting Agreement and any sub-underwriting arrangements entered into by the Underwriter).

2.5 Taking up part of your Entitlement and allowing the balance to lapse

If the Company receives an amount from you that is less than the Offer Price multiplied by your Entitlement, your payment will be treated as an Application for as many New Shares as your Application Monies will pay for in full at the Offer Price.

2.6 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement, your Entitlement (or part thereof) will lapse and the corresponding New Shares to which you would have otherwise been entitled under the Retail Entitlement Offer may be acquired by the Underwriter or sub-underwriters, or by other Eligible Retail Shareholders as Additional Shares.

By allowing your Entitlement (or part thereof) to lapse, you will not receive any value for your Entitlement. Your interest in the Company will also be diluted to the extent that New Shares are issued under the Equity Raising.

2.7 Director's interest and participation

As at the date of this Information Booklet, the Directors (and their associates) have relevant interests in the following Existing Shares:

Director	No. Existing Shares
Jeffrey Roy Ellison AM	5,049,769
Fiona Adrienne Hele	48,172
Lance Edwin Hockridge	100,000
Neil Espie Smith	26,044,556
Terry James Dodd	5,386,578
Christopher David Smerdon	5,696,875
Diane Jennifer Grady AO	17,500

Each of the Directors intends to take up some or all of their Entitlements.

2.8 Impact of the Equity Raising on the Company's capital structure and dilution

The capital structure of the Company following the issue of the New Shares under the Equity Raising is expected to be as follows:

Type	Amount
Existing Shares currently on issue ^{1,2}	218,541,786
New Shares issued pursuant to the Placement	24,341,032
New Shares to be issued pursuant to the Entitlement Offer ^{3,4}	25,710,799
Shares on issue after completion of the Equity Raising⁵	268,593,617
Performance rights on issue after completion of the Equity Raising ¹	722,711

Notes:

1. *As at Thursday, 23 March 2023.*
2. *Does not include any New Shares to be issued under the Institutional Entitlement Offer or the Placement.*
3. *Assumes the Underwriting Agreement is not terminated prior to settlement of any aspect of the Entitlement Offer, and both the Company and the Underwriter comply with their respective obligations under the Underwriting Agreement.*
4. *Approximations only. Calculated on the basis of 1 New Share per 8.5 Existing Shares held at the Record Date, and subject to rounding of fractional entitlements.*
5. *Approximations only. Assumes no conversion of performance rights into Shares between the date of this Information Booklet and completion of the Entitlement Offer. Does not include any New Shares to be issued under the Vendor Conditional Share Issue.*

Shareholders should note that, if they do not participate in the Entitlement Offer, their holdings will be diluted (as compared to their holding and number of Existing Shares on issue as at the date of this Information Booklet).

2.9 Impact of the Equity Raising on control of the Company

The potential effect that the issue of New Shares under the Equity Raising will have on control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand and the extent to which Shareholders take up their Entitlements. However, given:

- (a) the size and price of the Equity Raising;
- (b) that the Entitlement Offer component of the Equity Raising is structured as a pro-rata issue and is underwritten; and
- (c) the current level of holdings of substantial holders in the Company (based on the substantial holding notices that have been given to the Company and lodged with ASX on or prior to the date of the Information Booklet),

the issue of New Shares under the Equity Raising is not expected to have any material effect or consequence on the control of the Company.

2.10 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement.

No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

2.11 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in Australia and New Zealand, irrespective of whether they participated under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Due to legal restrictions, nominees and custodians must not send copies of this Information Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States or other jurisdiction outside Australia or New Zealand.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owner of Shares.

2.12 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

2.13 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or if, after reading this Information Booklet, you have any questions regarding the Entitlement Offer, please contact the Offer Information Line on 1300 737 760 (Toll free within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in the section entitled 'Appendix C. - Key risks' of the Investor Presentation in section 4 of this Information Booklet.

3. HOW TO APPLY

3.1 Forms of payment and refunds

Application Monies can be paid via BPAY® or, if you are a New Zealand shareholder and unable to pay via BPAY®, via EFT by following the instructions set out in the personalised Entitlement and Acceptance Form or otherwise accompanying this Information Booklet.

Eligible Retail Shareholders who are not able to pay via BPAY® or EFT should contact the Offer Information Line on 1300 737 760 (Toll free within Australia) or +61 2 9290 9600 (outside Australia) for alternative payment options.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any Application Monies received which are not applied towards the issue of New Shares (including any Additional Shares) to you will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer.

3.2 Payment by BPAY® or EFT

For payment by BPAY® or (for Eligible Retail Shareholders in New Zealand only) EFT, please follow the instructions on the personalised Entitlement and Acceptance Form accompanying this Information Booklet or as otherwise instructed. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please ensure you use the specific Biller Code and your unique Customer Reference Number which appears under the Biller Code on the front of your personalised Entitlement and Acceptance Form ('CRN'). If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only, use the CRN specific to that holding. If you do not use the correct CRN specific to that holding, your application will not be recognised as valid.

If you are paying by EFT (for Eligible Retail Shareholders in New Zealand only), please add your CRN to the remittance advice and forward a copy of the remittance advice to the Registry by e-mail at corporateactions@boardroomlimited.com.au as soon as the remittance is complete. Failure to do so may result in funds not being matched to your Application and the Company being unable to issue you New Shares under the Entitlement Offer.

Please note that by paying by BPAY® or EFT:

- (a) **you do not need to submit your personalised Entitlement and Acceptance Form** but are taken to make the declarations, representations and warranties in that Entitlement and Acceptance Form and in section 3.3;
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Additional Shares to the extent of the excess.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry no later than 5.00pm (Sydney time) on Wednesday, 5 April 2023. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing when you make payment.

3.3 Representations by acceptance

A payment made through BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line) of the requisite Application Monies constitutes a binding acceptance by you of the offer of New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. The Company's decision whether to treat an acceptance as valid is final.

By making a payment by BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line) of the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have received, and read and understand, this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Information Booklet, and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of New Shares allotted and issued to you under the Entitlement Offer;
- (d) all details and statements in the personalised Entitlement and Acceptance Form are complete, accurate and up to date;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;

- (f) you accept that there is no cooling off period under the Entitlement Offer and that once you pay the requisite Application Monies via BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line), you may not withdraw your Application or funds provided except as allowed by the law;
- (g) you agree to apply for and be issued up to the number of New Shares (including any Additional Shares) for which you have submitted payment of any Application Monies via BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line) at the Offer Price;
- (h) you authorise the Company, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
- (i) eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Lead Manager; and
- (ii) each of the Company and the Lead Manager, and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you acknowledge and accept the Allocation Policy in section 2.4, if you apply for Additional Shares;
- (k) for the benefit of the Company, the Lead Manager and each of their respective related bodies corporate and affiliates, you did not receive an invitation to participate in the Institutional Entitlement Offer or Placement either directly or through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and are otherwise eligible to participate in the Retail Entitlement Offer;
- (l) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (m) the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (n) this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (o) you acknowledge the statement of risks in the section entitled 'Appendix C. - Key risks' of the Investor Presentation included in section 4 of this Information Booklet, and that investments in the Company are subject to risk;
- (p) none of the Company, the Lead Manager, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of the Company, nor do they guarantee the repayment of capital from the Company;
- (q) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (r) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (s) no law of any place prohibits you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares, and you are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) you are an Eligible Retail Shareholder (as defined in section 5.1 of this Information Booklet);
- (u) you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (v) you acknowledge that the New Shares have not been, and will not be, registered under the U.S. Securities Act or under the laws of any state or other jurisdiction of the United States and that, accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States;
- (w) you acknowledge that you are purchasing the New Shares outside the United States in an 'offshore transaction' in reliance on Regulation S under the U.S. Securities Act;
- (x) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person acting for the account or benefit of a person in the United States or to any country outside Australia and New Zealand;

- (y) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States;
- (z) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand; and
- (aa) you make all other representations and warranties set out in this Information Booklet.

4. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION

All Aboard America!

Acquisition and equity raising

15 March 2023



Importance notices and disclaimer

Important 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 ('**AAHI**') ('**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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Market data is provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood or achievement or reasonableness of any market data. Except as required by applicable laws, rules or regulations, none of Kelsian nor any of the Other Parties intends, undertakes, or assumes any obligation, to provide any additional information or revise the market data, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

General information only

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Not an offer

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Not investment advice

This Presentation is not a financial product nor investment, legal, tax or other advice nor a recommendation to acquire New Shares (nor does it or will it form part of any contract to acquire New Shares). It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making any investment decision, prospective investors should consider the appropriateness of the information in this Presentation having regard to their own objectives, financial situation and needs and seek investment, legal and taxation advice. Neither Kelsian nor any of the Other Persons (as defined below) is licensed to provide financial product advice in respect of the New Shares. No reliance may be placed for any purpose whatsoever on the information included in this Presentation or on its accuracy or completeness.

Investment risk

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Importance notices and disclaimer (cont)

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Investors should note that this Presentation may include pro forma financial information. Any pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Kelsian's, nor anyone Other Party's, views on its, nor anyone else's, future financial position and / or performance.

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.

Investors should note that financial information contained in this Presentation in respect of AAAHI has been derived from audited and unaudited financial accounts and other financial information made available to Kelsian and Other Persons (as defined below) by or on behalf of AAAHI. Kelsian and the Other Persons (as defined below) expressly disclaim all liabilities in respect of, and take no responsibility for, such financial information in this Presentation.

Investors should also be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: '*Disclosing non-IFRS financial information*' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the US Securities Exchange Act of 1934, as amended, and are not recognised under AAS and IFRS. Non-IFRS financial information / non-GAAP financial measures in this Presentation include normalised and adjusted earnings before interest and tax ('EBIT') and normalised and adjusted earnings before interest, tax, depreciation and amortisation ('EBITDA'). Such non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information / non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Kelsian believes these non-IFRS financial information / non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this Presentation. Financial information included in this Presentation that is not included in Kelsian's statutory results may not have been subject to audit or review.

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Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate, geopolitical tensions including the conflict in Ukraine. Refer to the risk factors outlined in the Appendix entitled 'Key risks' for a summary of certain factors that may affect Kelsian.

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

Forward-looking statements are provided as a general guide only and there can be no assurance or guarantee that actual outcomes will not differ materially from those expressed or implied in these statements. Neither Kelsian, nor any Other Person (as defined below), gives any representation, warranty, assurance or guarantee that the occurrence of the events, expressed or implied, in any forward-looking statement, nor any of the assumptions on which any such forward-looking statement is based, will actually occur. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic and the current situation in Ukraine. The forward-looking statements are based on information available to Kelsian as at the date of this Presentation and neither Kelsian, nor any of the Other Persons (as defined below), assumes any obligation to update such information or revise the forward-looking statements or other statements in this Presentation (except as required by applicable laws or regulations), whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances. No statement in this Presentation (including any statement of estimated synergies) is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Presentation should be interpreted to mean that earnings or earnings per share for Kelsian or AAAHI, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Kelsian or AAAHI, as appropriate. Neither the Lead Manager, nor any Other Person have authorised, approved or verified the forward-looking statements or any other statements.

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The Other Persons make no recommendations as to whether you or your related parties should participate in the Offer and nor do they make any representations or warranties, express or implied, to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by any of the Other Persons in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

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 security holdings. 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.

General

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Agenda

- 1 Executive summary
- 2 Overview of AAAHI
- 3 Investment highlights
- 4 Transaction funding
- A Pro forma financials
- B Additional information
- C Key risks
- D International offer restrictions
- E Underwriting agreement summary



Executive summary



Transaction overview

Transaction overview	<ul style="list-style-type: none"> Kelsian has entered into a binding agreement to acquire 100% of All Aboard America! Holdings Inc. (AAAH!)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 million² (A\$487 million^{2,3}), in addition to the assumption of US\$26 million (A\$39 million⁴) of lease liabilities⁵, equivalent to approximately 6.9x, EV / pro forma normalised EBITDA for the 12 month period ending 31 December 2022 (CY22)^{2,6}
AAAH! overview	<ul style="list-style-type: none"> AAAH! 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 <ul style="list-style-type: none"> 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 years⁷ 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 million⁶ (A\$300 million⁸) and pro forma normalised EBITDA of US\$51 million⁶ (A\$74 million⁸), representing approximately 25% EBITDA margin⁶
Strategic rationale	<ul style="list-style-type: none"> 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 revenue⁹, 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 <ul style="list-style-type: none"> Oversight from newly established local Board with representation from Kelsian Board and management to be expanded to include AAAH! representatives following completion

Notes: AAAH! information per diligence materials provided by AAAH!, 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 AAAH! TopCo Corporation from AAAH! Holdings LLC, an entity controlled by funds managed/advised by Tensile Capital Management. Throughout this presentation, the Acquisition refers to Kelsian's acquisition of AAAH! TopCo Corporation and its subsidiary group, including AAAH!. (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) AAAH! 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 AAAH! fleet register. (8) AAAH! 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 AAAH! 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 AAAH! 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.

Transaction overview (cont)

Financial impacts	<ul style="list-style-type: none"> • 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 CY22¹ • 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 <ul style="list-style-type: none"> – Pro forma net financial debt / CY22 pro forma normalised EBITDA of 2.54x⁵
Transaction funding and equity raising	<ul style="list-style-type: none"> • Acquisition funded by a combination of (collectively, with the Acquisition, the Transaction): <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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.

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



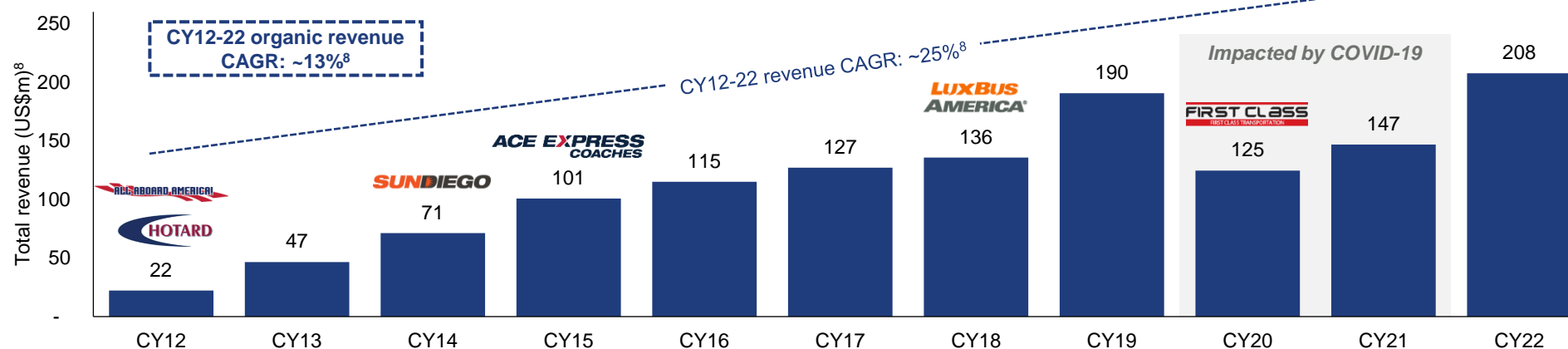
AAAHI overview

AAAHI is the 4th largest motorcoach operator in the USA¹, 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.

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



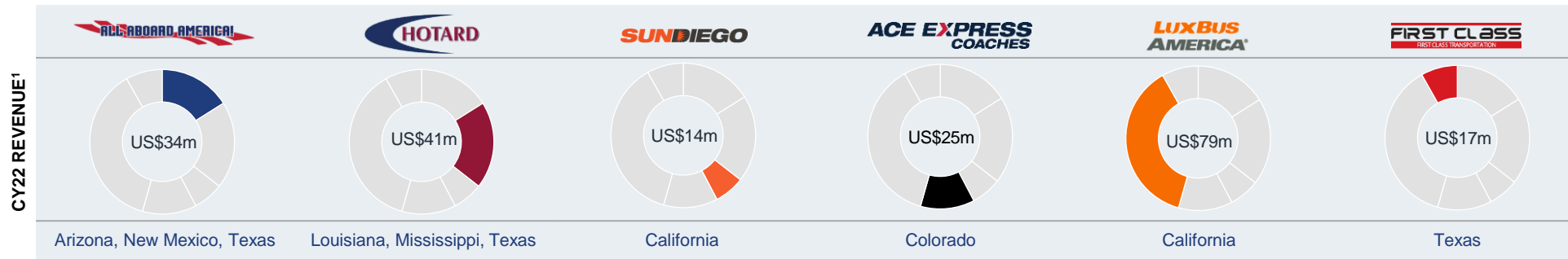
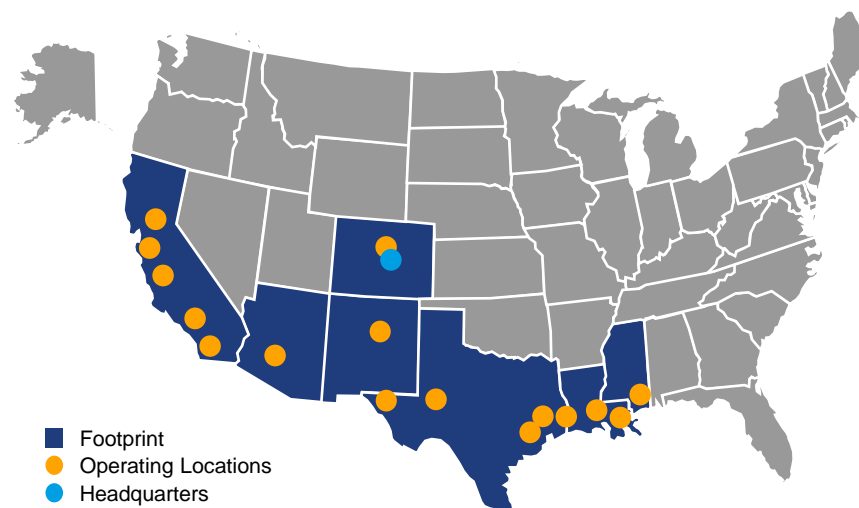
Diversified footprint across the south and south-west of the USA, with significant fleet scale and coverage



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

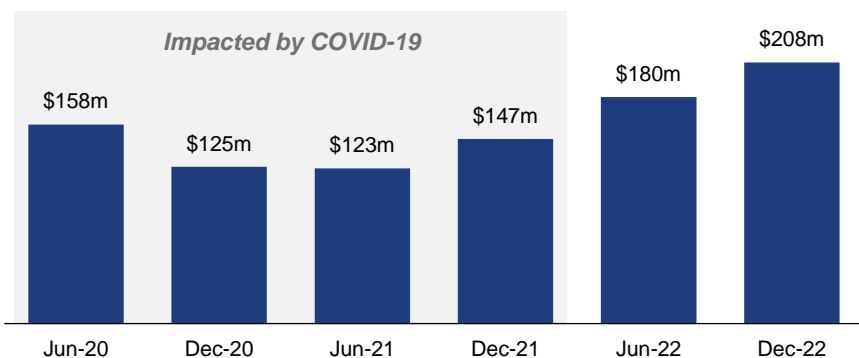


Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) AAAHI revenue split by business unit split based on unaudited management financials for CY22 excluding approximately US\$2.4 million of holding company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

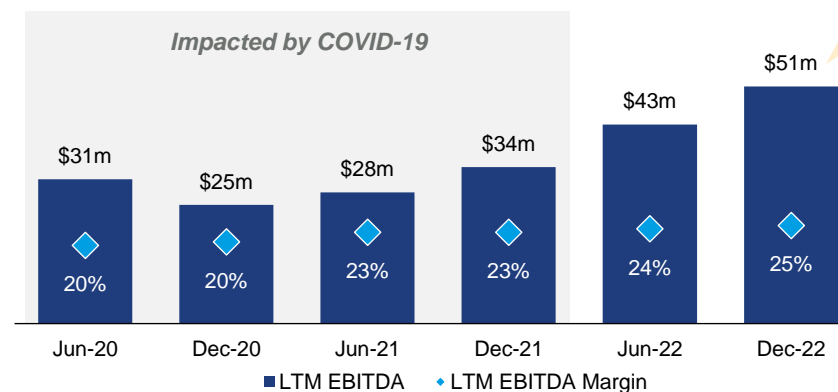
Strong financial profile

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

Revenue (US\$m, LTM)¹

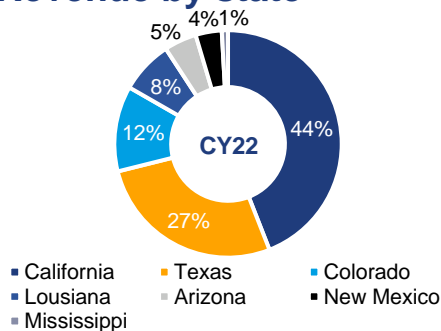


EBITDA (US\$m, LTM) and margin profile (%)¹

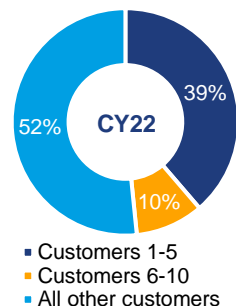


Growth has continued since CY22

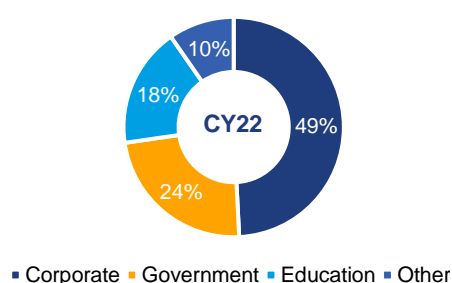
Revenue by state²



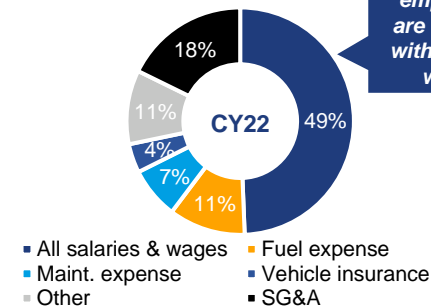
Revenue by customer³



Revenue by end-market⁴



Cost breakdown⁵



75% of employees are drivers⁶, 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.

KELSIAN
CONNECTING PEOPLE & PLACES

Investment highlights



Investment highlights



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.

Entry into large and attractive USA market

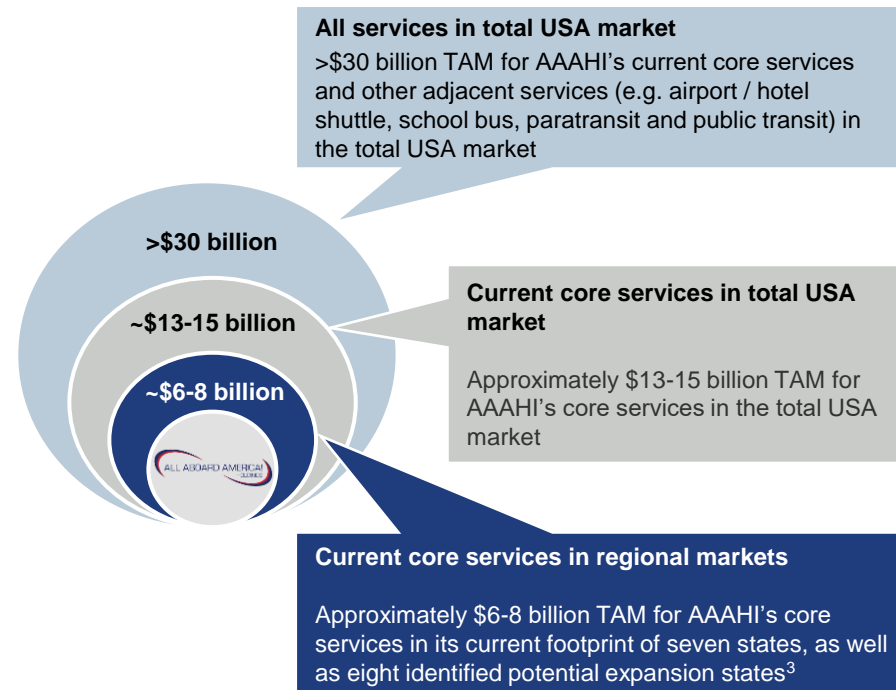
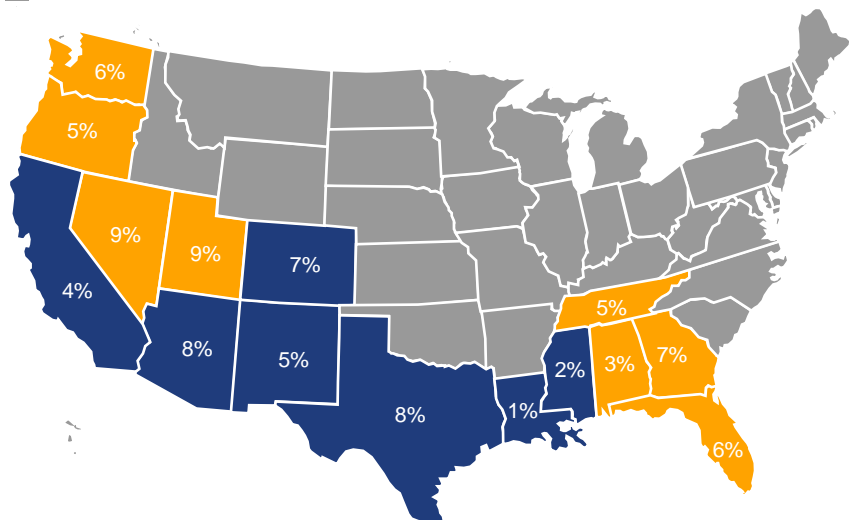
AAAHl provides an established platform in the USA to pursue growth in existing high population growth states and expand into the US\$30 billion+ broader bus transportation market

Operations in high population growth states underpin growth fundamentals

Substantial total addressable market (TAM, US\$ billion) presents opportunity for attractive growth²

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%



Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer. (1) Fitch. (2) IGS research and analysis (9 September 2022). (3) Identified by AAAHI management.

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

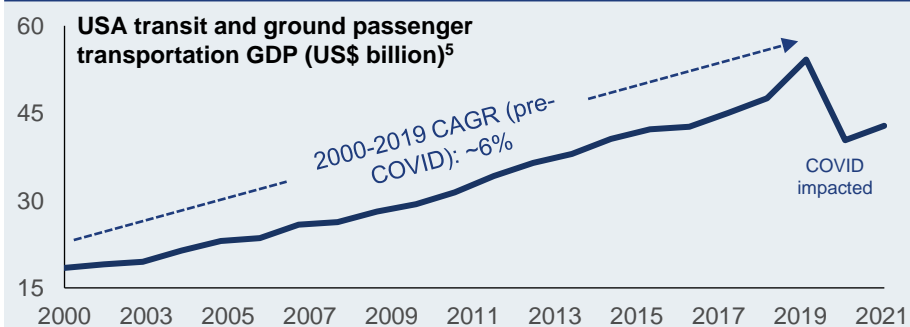


Global reset in energy supply focused on security driving historic investment in USA LNG capacity



- ✓ North American gas demand projected to grow from approximately 120 billion cubic feet per day (bcfd) in 2022 to over 130 bcfd in 2027³
- ✓ **Potential \$100 billion investment** wave over the next 5 years into USA LNG export infrastructure⁴, 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.

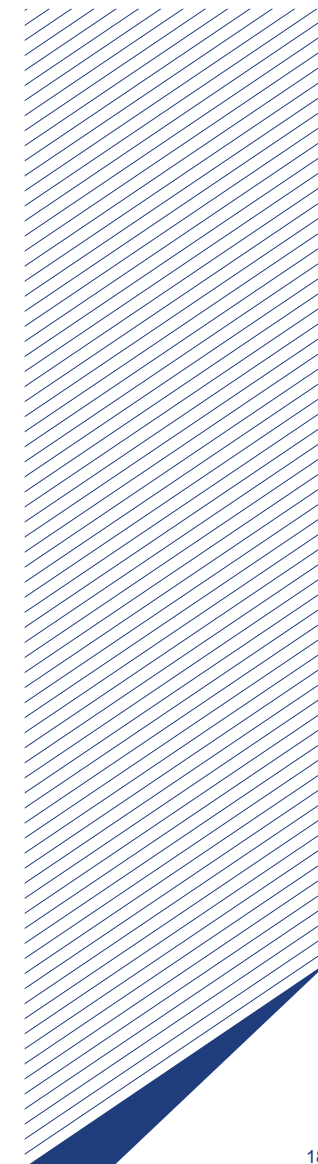
AAAHI is a highly regarded, customer centric operator

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



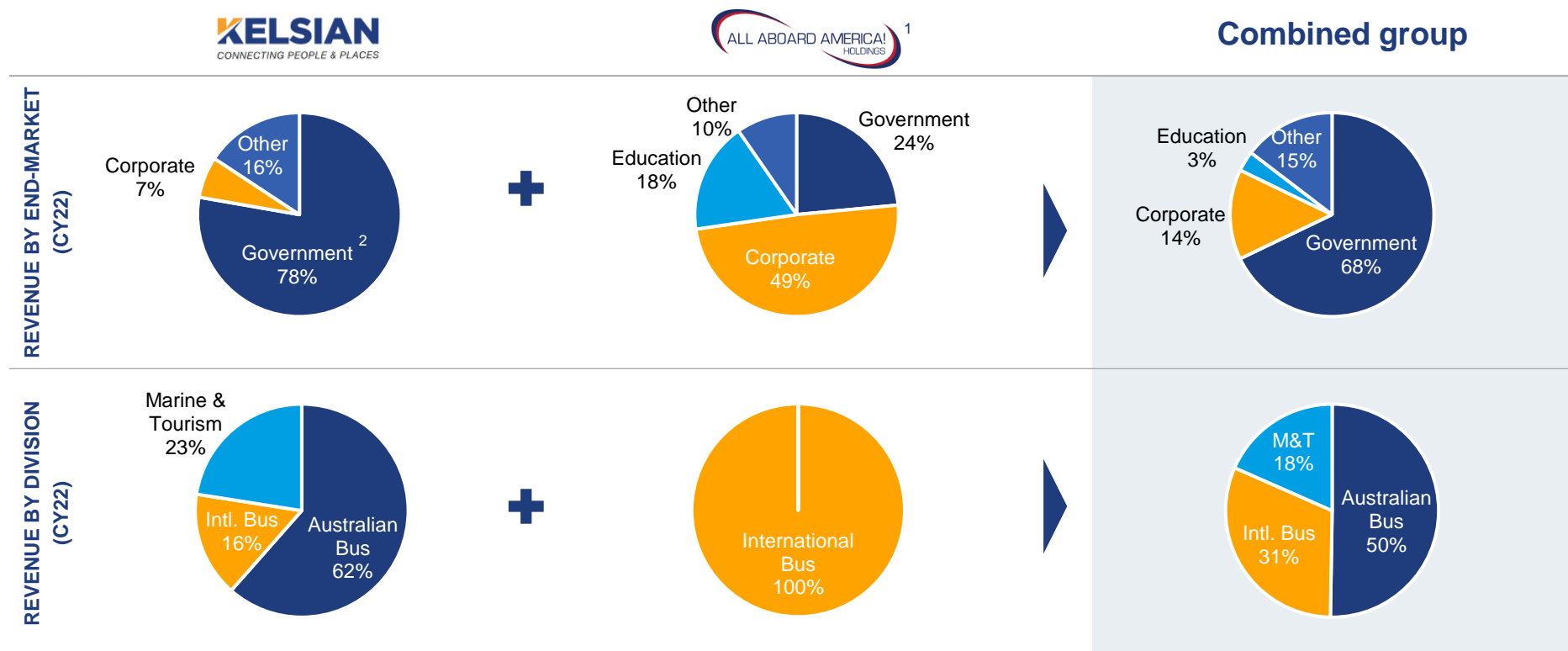
Focus on essential and non-discretionary end-markets with government and blue-chip corporate counterparties	✓	✓
Operational flex that allows demand management, capacity utilisation and yield management	✓	✓
Loyal customers with long-term relationships and high levels of customer satisfaction	<i>100% renewal for contracted customers and approximately 71% of charter services revenue is recurring¹</i>	
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	<i>>55% of fleet aged less than 7 years²</i>	
Established sustainability expertise with hydrogen bus and EV capabilities supporting net zero emissions targets	x	<p><i>← Opportunity to introduce Kelsian's core competencies to the AAAHI platform (refer to page 21) →</i></p> ✓
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.

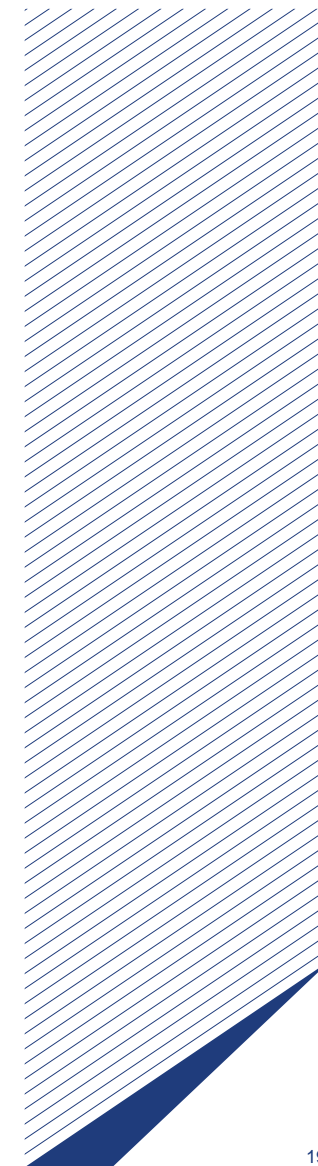


Further diversifies Kelsian’s international operations

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



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. AAAHI financials by end-market have been converted to AUD using the average daily AUDUSD spot rate for CY22 of 0.6932. AAAHI financials by division have been converted to AUD using the average daily AUDUSD spot rate for each corresponding half year period ending in 30 June or 31 December. (2) Government includes Kelsian’s state based Department of Education contracts.



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 revenue¹	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	<ul style="list-style-type: none"> Fixed route services at a defined rate Revenue not determined by passenger volume (e.g. no farebox risk) 	<ul style="list-style-type: none"> Provider of essential services Large scale contracts Revenue not determined by passenger volume (e.g. no farebox risk) 	<ul style="list-style-type: none"> Provider of services for frequently occurring and predictable events Revenue not determined by passenger volume (e.g. no farebox risk) 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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-markets¹

Operator	End-markets for AAAHI to potentially enter meaningfully				
	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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Significant M&A expertise, with track record of successful bolt-on acquisitions <table border="0" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Kelsian recent acquisitions</td> <td colspan="2">AAAHI recent acquisitions</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table> <ul style="list-style-type: none"> • 40+ opportunities identified by AAAHI to integrate into its group • Expansion opportunities identified in eight states² 	Kelsian recent acquisitions		AAAHI recent acquisitions									
Kelsian recent acquisitions		AAAHI recent acquisitions											

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

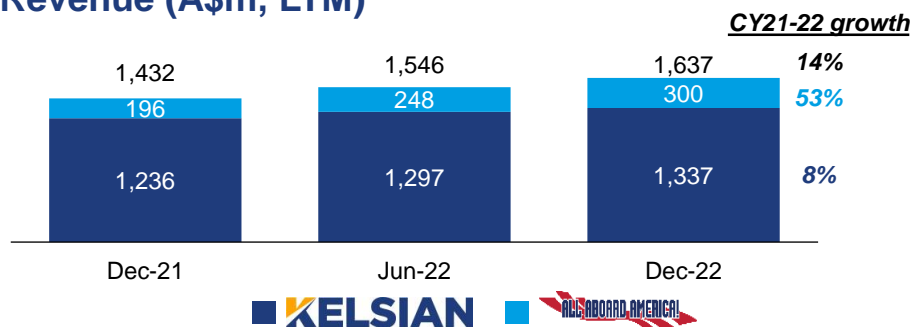
Attractive financial outcomes of the combination

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

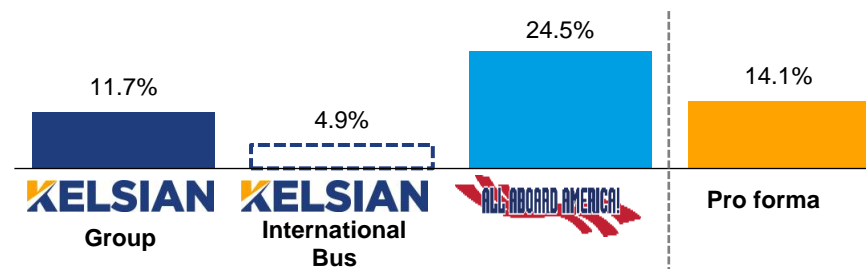
Expected financial outcomes

- 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 costs¹

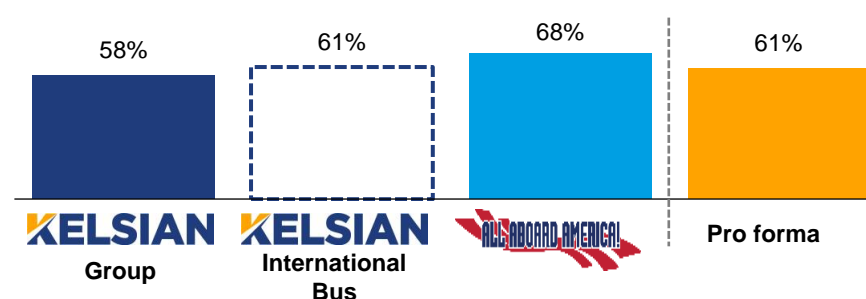
Revenue (A\$m, LTM)



CY22 EBITDA margin



CY22 cash flow conversion²



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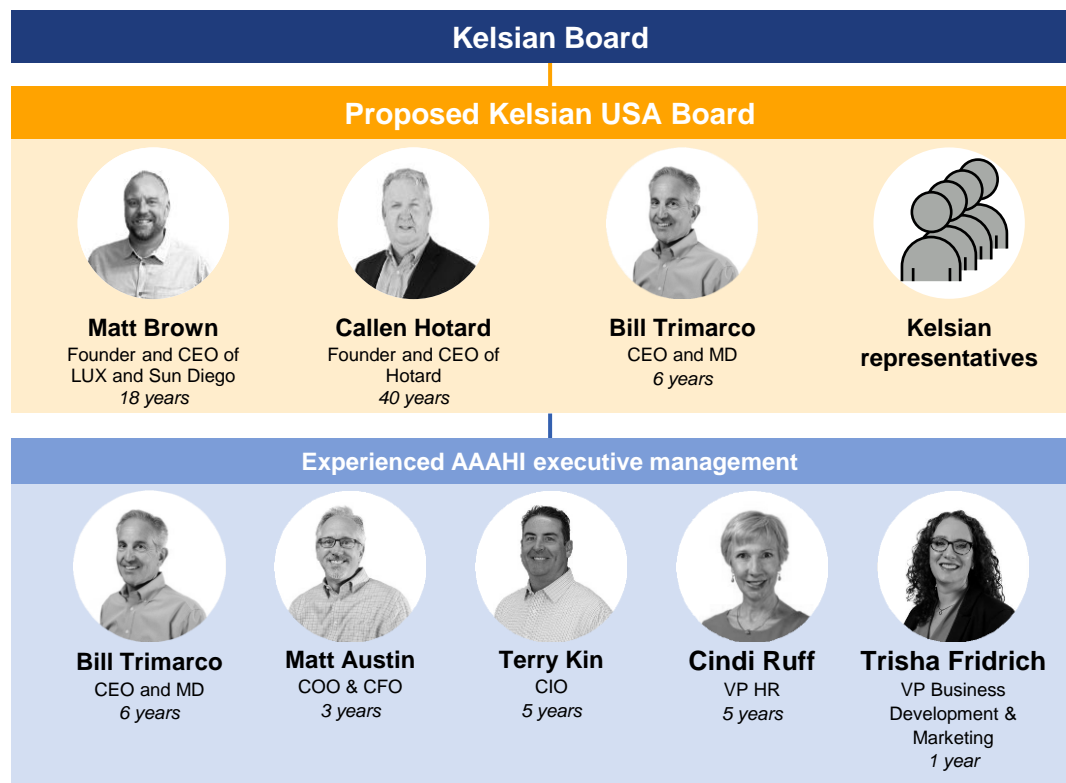
High quality management team

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



Notes: AAAHI information per diligence materials provided by AAAHI, unless otherwise stated. Please refer to the Important Notices and Disclaimer.



Transaction funding



Sources and uses

Acquisition to be funded via a A\$278 million² Placement and Entitlement Offer, A\$226 million³ 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 2.54x⁵
 - 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 EBITDA⁵	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.

Details of the Offer

Offer structure	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The Placement and Entitlement Offer will be conducted at A\$5.55 per New Share (Offer Price) • The Offer Price represents: <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Macquarie Capital (Australia) Limited is the Lead Manager, Bookrunner and Underwriter to the Offer
Co-Manager	<ul style="list-style-type: none"> • Taylor Collison Limited is acting as Co-Manager to the Offer
Ranking	<ul style="list-style-type: none"> • New shares issued will rank equally with existing ordinary shares on issue
Record Date	<ul style="list-style-type: none"> • 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.

Equity raising offer timetable

Event	Date
Announcement of the Acquisition, Placement and Entitlement Offer	Wednesday, 15 March 2023
Institutional Entitlement Offer and Placement opens	
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.

A. Pro forma financials

Appendix



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



Summary of key acquisition terms

Purchase price	<ul style="list-style-type: none"> The initial purchase price is US\$325 million¹ (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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Either party may terminate the Agreement: <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> Break fee amount is US\$17.5 million (A\$26.2 million²) 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	<ul style="list-style-type: none"> 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.



C. Key risks

Appendix

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	<p>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).</p> <p>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.</p>
Completion risk	<p>Completion of the Acquisition is conditional on the satisfaction (or, if applicable, waiver) of certain conditions set out Appendix B entitled '<i>Additional information</i>', 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Assumed liabilities	<p>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.</p>

Key risks (cont)

ACQUISITION SPECIFIC RISKS

Due diligence risk	<p>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.</p> <p>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.</p> <p>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.</p> <p>There is a risk that AAAHI's financial position, performance and prospects may be materially different from the financial information reflected in this Presentation.</p>
Representations and warranties insurance risk	<p>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.</p> <p>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.</p>
Non-renewal of key contracts	<p>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.</p> <p>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.</p>
Change of control	<p>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.</p> <p>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.</p>
Debt financing and funding risk	<p>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.</p>
New fleet risk	<p>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.</p> <p>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.</p>

Key risks (cont)

ACQUISITION SPECIFIC RISKS

Integration risk	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
Future earnings	<p>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.</p>
Acquisition accounting and purchase price allocation	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Loss of key staff	<p>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.</p>

Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)

Business resilience	<p>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.</p> <p>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.</p>
Competition	<p>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.</p>
Economic/growth conditions	<p>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.</p>
Changes in government policy and regulation	<p>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.</p> <p>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.</p>
Business operations	<p>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.</p>

Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)

Failure to meet regulatory standards	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
Adverse changes in demand	<p>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.</p>
Financing / funding risk	<p>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.</p> <p>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.</p>
Loss of personnel	<p>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.</p>
Health and safety	<p>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.</p>
Industrial disputes	<p>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.</p>

Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)

IT systems	<p>Reservations, ticketing or scheduling systems</p> <p>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.</p> <p>Other IT and communications systems</p> <p>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.</p>
Diesel fuel cost increases	<p>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.</p>
Availability of fuel	<p>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.</p>
Destination risks and environmental factors	<p>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.</p>
Foreign currency risk	<p>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.</p>
Fleet maintenance programs	<p>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.</p> <p>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.</p>

Key risks (cont)

BUSINESS RISKS (RELATING TO KELSIAN BOTH STANDALONE AND ON A POST-ACQUISITION BASIS)

Insurance risk	<p>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).</p> <p>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.</p> <p>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.</p>
Intellectual property	<p>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.</p>
Brand and reputational risk	<p>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.</p>
Environmental sustainability	<p>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.</p>
Terrorism	<p>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.</p>
Physical loss or damage	<p>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.</p> <p>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.</p>
Future acquisitions	<p>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.</p> <p>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.</p> <p>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.</p>

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	<p>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.</p> <p>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.</p>
Changes in accounting standards	Changes in accounting or financial reporting standards may adversely impact the financial performance reported by Kelsian.

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 may 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

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 received 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.

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.

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.



E. Underwriting agreement summary

Appendix

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 its 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;

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;

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.



ASX Announcement

15 March 2023

Kelsian announces acquisition of All Aboard America! Holdings Inc. and associated equity raising

Key Highlights

- Kelsian announces the acquisition of AAAHI for an enterprise value of US\$325 million¹ (A\$487 million^{1,2}), which in addition to the assumption of US\$26 million (A\$39 million³) of lease liabilities⁴, is equivalent to approximately 6.9x, EV / CY22 pro forma normalised EBITDA^{1,5}
- AAAHI is a leading provider of passenger motorcoach services to corporate, government, education, LNG, and tourism sector customers in the USA
- AAAHI provides an entry point into the large and attractive USA market, through an established, highly regarded, customer centric operator with a multi-state footprint
- The Acquisition is expected to be upper single digit EPSA accretive in pro forma CY22 before any bonus adjustment^{1,5,6}
- Kelsian is funding the Acquisition through a fully underwritten A\$281 million equity raising consisting of a A\$135 million institutional placement, a A\$143 million 1 for 8.5 pro rata accelerated non-renounceable entitlement offer and a A\$3 million Vendor Conditional Share Issue (see below), in addition to a A\$226 million drawdown of accordion debt facilities⁷
 - Certain AAAHI business founders and senior management have elected to partially reinvest their Acquisition proceeds in a subscription for Kelsian shares, conditional on Acquisition completion
- AAAHI's highly experienced management team will be retained and transitioned to Kelsian's long-term incentive plan to support the ongoing growth of the AAAHI business

Note: All figures are subject to rounding.

¹ Prior to any completion adjustments.

² Assumes AUDUSD rate of 0.6680.

³ Assumes AUDUSD spot rate of 0.6815 as at 31 December 2022.

⁴ Prior to the potential impact of formal purchase price allocation exercises post-completion.

⁵ 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.

⁶ 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.

⁷ Assumes AUDUSD rate of 0.6680 for drawdown of accordion debt facilities (USD facilities).

Kelsian Group Limited (ASX:KLS) (“**Kelsian**”), advises today it has entered into a binding agreement to acquire 100% of All Aboard America! Holdings Inc. (“**AAAH**”)⁸, a leading provider of passenger motorcoach services to corporate, government, education, Liquefied Natural Gas (“**LNG**”), and tourism sector customers in the USA (“**Acquisition**”). The Acquisition Enterprise Value of US\$325 million⁹ (A\$487 million^{9,10}), in addition to the assumption of US\$26 million (A\$39 million¹¹) of lease liabilities¹², is equivalent to approximately 6.9x, EV / pro forma normalised EBITDA for the 12 month period ending 31 December 2022 (“**CY22**”)^{9,13}.

For Kelsian, the Transaction is expected to be upper single digit EPSA accretive in pro forma CY22^{9,13,14} before any bonus adjustment for the Entitlement Offer and prior to the impact of one-off transaction costs.

The Acquisition will be funded through a combination of a A\$281 million equity raise consisting of a A\$135 million placement to institutional investors (“**Placement**”), a A\$143 million 1 for 8.5 pro rata accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) and a A\$3 million Vendor Conditional Share Issue, in addition to A\$226 million drawdown from accordion debt facilities (USD facilities)¹⁵ (collectively, with the Acquisition, the “**Transaction**”).

Pro forma net financial debt as at 31 December 2022, adjusted to include the impact of the Transaction, of A\$510 million^{15,16} prior to completion adjustments, represents a 2.54x multiple of CY22 pro forma normalised EBITDA¹⁷.

The Acquisition is expected to be completed prior to 30 June 2023. The Acquisition remains subject to customary conditions for a transaction of this nature, including a customary regulatory approval from the United States Surface Transportation Board (STB).

⁸ 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 document, the Acquisition refers to Kelsian’s acquisition of AAAHI TopCo Corporation and its subsidiary group, including AAAHI.

⁹ Prior to any completion adjustments.

¹⁰ Assumes AUDUSD rate of 0.6680.

¹¹ Assumes AUDUSD spot rate of 0.6815 as at 31 December 2022.

¹² Prior to the potential impact of formal purchase price allocation exercises post-completion.

¹³ 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.

¹⁴ 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.

¹⁵ Assumes AUDUSD rate of 0.6680 for drawdown of accordion debt facilities (USD facilities).

¹⁶ 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.

¹⁷ 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.

Overview of AAAHI

AAAHI is a leading transport solutions platform providing contract and charter coach passenger services in the south and south-west of the USA.

The business services a loyal customer base of over 2,000 customers across the corporate, government, education, LNG, and tourism sectors, and achieves high levels of contract renewals and recurring revenue.

AAAHI consists of six geographically diversified, highly regarded brands with strong cultural alignment. The business operates a decentralised model for tailored customer engagement in each region, which is important for winning local contracts.

Over its history, AAAHI has made continuous investment in people, fleet and operations, with an emphasis on safety. Leadership in each operational market provides a recruiting advantage and has assisted in maintaining strong driver retention.

The business has a large, diversified and well-maintained fleet of 1,063 vehicles with an average fleet age of approximately 7.6 years¹⁸.

AAAHI has a track record of strong revenue and earnings growth, with consistent margin expansion through successful contract retenders, new clients and projects won and prudent cost control.

¹⁸ 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.

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 revenue¹⁹, track record of earnings growth and strong cash flow conversion
- Upper single digit EPSA accretion in pro forma CY22, before any bonus adjustment²⁰
- High quality local management team with strong market expertise committed to continuing growth plans

Kelsian CEO, Clint Feuerherdt, said “we are thrilled to bring AAAHI into Kelsian’s global platform. AAAHI has an excellent reputation and a track record of delivering high quality contract and charter services.

The combination of Kelsian’s expertise, and AAAHI’s reputation and scale, provides a solid foundation for our entry into the USA market, where we anticipate strong macro tailwinds.”

AAHI CEO, Bill Trimarco, said “AAHI has achieved significant growth over the last decade, including multiple successful acquisitions, and we are incredibly excited to continue that trajectory with Kelsian’s support and capabilities.

We see strong cultural alignment between the two businesses and hope to leverage shared operational expertise to optimise performance and drive on-going growth.

We were very impressed by the Kelsian business and think that Kelsian USA will be a great place for our employees to call home.”

¹⁹ Recurring revenue based on AAAHI management calculations for CY22, excluding approximately US\$1.4 million of other revenue.

²⁰ 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 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.

Funding and Equity Raising

The Acquisition and transaction costs will be funded through a combination of:

- a fully underwritten A\$278 million equity raising consisting of an institutional Placement and pro rata, accelerated, non-renounceable Entitlement Offer (“**Equity Raising**”) launched today; and
- a A\$226 million (USD facilities) drawdown from accordion debt facilities²¹

In addition to the Equity Raising, certain AAAHI business founders and senior management have elected to partially reinvest A\$3 million in aggregate of their Acquisition proceeds in a subscription for Kelsian shares, conditional on Acquisition completion.

Following the Acquisition, Equity Raising and Vendor Conditional Share Issue, Kelsian’s pro forma net financial debt as at 31 December 2022 of A\$510 million^{21,22} prior to completion adjustments, represents a 2.54x multiple of CY22 pro forma normalised EBITDA²³.

Details of the Equity Raising

The Equity Raising consists of:

- a fully underwritten institutional Placement to eligible new and existing institutional investors to raise approximately A\$135 million; and
- a fully underwritten 1 for 8.5 pro rata accelerated non-renounceable Entitlement Offer to raise approximately A\$143 million.

Approximately 50 million new fully paid ordinary shares in Kelsian (“**New Shares**”) will be issued under the Equity Raising plus approximately 622 thousand new fully paid ordinary shares in Kelsian under the Vendor Conditional Share Issue (equivalent to 23.2% of existing Kelsian shares on issue²⁴).

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 8.5 existing Kelsian shares (“**Entitlement**”) held as at 7.00pm (Sydney time) Monday, 20 March 2023.

All New Shares under the Equity Raising and Vendor Conditional Share Issue will be issued at A\$5.55 per New Share (“**Offer Price**”) representing:

- Approximately 12.6% discount to last close of A\$6.35 per share on Monday, 13 March 2023
- Approximately 10.5% discount to TERP²⁵

Each New Share issued under the Equity Raising and Vendor Conditional Share Issue will rank equally with existing shares on issue.

²¹ Assumes AUDUSD rate of 0.6680 for drawdown of accordion debt facilities (USD facilities).

²² 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.

²³ 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.

²⁴ Based on 218,541,786 fully paid ordinary shares on issue.

²⁵ TERP of A\$6.20 based on last close price of A\$6.35 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.

The Company proposes to apply for a further trading halt in respect of its ordinary shares from commencement of trading on Thursday, 16 March 2023 until commencement of trading on Friday, 17 March 2023.

Placement

Approximately 24 million New Shares are expected to be issued to certain new and existing institutional investors under the Placement at the Offer Price. The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below). New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**"). The Institutional Entitlement Offer will open today, Wednesday, 15 March 2023.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to certain new and existing institutional investors concurrently with the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"). The Retail Entitlement Offer will open on Thursday, 23 March 2023 and close at 5.00 pm (Sydney time) on Wednesday, 5 April 2023.

Eligible retail shareholders with a registered address in Australia or New Zealand as at 7.00 PM (Sydney time) on Monday, 20 March 2023 ("**Eligible Retail Shareholders**") will be entitled to participate in the Retail Entitlement Offer on the terms and subject to conditions set out in the retail offer booklet ("**Retail Offer Booklet**"). The Retail Offer Booklet and accompanying personalised entitlement and acceptance form are expected to be made available on Thursday, 23 March 2023.

The Entitlement Offer is non-renounceable and Entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full Entitlement will not receive any payment or value in respect of Entitlements they do not take up and their percentage equity interest in Kelsian will be diluted.

Eligible Retail Shareholders who take up their full Entitlement will be offered the opportunity to apply for additional New Shares (up to 50% of their Entitlement) ("**Oversubscription Facility**"). Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Oversubscription Facility and will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. Kelsian retains absolute discretion regarding allocations under the Oversubscription Facility.

Additional details

Further details of the Acquisition, Equity Raising and Vendor Conditional Share Issue are set out in the Investor Presentation released to the ASX today. The presentation contains important information that shareholders and investors should consider, including information about risks factors and the foreign selling restrictions with respect to the Equity Raising.

Key Dates

Event	Date
Announcement of the Acquisition, Placement and Entitlement Offer	Wednesday, 15 March 2023
Institutional Entitlement Offer and Placement opens	
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

Kelsian is being advised by Macquarie Capital (Australia) Limited and Gresham Advisory Partners Limited as joint financial advisers in respect of the Acquisition. Macquarie Capital (Australia) Limited is acting as lead manager, bookrunner and underwriter to the Equity Raising. Taylor Collison Limited is acting as Co-Manager. Gresham Advisory Partners Limited is acting as debt adviser.

White & Case LLP is acting as US legal adviser to Kelsian in respect of the Acquisition. Kain Lawyers is acting as Australian legal adviser to Kelsian in respect of the Equity Raising and the Acquisition. Piper Alderman is acting as Australian legal adviser to Kelsian in respect of the debt financing.

Authorised for lodgement with the ASX by the Kelsian Board of Directors.

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ABOUT KELSIAN

Kelsian is Australia's largest integrated multi-modal transport provider and tourism operator, with established bus operations in Singapore, London and the Channel Islands. Kelsian provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and liveability of the communities we serve.

Kelsian has over 30 years' experience delivering tourism and passenger transport services. The Group is a leader in sustainable public transport as the operator of Australia's largest zero emission bus fleet and Australia's largest electrified bus depot.

As at 31 December 2022, Kelsian directly employs 9,223 people and operates 3,991 buses, 113 vessels and 24 light rail vehicles that delivered more than 256 million customer journeys over the last year. Through its London bus joint venture, Kelsian is involved in employing a further 4,000 people operating 1,250 buses, including 350 electric vehicles.

ASX Announcement

Not for release to US wire services or distribution in the United States

17 March 2023

Kelsian successfully completes the institutional entitlement offer and placement

Key Highlights

- Completion of the Placement raised gross proceeds of approximately \$135 million
- Completion of the Institutional Entitlement Offer raised gross proceeds of approximately \$98 million
- Strong support shown by both existing and new institutional shareholders, as well as Group CEO and Kelsian directors who are shareholders
- Retail offer component of the Entitlement Offer ("**Retail Entitlement Offer**") opens on Thursday, 23 March 2023

Kelsian Group Limited (ASX:KLS) ("**Kelsian**"), is pleased to announce the successful completion of its fully underwritten institutional placement ("**Placement**") and the accelerated institutional component ("**Institutional Entitlement Offer**") of a 1 for 8.5 pro rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") of new fully paid Kelsian ordinary shares ("**New Shares**") announced on Wednesday, 15 March 2023 (the Placement and Entitlement Offer collectively, the "**Equity Raising**").

The Placement and the Institutional Entitlement Offer attracted strong support from both existing and new institutional shareholders, together raising approximately \$233 million at an offer price of \$5.55 per New Share ("**Offer Price**") representing:

- an approximately 12.6% discount to last close of \$6.35 per share as at Monday, 13 March 2023;
- an approximately 10.5% discount to TERP¹.

Under the Placement, Kelsian has agreed to issue approximately 24.3 million New Shares at the Offer Price to raise approximately \$135 million. No shareholder approval is required for the Placement as Kelsian will utilise available placement capacity under Listing Rule 7.1.

¹ TERP of A\$6.20 based on last close price of A\$6.35 on Monday, 13 March 2023 and including shares issued under the Institutional Entitlement Offer, the Retail Entitlement Offer, the Placement and the Vendor Conditional Share Issue (each as defined in the ASX announcement released by Kelsian on 15 March 2023). 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.

Under the Institutional Entitlement Offer, Kelsian has agreed to issue approximately 17.6 million New Shares at the Offer Price to raise approximately \$98 million. Approximately 98% of entitlements available to eligible institutional investors (excluding the entitlements of the Group CEO and directors) were taken up.

Commenting on the outcome of the Placement and the Institutional Entitlement Offer, Kelsian Group Chief Executive Officer, Clint Feuerherdt said “We are pleased with the strong support shown by new and existing shareholders for the equity raising and the acquisition of AAAHI, which marks our entry into the large and attractive USA market through a geographically diversified and highly regarded operator. We now look forward to completing the Retail Entitlement Offer for the benefit of Kelsian’s shareholders.”

The New Shares to be issued under the Placement and the Institutional Entitlement Offer will rank equally with existing Kelsian ordinary shares in all respects from the date of their issue. Settlement of the Placement and Institutional Entitlement Offer is expected to take place on Friday, 24 March 2023, with the New Shares expected to be allotted, and commence trading, on Monday, 27 March 2023.

Separately to the Equity Raising, certain AAAHI business founders and senior management have elected to partially reinvest Acquisition proceeds of approximately A\$3 million in a subscription for Kelsian shares under the Vendor Conditional Share Issue, conditional on Acquisition completion.

Retail Entitlement Offer

The Retail Entitlement Offer is expected to open at 9:00am (Sydney time) on Thursday, 23 March 2023 and close at 5:00pm (Sydney time) on Wednesday, 5 April 2023. It is expected to raise approximately \$45 million.

Under the Retail Entitlement Offer, retail shareholders with a registered address in Australia or New Zealand (“**Eligible Retail Shareholders**”) will be invited to apply for 1 New Share for every 8.5 existing Kelsian shares held at the Record Date (being 7.00pm (Sydney time) on Monday, 20 March 2023) at the same Offer Price as the Placement and the Institutional Entitlement Offer.

The Retail Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer, and will be notified by Kelsian that they are ineligible to participate in the Entitlement Offer. Eligible Retail Shareholders will receive an Information Booklet, including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Retail Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders who take up their full entitlement may also apply for additional New Shares in excess of their entitlement at the Offer Price (subject to scale-back pro rata to their shareholdings). The maximum amount of additional New Shares that an Eligible Retail Shareholder can apply for is 50% of their entitlement.

Further details of the Retail Entitlement Offer were set out in Kelsian’s announcement on Wednesday, 15 March 2023. Eligible Retail Shareholders should carefully read the Information Booklet and the personalised entitlement and acceptance form which are expected to be despatched on Thursday, 23 March 2023.

Key Dates

Key dates in relation to the Equity Raising are as follows:

Event	Date
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

Authorised for lodgement with the ASX by the Kelsian Board of Directors.

Investor Relations

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ABOUT KELSIAN

Kelsian is Australia's largest integrated multi-modal transport provider and tourism operator, with established bus operations in Singapore, London and the Channel Islands. Kelsian provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and liveability of the communities we serve.

Kelsian has over 30 years' experience delivering tourism and passenger transport services. The Group is a leader in sustainable public transport as the operator of Australia's largest zero emission bus fleet and Australia's largest electrified bus depot.

As at 31 December 2022, Kelsian directly employs 9,223 people and operates 3,991 buses, 113 vessels and 24 light rail vehicles that delivered more than 256 million customer journeys over the last year. Through its London bus joint venture, Kelsian is involved in employing a further 4,000 people operating 1,250 buses, including 350 electric vehicles.

IMPORTANT NOTICE

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

5. ADDITIONAL INFORMATION

5.1 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only and has been prepared in accordance with section 708AA of the Corporations Act (as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) have a registered address on the Company share register in Australia or New Zealand;
- (b) are not in the United States and are not acting for the account or benefit of a person in the United States;
- (c) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered.

Notwithstanding the foregoing, the Company may (with the written agreement of the Lead Manager) determine that a person who did not participate in the Institutional Entitlement Offer is an Eligible Retail Shareholder if the Company is satisfied that the person is a Shareholder eligible under all applicable laws to receive an offer under the Retail Entitlement Offer.

The Company has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

5.2 Foreign jurisdictions

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form will be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees or custodians should see section 2.11 of this Information Booklet.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information Booklet, you should observe such restrictions. In particular, this document or any copy of it must not be distributed in the United States or in any other jurisdiction outside Australia and New Zealand. Any failure to comply with such restrictions may constitute a violation of

applicable securities laws. Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

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.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Retail Entitlement Offer Booklet, the accompanying Chairman's Letter, the Investor Presentation, the ASX Announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities or the securities laws of any state or other jurisdiction of the United States. The New Shares may only be offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act. None of the Information Booklet, the accompanying Chairman's Letter, the Investor Presentation, the ASX Announcements or the Entitlement and Acceptance Form may be distributed in the United States.

5.3 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

5.4 Allotment and issue

It is expected that allotment and issue of the New Shares under the Retail Entitlement Offer will take place on Friday, 14 April 2023. Application Monies will be held by the Company on trust for Applications until the New Shares are allotted. No interest will be paid on Application Monies.

The Company has applied for quotation of the New Shares on ASX in accordance with the Listing Rule requirements. If ASX does not agree to grant quotation of the New Shares offered under the Retail Entitlement Offer, the Company will not allot those New Shares and will repay all Application Monies (without interest).

5.5 Trading of New Shares

It is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Monday, 17 April 2023 on a normal settlement basis.

The Company and the Lead Manager will have no responsibility and disclaim all liability (to the maximum extent permitted by law)

to persons who trade New Shares that they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade Shares in error or which they do not hold or are not entitled to hold.

If you are in doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

5.6 Reconciliation

In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all eligible Shareholders have the opportunity to receive their full Entitlement.

The Company may need to issue a small quantity of additional New Shares to ensure all eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

The Company also reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims or if they are not Eligible Retail Shareholders.

5.7 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.8 Underwriting arrangements

The Company and the Underwriter have entered into an Underwriting Agreement, pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer and the Placement on the terms and conditions set out in that agreement.

The obligation on the Underwriter to underwrite the Entitlement Offer is conditional on certain customary matters, including the Company delivering certain certificates, sign-offs and opinions to the Underwriter.

Additionally, the Underwriter may (in certain circumstances having regard to the materiality of the event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, which are set out in the section entitled '*Appendix E. - Underwriting agreement summary*' of the Investor Presentation (see section 4 of this Information Booklet).

The Underwriter will be paid:

- (a) a management fee of 0.4% of the Institutional Offer Amount and the Retail Offer Amount; and

- (b) an underwriting fee of 1.6% of the Institutional Offer Amount and the Retail Offer Amount (in each case less any proceeds raised from the Group CEO and each director of the Company or entities that are controlled by them).

The Company may also pay the Underwriter an incentive fee of 0.25% of Institutional Offer Amount and the Retail Offer Amount.

The Underwriter is also entitled to be reimbursed for certain costs and expenses relating to the Offer.

The Underwriter will be acting for and providing services to the Company in connection with the Offer and will not be acting for or providing services to Shareholders or any other investor. The engagement of the Underwriter by the Company as either lead manager or underwriter is not intended to create any agency, fiduciary or other relationship between the Underwriter and the Shareholders or any other investor.

5.9 Continuous disclosure

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purpose of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Company's shares.

This Information Booklet is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or that investors ought to have regard to in deciding whether to subscribe for New Shares under the Entitlement Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.kelsian.com or the ASX www.asx.com.au.

6. AUSTRALIAN TAX CONSEQUENCES

6.1 General

This section is a general summary of the Australian income tax, goods and services tax ('GST') and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders. You should seek and rely upon your own professional advice before concluding on the particular tax treatment that will apply to you.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer for Eligible Retail Shareholders who:

- (a) are a 'resident of Australia' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (Cth); and
- (b) hold their Shares on capital account

The comments do not apply to Eligible Retail Shareholders who:

- (c) are not a 'resident of Australia' at the time of receiving the Information Booklet, exercising their Entitlement, for the duration of holding New Shares, and at the time of disposing of New Shares;
- (d) hold their Shares as revenue assets or trading stock (which may be the case if you are a bank, insurance company or carry on a business of share trading);
- (e) are subject to the 'TOFA provisions' in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to the Shares;
- (f) are exempt from Australian income tax; or
- (g) acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

The comments in this section are necessarily general in nature and is based on the Australian legislation and administrative practices in force as at the date of this Information Booklet. It does not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Shareholders.

The tax implications of the Retail Entitlement Offer will vary depending on your particular circumstances. Accordingly, you should seek your own independent professional tax advice applicable to your particular circumstances before concluding whether to take up your Entitlements. Neither the Company nor any of its officers or employees, nor its tax and other advisers, accepts any liability or responsibility in respect of any statement concerning tax consequences, or in respect of the tax consequences.

6.2 Issue of Entitlements

For income tax purposes, the issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

6.3 Exercise of Entitlement

New Shares will be acquired where an Eligible Retail Shareholder exercises all or part of its Entitlement under the Retail Entitlement Offer.

For income tax purposes, an Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss at the time of exercising its Entitlement under the Retail Entitlement Offer.

For Australian CGT purposes, New Shares should be taken to have been acquired on the day that an Eligible Retail Shareholder exercises its Entitlement. The cost base of each New Share should be equal to the Offer Price (plus certain non-deductible incidental costs that the Eligible Retail Shareholder incurs in acquiring, holding, and disposing of the New Shares).

6.4 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement, that portion of your Entitlement not taken up will lapse and you will not receive any payment or value for that portion. There should be no income tax implications for an Eligible Retail Shareholder from the lapse of some or all of their Entitlement.

6.5 Dividends on New Shares

Any future dividends or other distributions made in respect of the New Shares will generally be subject to the same income tax treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

6.6 Disposal of New Shares

The disposal of New Shares will constitute a disposal for CGT purposes.

On disposal of a New Share, an Eligible Retail Shareholder should make a capital gain if the capital proceeds received on disposal exceed the total cost base of the New Share. An Eligible Retail Shareholder should make a capital loss if the capital proceeds are less than the total reduced cost base of the New Share.

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares for 12 months or more (not including the date of acquisition and the date of disposal) at the time of disposal may be entitled (subject to meeting other conditions) to apply the applicable CGT discount factor to reduce the capital gain (after the application of current year and/or carried forward capital losses). The CGT discount factor is 50% for individuals and trustees, and 33 1/3% for complying superannuation entities. The CGT discount is not available for companies unless shares are held by the company in the capacity as trustee. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

New Shares should be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised its Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Entitlement was exercised.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains; the capital loss cannot be used against assessable income derived on revenue account. However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, provided certain loss utilisation tests are satisfied.

6.7 Tax file number

If a Shareholder has quoted their Australian business number (ABN), tax file number (TFN) or an exemption from quoting their TFN in respect of an existing Share, this quotation or exemption will also apply in respect of any New Shares acquired by that Shareholder.

Tax may be required to be deducted by the Company from any distributions that are not fully franked at the highest marginal tax rate if an ABN or TFN has not been quoted, or an appropriate TFN exemption has not been provided.

6.8 Other Australian taxes

No GST will be payable by Eligible Retail Shareholders in respect of the issue, sale or taking up of Entitlements or the acquisition of New Shares. However, the claiming of input tax credits for expenses incurred in relation to these transactions may be restricted.

No stamp duty should be payable by Eligible Retail Shareholders in respect of the issue or taking up of Entitlements or the acquisition of New Shares on the basis that:

- (a) the Company's shares are quoted on the ASX at the relevant time; and
- (b) the issue or taking up of Entitlements or the acquisition of New Shares by any one Eligible Retail Shareholder or related or associated persons does not amount in aggregate to an interest of 90% or more of the total shares on issue in the Company, and does not form part of an arrangement whereby 90% or more of the total shares on issue in the Company are acquired.

7. GLOSSARY

AAAH means All Aboard America! Holdings Inc.

A\$ or cents means Australian dollars or cents.

Acquisition means the proposed acquisition by the Company of AAAHI, as set out in the Investor Presentation and Initial Announcement in section 4 of this Information Booklet.

Additional Shares means New Shares that are in excess of the Entitlement of an Eligible Retail Shareholder.

Allocation Policy has the meaning given to that term in section 2.4 of this Information Booklet.

Applicant means an Eligible Retail Shareholder who submitted a valid Application.

Application means the arranging of payment of the relevant Application Monies through BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line) in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the amount payable by an Applicant for the New Shares (including any Additional Shares) applied for through BPAY® or EFT (or an alternative payment method in accordance with the instructions provided by the Offer Information Line).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

ASX Announcements means the initial Announcement and the ASX announcement in relation to the completion of the Institutional Entitlement Offer and Placement released to the ASX on Friday, 17 March 2023 and incorporated in section 4 of this Information Booklet.

Board means the board of Directors of the Company.

BPAY® means the payment system operated by BPAY Pty Ltd ACN 079 137 518.

Business Day has the same meaning as in the Listing Rules.

Cap has the meaning given to that term in section 2.4 of this Information Booklet.

CGT means capital gains tax.

Cleansing Notices means, together, the notices given to ASX by the Company under section 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer and section 708A(5)(e) in respect of the Placement.

Closing Date means 5.00pm Sydney time on Wednesday, 5 April 2023, being the day the Retail Entitlement Offer closes, or such other date as the Board in its absolute discretion determines, subject to the Listing Rules.

Company means Kelsian Group Limited ACN 109 078 257.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

CRN means the unique Customer Reference Number on the personalised Entitlement and Acceptance Form.

Directors means the directors of the Company.

EFT means electronic funds transfer.

Eligible Institutional Shareholder means a Shareholder on the Record Date who is an Institutional Investor in a Permitted Jurisdiction but excluding any Shareholder the Company and the Underwriter agree must not be treated as an Eligible Institutional Shareholder.

Eligible Retail Shareholder has the meaning given in section 5.1 of this Information Booklet.

Eligible U.S. Fund Manager means a dealer or other professional fiduciary organised or incorporated in the United States acting for an account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons for which it has and is exercising investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act.

Entitlement means the right to subscribe for 1 New Share for every 8.5 Existing Shares held by an Eligible Institutional Shareholder or Eligible Retail Shareholder on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Information Booklet.

Entitlement Offer means, together, the Institutional Entitlement Offer and the Retail Entitlement Offer.

Equity Raising means, together, the Entitlement Offer and the Placement.

Existing Shares means the Shares already on issue in the Company as at the Record Date.

Gross Proceeds means the gross proceeds of the Entitlement Offer.

GST means goods and services tax, as defined in the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means a Shareholder who is an Institutional Investor and who:

- (a) is outside the Permitted Jurisdictions and the Company determines (under ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act) should not receive an offer under the Entitlement Offer;
- (b) is located in the United States or is acting for the account or benefit of any person in the United States (to the extent they hold Shares for the account or benefit of a person in the United States); or
- (c) the Company and Lead Manager determine in their discretion is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder who is not an Eligible Retail Shareholder, an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

Ineligible Shareholders means, together, the Ineligible Institutional Shareholders and the Ineligible Retail Shareholders.

Information Booklet means this document.

Initial Announcement means the ASX announcement in relation to the Acquisition, Placement and Entitlement Offer released by the Company to the ASX on Wednesday, 15 March 2023, as incorporated in section 4 of this Information Booklet.

Institutional Entitlement Offer means the pro-rata accelerated, non-renounceable entitlement offer of New Shares to Eligible Institutional Shareholders to subscribe for 1 New Share for every 8.5 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of A\$5.55 per New Share and raising approximately A\$98 million in aggregate.

Institutional Investor means a person to whom offers and issues of New Shares may be made:

- (a) if in Australia, without disclosure under Chapter 6D of the Corporations Act; or
- (b) if in another Permitted Jurisdiction, without the need for any lodgement, registration, approval or filing with a government agency in accordance with the laws of that particular foreign jurisdiction (other than Canada).

Institutional Offer Amount means the Offer Price multiplied by the number of Shares to be issued under the Institutional Entitlement Offer and the Placement.

Investor Presentation means the presentation to investors released by the Company to the ASX on Wednesday, 15 March 2023 and incorporated in section 4 of this Information Booklet.

Lead Manager or Underwriter means Macquarie Capital (Australia) Limited (ABN 79 123 199 548).

Lead Manager Parties means the Lead Manager and its affiliates and related bodies corporate (as that term is defined in the Corporations Act) and each of its respective directors, officers, employees, representatives, agents, partners, consultants, advisers and intermediaries.

Legal Adviser means Kain Lawyers Pty Ltd ACN 137 053 395.

Listing Rules means the official listing rules of ASX.

Listing Rule 10.11 Parties means, in respect of the Company, any of the persons described in Listing Rule 10.11.1 to 10.11.5 (inclusive).

New Shares means Shares to be allotted and issued under the Equity Raising, including any Shortfall Shares issued under the Oversubscription Facility or to the Underwriter under the Underwriting Agreement or to any sub-underwriters.

Offer Price means A\$5.55 per New Share.

Opening Date means the date on which the Retail Entitlement Offer opens, being Thursday, 23 March 2023 (subject to change by the Company in accordance with the Corporations Act, the ASX Listing Rules and other applicable laws).

Oversubscription Facility means the offer of Shortfall Shares to Eligible Retail Shareholders (excluding any Listing Rule 10.11 Parties) who applied for Additional Shares, as described in section 2.4.

Permitted Jurisdiction means Australia, Canada (British Columbia, Ontario and Quebec provinces only), Guernsey, Hong Kong, Jersey, New Zealand, Norway, Singapore, Switzerland, the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market), the United Kingdom, the United States (in respect of Eligible U.S. Fund Managers only) and any other jurisdiction as agreed between the Lead Manager and the Company in their discretion.

Placement means the offer of New Shares to Institutional Investors announced in the Initial Announcement at an issue price of A\$5.55 per New Share and raising approximately A\$135 million.

Record Date means 7.00pm (Sydney time) on Monday, 20 March 2023.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 8.5 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of A\$5.55 per New Share and expected to raise approximately A\$45 million, pursuant to this Information Booklet.

Retail Entitlement Offer Period means the period commencing Opening Date and ending on the Closing Date (inclusive).

Retail Offer Amount means the Offer Price multiplied by the number of Shares to be issued under the Retail Entitlement Offer.

Shareholders means the holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Share Registry means Boardroom Pty Limited ACN 003 209 836.

Shortfall Shares means New Shares referable to Entitlements not taken up in full by the Closing Date.

Underwriting Agreement means the underwriting agreement dated Wednesday, 15 March 2023 between the Company and the Underwriter.

United States means the United States of America.

U.S. Person has the meaning given to that term in Rule 902(k) under the U.S. Securities Act.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

Vendor Conditional Share Issue means the conditional issue, subject to completion of the Acquisition, of approximately A\$3 million (in aggregate) of Shares to certain AAAHI business founders and senior management which is to be funded from their Acquisition proceeds.

8. CORPORATE INFORMATION

Company

Kelsian Group Limited
ACN 109 078 257
www.kelsian.com

Principal Office

Level 3, 26 Flinders Street
Adelaide, SA, 5000

Registered Office

Level 3, 26 Flinders Street
Adelaide, SA, 5000

Directors

Jeffrey Roy Ellison AM
Fiona Adrienne Hele
Lance Edwin Hockridge
Neil Espie Smith
Terry James Dodd
Christopher David Smerdon
Diane Jennifer Grady AO

Company Secretaries

Andrew David Muir
Joanne Helen McDonald

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney, NSW, 2000
Ph: 1300 737 760
www.boardroomlimited.com.au

Shareholder enquiries

Offer Information Line: 1300 737 760 (Toll free within Australia) or
+61 2 9290 9600 (outside Australia) from 8.30am to 5.00pm
(Sydney time) Monday to Friday (excluding public holidays)
Fax: + 61 2 9290 0664
www.boardroomlimited.com.au

Lead Manager and Underwriter to Equity Raising

Macquarie Capital (Australia) Limited
ABN 79 123 199 548
50 Martin Place
Sydney, NSW, 2000

Co-Manager

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide, SA, 5000

Legal Adviser to Equity Raising

Kain Lawyers Pty Ltd
Level 5, 121 King William Street
Adelaide, SA, 5000
www.kainlawyers.com.au

**RETAIL ENTITLEMENT OFFER
ENTITLEMENT AND ACCEPTANCE FORM**

DPID

Name & address
Name & address
Name & address
Name & address
Name & address
Name & address

Entitlement No.	Pre printed
Subregister	Pre printed
SRN/HIN	Pre printed
Number of Shares held at 7:00pm (Sydney time) on 20 March 2023	Pre printed

Closing Date: 5 April 2023 at 5:00pm

Barcode

This is an important document and requires your immediate attention. This Entitlement and Acceptance Form can only be used in relation to the security holding represented by the SRN or HIN printed above. If you are in doubt about how to deal with this Entitlement and Acceptance Form, please consult your financial or other professional adviser.

You should read the Retail Entitlement Offer Information Booklet dated 23 March 2023 (Retail Offer Booklet) that accompanies this Entitlement and Acceptance Form for details of the Retail Entitlement Offer and other important information. Capitalised words used and not otherwise defined in this Entitlement and Acceptance Form have the meaning given to them in the Retail Offer Booklet.

You do not need to return this Entitlement and Acceptance Form when you pay by BPAY®.

A Offer acceptance

The return and receipt of this Entitlement and Acceptance Form with your Application Monies by the Closing Date or payment via BPAY® by the Closing Date will constitute acceptance of your Entitlement on the terms and conditions set out in the Retail Offer Booklet (Application).

If you wish to accept your FULL ENTITLEMENT please complete and return this Entitlement and Acceptance Form WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW.

Entitlement to New Shares	Price per New Share	Amount payable on full acceptance of Entitlement
Pre printed	A\$5.55 per New Share =	Pre printed

If you wish to accept PART OF YOUR ENTITLEMENT ONLY please complete the box below showing the NUMBER OF NEW SHARES BEING ACCEPTED and the appropriate amount payable.

Number of New Shares being accepted	Price per New Share	Amount enclosed
	A\$5.55 per New Share =	

B Applications for Additional Shares are limited to 50% of your Entitlement. (Please refer to page 12 of the Retail Offer Booklet for details on the Allocation Policy when applying for Additional Shares)

If you apply to take up all of your Entitlement as noted Section A, you may also apply for Additional Shares up to 50% of your Entitlement. If you wish to apply for Additional Shares, please insert the number of Additional Shares in the box below and the appropriate amount payable. Additional Shares will only be allocated to Eligible Retail Shareholders in accordance with the Allocation Policy set out in the Retail Offer Booklet and in the absolute discretion of Kelsian. Kelsian may apply any scale-back applications for Additional Shares in its absolute discretion. Refer to the Retail Offer Booklet for further details.

Number of Additional Shares applied for	Price per Additional Share	Amount enclosed
	A\$5.55 per New Share =	

C Payment

Payments can only be made by BPAY®. New Zealand shareholders who do not have an Australian bank account will receive separate instructions on how to pay for their Entitlements. Cash will not be accepted via the mail or at Boardroom. Payments cannot be made at any bank. You do not need to return this Acceptance Form paying by BPAY®.



Biller Code:
CRN:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make payment from your account.
More info: www.bpay.com.au
© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY® please contact your participating financial institution.
- If paying by BPAY® you do NOT need to return this Entitlement and Acceptance Form.

D Contact details

You do not have to provide us with your contact details, however it will assist us if we need to contact you.

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

Important Information: This document is of value and requires your immediate attention. If in doubt consult your stockbroker, solicitor, accountant or other professional advisor without delay.

ACCEPTANCE OF THE OFFER

By making payment by BPAY, by 5.00pm Sydney time on 5 April 2023:

- you represent and warrant that you have read and understood and agree to the terms set out on this Entitlement and Acceptance Form and in the Retail Offer Booklet;
- you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States in connection with the subscription for Entitlements or the purchase of New Shares in the Retail Entitlement Offer, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Shares under the Retail Entitlement Offer and under any applicable laws;
- you acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the constitution of Kelsian Group Limited; and
- your application to acquire New Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

HOW TO ACCEPT NEW SHARES - Australian Residents

BPAY payment: The total amount payable to accept your Entitlement in full is shown in Section A on the front of this form. If you accept your full Entitlement and wish to apply for Additional Shares, please complete **Sections B** (to determine your total application amount payable). Contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information visit: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm Sydney time on 5 April 2023.

If the BPAY payment is for any reason not received in full, Kelsian may treat you as applying for as many New Shares as will be paid for by the cleared funds. **You are not required to submit this Acceptance Form when you make your payment using BPAY.**

PAYMENT – OVERSEAS RESIDENTS

If you are a New Zealand resident shareholder, you are unable to pay by BPAY® unless you have an Australian bank account. However, you are able to pay by international electronic funds transfer (EFT). **Please refer to the additional payment instructions provided to you if you would like to pay by EFT.** Please contact the Registry, Boardroom Pty Limited, on +61 2 9290 9600 if you have any queries, or if you have not received the separate EFT instruction letter.

Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this Entitlement and Acceptance Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

For further information regarding this Entitlement and Acceptance Form or the Retail Entitlement Offer please contact the Kelsian Offer Information Line on 1300 737 760 within Australia, or +61 2 9290 9600 outside Australia from 8.30am to 5.00pm (Sydney time) Monday to Friday. For other questions you should contact your stockbroker, solicitor, accountant or other professional adviser.

Not for release to US wire services or distribution in the United States

Thursday, 23 March 2023

Dear Eligible Retail Shareholder,

Retail Entitlement Offer - Additional payment option for New Zealand shareholders

As set out in its announcement on Wednesday, 15 March 2023, Kelsian Group Limited (ACN 109 078 257) (**Kelsian** or the **Company**) is undertaking a 1 for 8.5 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the capital of the Company (**Entitlement Offer**).

Capitalised terms not defined in this letter have the same meaning ascribed to those terms in the Retail Entitlement Offer Information Booklet for the Entitlement Offer.

To facilitate payment of Application Monies from Eligible Retail Shareholders resident in New Zealand (**New Zealand Shareholders**), in addition to the option of making payment via BPAY®, Kelsian is pleased to offer its New Zealand Shareholders the opportunity to remit their Application Monies by international electronic funds transfer (**EFT**) to the following Australian bank account:

Bank:	St George Bank
Address:	IBN 82, 1 King Street, Concord West NSW 2138
BSB:	332-027
Account Number:	555 890 289
Account Name:	Boardroom Pty Limited ITF Kelsian Group Limited
Swift Code:	SGBLAU2S

Please note that the Application Monies remitted by you will be subject to international transfer and foreign currency conversion fees levied by your financial institution such that the amount received by Kelsian in Australian dollars will be less than the amount remitted by you in New Zealand dollars.

If you wish to take up all or part of your Entitlement, or apply for any Additional Shares up to the Cap, you will need to ensure that the amount paid by you takes into account any international transfer and foreign currency conversion fees levied by your financial institution. In this case, you will need to confirm this amount with your financial institution prior to paying your Application Monies to Kelsian and pay an additional amount to cover these fees as Kelsian will only issue New Shares based on the actual amount of Application Monies that it receives.

If your Application Monies do not pay for your full Entitlement, you are deemed to have only taken up your Entitlement in respect of such whole number of New Shares that is covered in full by your Application Monies. If Application Monies received pay for more than your full Entitlement, you are deemed to have taken up your full Entitlement and such whole number of Additional Shares that is covered in full by your Application Monies.

Additional Shares will only be allotted at the discretion of the Kelsian Board. If you do not receive any or all of the Additional Shares covered by the amount that exceeds your Entitlement, any excess Application Monies will be returned to you in Australian dollars (without interest).

For processing and reconciliation, when making your payment, please add to the remittance advice your CRN which appears under the Biller Code on the front of your personalised Entitlement and Acceptance Form and forward a copy of the remittance advice to Kelsian's share registry, Boardroom Pty Limited, by e-mail to corporateactions@boardroomlimited.com.au, as soon as the payment is made. Failure to do so may result in funds not being matched to your application and Kelsian being unable to issue you New Shares under the Retail Entitlement Offer.

Eligible Retail Shareholders are reminded that the Offer will close at 5pm (AEDT) on Wednesday, 5 April 2023 (Closing Date) and any payment received after the Closing Date may be rejected.

If you are interested in the Entitlement Offer, you are advised to arrange for payment of Application Monies as early as possible and to allow sufficient time for the Application Monies to be transferred and received by Kelsian by the Closing Date.

If you have any additional questions regarding the Entitlement Offer, please contact the Kelsian Offer Information Line on +61 2 9290 9600 from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) or by e-mail to corporateactions@boardroomlimited.com.au.

Yours faithfully,



Jeffrey R. Ellison AM
Chairman