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Thursday 23 March 2023

Dear Shareholder,

Kelsian Group Limited - Accelerated Non-Renounceable Pro-Rata Entitlement Offer - Notification to Ineligible Shareholders

On Wednesday, 15 March 2023, Kelsian Group Limited (ACN 109 078 257) (**Company** or **Kelsian**) announced that it was conducting a fully underwritten A\$278m equity raising comprising of:

- an institutional placement (**Placement**) of new fully paid ordinary shares in the Company (**New Shares**) to raise approximately A\$135 million; and
- a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of New Shares to raise approximately A\$147 million.

The Placement and the Entitlement Offer together are referred to as the **Offer**, in each case at a price of A\$5.55 per New Shares (**Offer Price**).

The net proceeds of the Entitlement Offer and Placement will be used to partially fund the purchase price of the acquisition of 100% of All Aboard America Holdings Inc (**AAAHI**) (the **Acquisition**).

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (**Lead Manager**) is the lead manager, underwriter and bookrunner for the Offer.

More detail is provided in Kelsian's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on Wednesday, 15 March 2023.

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This Letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. **You are not required to do anything in response to this Letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer and Placement have already closed and the results were announced to the ASX on Friday, 17 March 2023. The Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) (**Corporations Act**), which allows the Entitlement Offer to be made without a prospectus.

Kelsian has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer ("**Retail Offer Booklet**").

Eligibility criteria

Kelsian has determined, pursuant to section 9A(3) of the *Corporations Act* and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to Kelsian shareholders in certain countries in connection with the Retail Entitlement Offer having regard to:

- the relatively small number of shareholders in other jurisdictions where the Retail Entitlement Offer would be made;
- the number and value of shares for which such shareholders would otherwise have been entitled; and
- the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), Kelsian wishes to inform you that it will not be extending the Retail Entitlement Offer to you, Kelsian will not be sending a copy of the Retail Offer Booklet to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Eligible Retail Shareholders are those persons who:

- are registered as holders of ordinary shares in Kelsian as at 7:00pm (Sydney time) on Monday, 20 March 2023 ("**Record Date**");
- as at the Record Date, have a registered address in Australia or New Zealand on the Kelsian Share register;
- are outside the United States and are not a 'US Person' as that term is defined in Rule 902(k) under the U.S. Securities Act (US Person) or acting for the account or benefit of a US Person;
- were not invited to participate in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer (other than as nominee, trustee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered or any other lodgement, filing, registration or qualification.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer.

Unfortunately, Kelsian has determined that you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, Kelsian wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will also not be sent the offer document relating to the Entitlement Offer and will not be able to subscribe for New Shares under the Entitlement Offer.

Non-renounceable offer

As with the Institutional Entitlement Offer, the Retail Entitlement Offer is non-renounceable. Entitlements in respect of New Shares to which you would have been entitled if you were an Eligible Retail Shareholder will lapse. No amount will be payable by you and you will not otherwise receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of ASX (www.asx.com.au).

Further information

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or 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.

For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Thank you for your continued support of Kelsian and I trust you understand Kelsian's position on this matter.

Yours faithfully



Jeffrey R Ellison AM
Non-Executive Chair

IMPORTANT NOTICE AND DISCLAIMER

The Entitlement Offer is being made by Kelsian in accordance with section 708AA of the Corporations Act as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*, meaning that no prospectus or other disclosure document needs to be prepared.

Determination of 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 Kelsian and the Lead Manager. Each of Kelsian and the Lead Manager and each of their respective related bodies corporate (as defined in the Corporations Act) and affiliates and each of their respective directors, officers, employees, partners, consultants, contractors, agents and advisers disclaim any 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, to the maximum extent permitted by law.

This Letter is not a prospectus, product disclosure statement or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This Letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in Kelsian.

The provision of this Letter is not, and should not be considered as, financial product advice. The information in this document is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.

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IMPORTANT NOTICE TO NOMINEES

Because of legal restrictions, you must not send copies of this Letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your client's individual objectives, taxation position, financial situation or needs. If you are unsure of your client's position, please contact your accountant, tax advisor, stockbroker or other professional advisor.