KELSIAN GROUP LIMITED AND ITS CONTROLLED ENTITIES
ASX APPENDIX 4D
FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2024

RESULTS FOR ANNOUNCEMENT TO THE MARKET

ABN: 49 109 078 257	Statutory Results			Underlying Results #		
Previous corresponding period:	Consolidated Kelsian			Consolidated Kelsian		
31 December 2023	Period Ended 31 December 2024			Period Ended 31 December 2024		
	2024	2023	Change	2024	2023	Change
Results in brief	$'000	$'000	%	$'000	$'000	%
Revenue from Ordinary Activities	1,071,847	982,713	9.1%	1,071,847	982,713	9.1%
EBITDA *	128,602	133,166	(3.4%)	132,178	130,509	1.3%
Depreciation	(56,065)	(55,709)	0.6%	(56,065)	(55,709)	0.6%
EBITA	72,537	77,457	(6.4%)	76,113	74,800	1.8%
Amortisation	(16,625)	(16,707)	(0.5%)	(16,625)	(16,707)	(0.5%)
EBIT	55,912	60,750	(8.0%)	59,488	58,093	2.4%
Net finance costs	(30,699)	(25,153)	22.0%	(30,699)	(25,153)	22.0%
Profit before Tax	25,213	35,597	(29.2%)	28,789	32,941	(12.6%)
Tax	(5,163)	(7,535)	(31.5%)	(5,687)	(6,494)	(12.4%)
Profit after Tax and before Amortisation	36,675	44,769	(18.1%)	39,727	43,154	(7.9%)
Profit after Tax	20,050	28,062	(28.6%)	23,102	26,447	(12.6%)

# Underlying Results adjusted for significant items for the period.		
Acquisition, transaction related costs and other ^	3,576	(2,657)
Tax effect of significant trading items and one off tax adjustments	(524)	1,041

* EBITDA - Earnings Before Interest, Tax, Depreciation & Amortisation. EBITDA, EBITA and EBIT are all non-IFRS measures.

^ Costs including M&A due diligence, acquisition costs and Melbourne tender costs.

	Amount	Franked Amount
Dividends	Cents per share	Cents per share
2024 Fully Franked Final Dividend (paid 21 October 2024)	9.5	9.5
2023 Fully Franked Final Dividend	9.5	9.5
2025 Fully Franked Interim Dividend*	8.0	8.0
2024 Fully Franked Interim Dividend (previous corresponding period)	8.0	8.0

*Record date for determining entitlements to 2025 interim dividend is 21 March 2025. Payment date for the interim dividend is 23 April 2025.

Net tangible assets*	**31 Dec 2024**	**30 June 2024**
Net tangible assets per ordinary share	0.23	0.18

*Net tangible asset calculation includes right-of-use assets and lease liabilities.

Dividend Reinvestment Plan

The dividend is paid in cash or as part of a dividend plan. The Kelsian Dividend Reinvestment Plan (DRP) will be in operation for the 2025 Interim Dividend and the last date for receipt of election notices for determining participation is 24 March 2025. Kelsian periodically adjusts its DRP and the DRP discount for the 2025 Interim Dividend is nil. Kelsian expects to satisfy dividends paid by way of the DRP by issue of fully paid ordinary Kelsian shares at the allocation price.

Signed 26 February 2025

F. Hele
Chair, Kelsian Group Limited

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Kelsian') consisting of Kelsian Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of Kelsian Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Fiona Hele (B.Com, FCA, FAICD) - Chair and Independent Non-Executive Director (appointed as Chair 1 July 2024)
Jeffrey Ellison AM (B.Acc, FCA, FAICD) - Retired Chair (retired on 1 July 2024)
Clinton Feuerherdt (B.Ecom, B.Com (Hons)) – Managing Director (resigned 8 November 2024 with effect from 1 April 2025)
Terry Dodd - Independent Non-Executive Director
Neil Smith (MTM, B.Arts) – Non-Executive Director
Lance Hockridge (FCILT, FIML, MAICD) – Independent Non-Executive Director
Diane Grady AO (BA Mills, MA Hawaii, MBA Harv, FAICD) - Independent Non-Executive Director
Jacqueline McArthur (B.Eng, MAICD) – Independent Non-Executive Director
Caroline Elliott (B.Ec, CA, GAICD) - Independent Non-Executive Director

Company secretaries

Joanne McDonald (LLB, B.Ec, GAICD, FGIA) and Andrew Muir (B.Ec, MBA).

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- domestic metropolitan public bus transport operations;
- international public bus and motorcoach transport operations;
- urban, regional and school bus charter and coach tours;
- domestic ferry services;
- tourism cruises, charter cruises and accommodated cruising;
- travel agency services and packaged holidays; and
- tourist accommodation.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 December 2024	31 December 2023
	$'000	$'000
Final dividend for the year ended 30 June 2024 paid on 21 October 2024 of 9.5 cents (2023: 9.5 cents) per ordinary share	25,630	25,594

The Board will continue to consider Kelsian's growth requirements, its current cash position, market conditions and the need to maintain a healthy financial position, when determining future dividends.

Dividend Reinvestment Plan

The dividend is paid in cash or as part of the dividend plan. The Kelsian Dividend Reinvestment Plan (DRP) will be in operation for the Interim Dividend. Participation will be offered to shareholders in Australia, New Zealand, the United Kingdom, Jersey, Canada and Qualified Institutional Buyers in the United States. The DRP election date for determining participation is 24 March 2025. Kelsian periodically adjusts its DRP and the DRP discount for the 2025 Interim Dividend is nil. Kelsian expects to satisfy dividends paid by way of the DRP by issue of fully paid ordinary shares in Kelsian. The allocation price for dividends paid by way of fully paid Kelsian shares will be the average daily volume weighted average market price of Kelsian shares sold on the ASX during the 10 trading days commencing 26 March 2025.

Review of operations

Kelsian Group Limited is Australia's largest integrated multi-modal transport provider and tourism operator, dedicated to delivering essential journeys through safe and reliable transport solutions. Kelsian is a diversified global business with a portfolio of operations across Australia, USA, Singapore and UK (Channel Islands). Kelsian has a strong track record of growth, underpinned by a majority of defensive, long term, government/corporate-backed, service contracts, most with effective cost base protection.

Kelsian has over 30 years' experience delivering tourism and passenger transport services. As at 31 December 2024, Kelsian employs over 12,500 people and operates 5,804 buses, 115 vessels and 24 light rail vehicles that delivered more than 377 million customer journeys over the last year.

Kelsian continues to work with Australian State and Federal government agencies to tackle transport related emissions which remain top of the agenda for governments seeking to reach net zero emission status. As the operator of the largest zero-emission bus fleet in Australia, and the largest electrified bus depot; combined with deep industry knowledge; Kelsian is well placed to support governments and take advantage of the decarbonisation transition.

Kelsian's 1HFY25 Results overview:

- Revenue of $1,071.8 million, up 9.1% compared to the first half of FY24, reflecting continued growth in Australian Bus, AAAHI, and parts of the Marine & Tourism segment;
- Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA)[1] increased by 1.3% to $132.2 million compared to the first half of FY24;
- Underlying Net Profit After Tax and before Amortisation of $39.7 million, is down 7.9% on the prior corresponding period reflecting higher interest expense;
- Higher interest expense reflects line fees on larger facilities and higher debt levels;
- Fully franked interim dividend of 8.0 cents per share (8.0 cents per share in 1HFY24);
- Good cash generation with $108.7 million gross operating cash flow and 93.0% cash conversion[2];
- Depreciation includes new Bankstown rail buses, right-of-use depreciation of $11.9 million and SPV asset depreciation of $4.7 million;
- Successful renewal / extension of several contracts in the portfolio including Jersey (Channel Islands), Bunbury and Busselton (WA), Northern Territory ferry contracts, Colorado Department of Transportation Bustang contract, and Hearst Castle (California).

Note

(1) Underlying EBITDA has been adjusted for a number of one-off items during the period including acquisition and Melbourne tender costs.

(2) Calculated as gross operating cashflow as a percentage of underlying EBITDA adjusted for right-of-use depreciation and interest

Review of operations - Australian Bus

A key highlight of the period was the successful commencement of the Bankstown Rail Replacement service in NSW in September 2024, with 60 new buses and an impressive 140 new drivers, recruited, trained and deployed, on time and on budget. Transit Systems was able to successfully attract, train and qualify drivers, and supplied specialist driver training for bus accreditation by leveraging the Group's national resources. This was achieved in a short period of time and in the backdrop of a relatively tight labour market.

Balancing the encouraging contribution from the Bankstown Rail Replacement service, a number of our Sydney bus services contracts faced ongoing cost pressures. Several factors affected budget performance during this period, including contractual penalties for operational performance, congestion-related challenges, and higher accident rates due to increased traffic and high number of new, less experienced drivers. Region 6 remains a challenging contract due to staff turnover, elevated overtime and service changes adversely impacting margins. These issues are being closely managed with the Government, and we have initiatives underway to address the performance of this contract.

In November 2024, Kelsian renewed the contract to provide bus services in the Bunbury and Busselton regions of Western Australia for a ten-year term commencing 1 January 2025, securing approximately $100 million of contracted revenue over the term of the contract. The contract is for the operation and maintenance of Government-owned assets including approximately 72 buses, and two depots staffed by approximately 100 employees. The renewed contract was awarded to Swan Transit following a competitive tender process and demonstrates Transit Systems' track record of successful contract retention.

The Bunbury and Busselton region contract renewal followed the Western Australian government's decision to extend the Canning and Southern River contracts for another three years to October 2027.

Our national resources and charter team continues to work with clients to renew and expand our existing contracts. During this period, Grand Touring secured additional work in the resources sector in the Northern Territory. Go West Tours began a four-year contract with the Western Australian Country Health Service and secured a two-year contract extension with BHP. The business surpassed organic growth targets by expanding services with key blue-chip clients, including BHP, FMG, South32, and Sodexo.

Meanwhile, Horizons West expanded its operations and fleet in Perth's education transport sector with eight new contracts starting in early 2025; two with the Government and six with private schools.

Upgrades at the Melton Depot in Melbourne were completed during this period, with operations expected to commence in March 2025 following completion of contractual matters with the Government. Transit Systems was not successful in the Melbourne bus tenders announced in September 2024. The next round of Melbourne tenders is expected in 2028.

Review of operations - International Bus

USA

All Aboard America! Holdings, Inc. (AAAHI), continued to perform well and in line with expectations, with growth from new and existing contracts offsetting the impact of lower service requirements from technology sector clients in California and the bankruptcy and restructure of a key construction sector client. During the period, service levels provided for the technology sector clients stabilised, and the contract with the construction industry client was transferred to a new contractor.

AAAHI continues to retain clients across its charter and contracting operations and has successfully renewed all key contracts since the Kelsian acquisition in June 2023.

In July 2024, Hotard Coaches commenced a new contract with Louisiana State University (LSU) Athletics Department to provide transportation for the University's athletic teams, including the LSU Tigers football team.

In November 2024, ACE Express, renewed and expanded its contract with the State of Colorado's Department of Transportation. The contract is for the operation of the statewide Bustang motorcoach network and will generate up to US$26.5 million of revenue in the first year. The contract was awarded to ACE Express following a competitive tender process.

In California, Lux Bus America was awarded a 15-year (plus 5-year option) US$116m contract (total revenue over the term) to continue operating this contract and convert the Hearst Castle operation to fully electric from 2028[1].

Safety remained a key focus during the period, and this commitment to safe operations included the successful roll out of an industry leading 360-degree camera and collision avoidance system. This new system adds to the significant investment AAAHI already makes in each of its vehicles and its drivers to ensure it remains the industry leader in delivering safe motorcoach transportation.

AAAHI continues to represent a highly scalable platform in a fragmented market and provides Kelsian a base to pursue further growth, with significant new opportunities, particularly with tech, industrial and construction sector clients being actively pursued.

Following the announcement in November 2024 that AAAHI CEO Graeme Legh has been appointed Kelsian Group CEO from 1 April 2025, an internal and external search has commenced for his replacement as AAAHI CEO.

Note
(1) AAAHI Subsidiary, Lux Bus America Co., has received a Notice Of Award from the State of California. The final contract with the State for services from 2028 has not yet been executed.

UK
In October 2024, Kelsian announced that its wholly owned subsidiary CT Plus Jersey Ltd, trading as LibertyBus ('LibertyBus'), was named the preferred bidder for a new 10-year contract in Jersey. Kelsian was not successful in renewing the Guernsey bus contract which expires in March 2025. The contribution from the Guernsey contract is not material and the 41 buses, provided by the States of Guernsey, will be transferred to the new operator.

The new Jersey contract is to operate and maintain all the public bus services for the island of Jersey secures and an estimated A$260 million of revenue over the 10-year contract term. The contract will be for the operation and maintenance of approximately 80 buses, located at one depot and staffed by approximately 175 employees.

Changes were made to the management team during the period to right-size overheads of the operations. The UK management team remains focused on capitalising on the significant pipeline of tenders, beginning with Liverpool, expected to be released in the 2HFY25.

Singapore
The overall performance of the Singapore business improved during the period despite continuing to be impacted by higher levels of absenteeism due to legislative changes in labour conditions relating to sick leave; resulting in higher overtime, lost mileage and lower performance incentives. Both contracts made a positive performance incentive contributions in the half. The Singapore business was able to secure a number of new routes and services, including commencing services from the new Tengah interchange which offset the impact of the absenteeism issue.

Review of operations - Marine & Tourism
Results for the Marine & Tourism division were mixed with several markets continuing to see good levels of activity and growth but others, particularly K'gari (Fraser Island) experiencing lower levels of demand. Domestic outbound travel exceeded pre-COVID levels in 2024 and continues to climb faster than international inbound travel. The K'gari (Fraser Island) business experienced reduced occupancy and yield compared to the prior corresponding period. The launch of the Illumina Light Show in October 2024 was a success and is expected to support increased visitation to the island as it gains greater awareness.

Kelsian subsidiary SeaLink Northern Territory extended the services funding agreements with the Northern Territory Department of Logistics and Infrastructure for ferry services from Darwin to Mandorah, and Darwin to the Tiwi Islands. The new funding arrangements were effective 1 October 2024, for a five-year period and secure approximately $25.7 million of funding over the contract term.

The construction of two new Kangaroo Island vessels and works to upgrade the landing infrastructure progressed well during the period and their anticipated delivery and completion for mid-2025. These new vessels will support the 25-year exclusive licence that commences from mid-2025. The new, larger vessels will enable more than double annual vehicle meterage capacity as well as 50% more load (weight) carrying capacity per year and a 20% increase in annual passenger capacity. The improvement in access with drive through facilities, greater redundancy and improved manoeuvrability are anticipated to support an increased number of trips per day as well as improved fuel efficiency and lower emissions.

A new Gladstone vessel (MV Goodna) was delivered during the period, to support the renewed 10-year contract that commenced in November 2022.

During the period, we enhanced the safety management system, streamlining the various different systems across the business to improve efficiencies and consistency.

Corporate
At the 2024 AGM in October, Kelsian announced that it was examining its capital management and allocation framework. The objectives of the capital management and allocation framework are as follows:

- Guide capital investment to maximise total shareholder returns
- Enable suitable investment to sustain the existing portfolio
- Maintain a balance sheet that appropriately balances opportunity with risk
- Retain flexibility to take advantage of attractive future growth opportunities – organic and inorganic
- Significantly grow return on invested capital in the medium term, with management remuneration and incentives aligned to that outcome

A detailed review has now been completed, with input from the Kelsian Board, management team and its external advisers. Kelsian has developed the following clear targets to govern future investment and leverage.

- Dividend Payout Ratio of 40-60% of Underlying NPATA
- Target leverage of 2.0x - 2.5x LTM Underlying EBITDA, pre-AASB 16 and excluding SPV earnings and indebtedness
- Net Sustaining Capex[1]: Over an investment cycle, average annual net sustaining capex is estimated to be approximately $85 million[2], with variability year to year
- Group ROIC[3] of at least 200bps above pre-tax WACC[4]
- Estimated group effective tax rate of 22%-25%[5]

Notes

(1) Maintenance plus replacement capex less proceeds from asset sales

(2) Based on the current steady-state asset portfolio and an illustrative 30-year 'through-the-cycle' period on a nominal basis. SPV assets have been excluded from this analysis as their ongoing funding is captured within the SPV structure and is non-recourse to Kelsian.

(3) Calculated as underlying EBITA (pre-AASB 16, excluding SPV adjustments) divided by average equity plus average net debt (pre-AASB 16, excluding SPV debt). Net debt includes senior debt, finance leases, other loans, and debt relating to government-backed contracted assets, but excludes SPV-related debt.

(4) Weighted Average Cost of Capital

(5) Assumes current steady-state asset portfolio and corporate tax rates applicable to Kelsian's operations are 30% for Australia, ~26% for the US, 17% for Singapore and 25% for the UK. Certain material adjustments also apply, including relating to receipt of an annual tax rebate associated with Kelsian's marine shipping incentives.

The portfolio review is ongoing, and is focused on potential opportunities to improve returns, simplify and optimise the portfolio, exiting under-performing assets and accelerating debt reduction. The new capital management and allocation framework targets will be an important lens to apply to Kelsian's portfolio review.

During the period, Kelsian appointed Cognizant Technology Solutions as systems integrator to implement the Workday software solution, a consolidated platform to manage its global Finance and Human Resources functions. By consolidating Finance and HR onto a single, integrated platform, Kelsian anticipates enhanced operational efficiencies, data accuracy, informed decision-making, while driving innovation and cost savings and to provide a globally 'best in class' Finance and Human Capital Management system to support its growth aspirations, as well as current and future workforce.

Matters subsequent to the end of the financial half-year

Sale and Leaseback of Three West Australian Properties

Kelsian has entered into binding agreements for the sale and leaseback of the Welshpool and Landsdale bus depots in Western Australia, in addition to signing and completing the sale and lease back of the South Bunbury depot in Western Australia. The net proceeds of $20,300,000 are expected to be fully realised by the end of April 2025. The net impact of the sale and leaseback of the bus depots on Kelsian's EBITDA, EBIT and NPAT over the next five years is not expected to be material.

Jersey (Channel Islands) Bus Contract Renewal

In January 2025, LibertyBus and the Government of Jersey signed the new contract to continue running the Island's bus service for at least the next 10 years from April 2025, with provisions allowing for three, one-year extensions beyond that term. The new Jersey contract is to operate and maintain all the public bus services for the island of Jersey secures and an estimated A$260 million of revenue over the 10-year contract term. The contract will be for the operation and maintenance of approximately 80 buses, located at one depot and staffed by approximately 175 employees.

New vessels into service

In January 2025, the first of two new Southern Moreton Bay Islands vessels was delivered, and the other is anticipated to be delivered in August 2025. These new vessels provide increased capacity and will deliver improved operational performance to the services operated in the region.

Kelsian UK Limited Acquisition

On 20 February 2025, Tower Transit Limited acquired Huyton Travel Limited (HTL Buses) a small family-owned bus operator in Liverpool for approximately £1 million. HTL Buses operates a fleet of approximately 65 vehicles (39 buses, 12 minibuses, 14 shuttle vehicles) throughout Merseyside and the Northwest from a leasehold depot, with the majority of existing services under contract from Merseytravel, the transport authority for the Liverpool region in the UK.

Given the timing of the acquisition, it has been impracticable to complete the initial accounting for the business combination. As such, Kelsian cannot make disclosures relating to the fair value of assets and liabilities acquired and the contribution of any intangible assets including goodwill. As the acquisition date is after 31 December 2024, there has not been any contribution to revenue or profit of Kelsian Group recorded for the period.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Significant changes in the state of affairs

On 8 November 2024, Clinton Feuerherdt, the current full-time Managing Director (MD) and Group Chief Executive Officer (Group CEO), announced he will step back from his full-time MD and Group CEO role and assume a part-time Strategic Adviser role with Kelsian from 1 April 2025. The current AAAHI CEO, Graeme Legh is appointed as Group CEO effective from 1 April 2025.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Fiona Hele
Chair

26 February 2025

Shape the future with confidence

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Auditor’s independence declaration to the directors of Kelsian Group Limited

As lead auditor for the review of the half-year financial report of Kelsian Group Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kelsian Group Limited and the entities it controlled during the financial period.

Ernst & Young

Nigel Stevenson
Partner
26 February 2025

General information

The financial statements cover Kelsian Group Limited as the consolidated entity (referred to hereafter as 'Group' or 'Kelsian') consisting of Kelsian Group Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Kelsian's functional and presentation currency.

Kelsian is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 3
26 Flinders Street
Adelaide, SA, 5000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2025.

	Note	Consolidated 31 December 2024 $'000	Consolidated 31 December 2023 $'000
Revenue from contracts with customers	3	1,071,847	982,713
Other income	4	8,900	13,637
Interest income		1,896	1,018
Expenses			
Direct operating expenses:			
Direct wages		(557,781)	(492,484)
Repairs and maintenance		(75,625)	(65,597)
Fuel		(84,001)	(90,597)
Subcontract services		(18,129)	(16,952)
Commission		(6,161)	(4,754)
Meals and beverage		(9,574)	(9,558)
Tour costs		(5,883)	(4,231)
Depreciation		(44,147)	(43,301)
Depreciation - ROUA		(11,918)	(12,408)
Other direct expenses		(57,772)	(50,990)
Administration expenses:			
Indirect wages		(76,738)	(73,632)
General and administration		(53,595)	(49,783)
Marketing		(4,859)	(4,035)
Financing charges		(32,595)	(26,171)
Amortisation		(16,625)	(16,707)
Acquisition and transaction costs		(2,027)	(571)
Total expenses		(1,057,430)	(961,771)
Profit before income tax expense		25,213	35,597
Income tax expense	5	(5,163)	(7,535)
Profit after income tax expense for the half-year attributable to the owners of Kelsian Group Limited		20,050	28,062
		Cents	Cents
Basic earnings per share	18	7.41	10.92
Diluted earnings per share	18	7.38	10.89

The above interim consolidated statement of profit or loss should be read in conjunction with the accompanying notes

	Consolidated	
	31 December 2024 $'000	31 December 2023 $'000
Profit after income tax expense for the half-year attributable to the owners of Kelsian Group Limited	20,050	28,062
Other comprehensive profit/(loss)		
Items that may be reclassified subsequently to profit or loss		
Net change in the fair value of cash flow hedges taken to equity, net of tax	(2,215)	(2,773)
Foreign currency translation of foreign operations, net of tax	32,959	(11,594)
Other comprehensive profit/(loss) for the half-year, net of tax	30,744	(14,367)
Total comprehensive income/(loss) for the half-year attributable to the owners of Kelsian Group Limited	50,794	13,695

The above interim consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2024 $'000	30 June 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		131,323	134,470
Trade and other receivables		218,340	204,825
Inventories		34,608	31,949
Derivative financial assets	6	357	-
Current tax assets		1,016	-
Other assets		40,192	30,639
		425,836	401,883
Non-current assets classified as held for sale	7	19,643	-
Total current assets		445,479	401,883
Non-current assets			
Property, plant and equipment	8	888,776	825,011
Right-of-use assets	9	149,877	187,709
Intangibles	10	988,167	973,384
Other assets		12,355	11,543
Total non-current assets		2,039,175	1,997,647
Total assets		2,484,654	2,399,530
Liabilities			
Current liabilities			
Trade and other payables		92,205	93,516
Contract liabilities		15,457	14,288
Borrowings - ringfenced finance facilities		10,705	11,725
Lease liabilities		14,945	44,487
Derivative financial liabilities	11	1,630	133
Current tax liabilities		-	1,077
Employee benefits		116,941	112,133
Provisions		43,137	39,559
Other liabilities		82,194	88,084
Total current liabilities		377,214	405,002
Non-current liabilities			
Borrowings	13	830,882	739,946
Borrowings - ringfenced finance facilities		83,921	89,089
Lease liabilities		129,790	134,637
Derivative financial liabilities	11	2,309	285
Deferred tax liabilities		93,180	93,929
Employee benefits		7,574	7,746
Provisions		671	671
Other liabilities		823	852
Total non-current liabilities		1,149,150	1,067,155
Total liabilities		1,526,364	1,472,157
Net assets		958,290	927,373

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2024 $'000	30 June 2024 $'000
Equity			
Issued capital		858,593	853,179
Reserves		48,010	16,927
Retained profits		51,684	57,264
Equity attributable to the owners of Kelsian Group Limited		958,287	927,370
Non-controlling interest		3	3
Total equity		958,290	927,373

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2023	849,943	27,260	46,401	3	923,607
Profit after income tax expense for the half-year	-	-	28,062	-	28,062
Other comprehensive income/(loss) for the half-year, net of tax	-	(14,367)	-	-	(14,367)
Total comprehensive profit/(loss) for the half-year	-	(14,367)	28,062	-	13,695
Transactions with owners in their capacity as owners:					
Share-based payments - non cash (note 19)	-	471	-	-	471
Employee rights converted (note 19)	905	(1,537)	-	-	(632)
Dividends paid (note 12)	-	-	(25,594)	-	(25,594)
Balance at 31 December 2023	850,848	11,827	48,869	3	911,547

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2024	853,179	16,927	57,264	3	927,373
Profit after income tax expense for the half-year	-	-	20,050	-	20,050
Other comprehensive income/(loss) for the half-year, net of tax	-	30,744	-	-	30,744
Total comprehensive income/(loss) for the half-year	-	30,744	20,050	-	50,794
Transactions with owners in their capacity as owners:					
Share-based payments - non cash (note 19)	-	364	-	-	364
Employee rights converted (note 19)	25	(25)	-	-	-
Dividend reinvestment plan	5,389	-	-	-	5,389
Dividends paid (note 12)	-	-	(25,630)	-	(25,630)
Balance at 31 December 2024	858,593	48,010	51,684	3	958,290

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2024 $'000	Consolidated 31 December 2023 $'000
Cash flows from operating activities			
Receipts from customers		1,065,697	955,326
Payments to suppliers and employees (inclusive of net GST)		(967,893)	(863,294)
Interest received		1,896	1,018
Other income		8,900	13,279
Interest and other finance costs paid		(31,646)	(26,171)
Income taxes paid		(11,007)	(12,244)
Net cash from operating activities		65,947	67,914
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	16	-	(2,612)
Final payments for prior period's business acquisition	16	-	(6,652)
Payments for property, plant and equipment	8	(119,477)	(137,156)
Payments for intangibles	10	(30)	(558)
Proceeds from disposal of property, plant and equipment		6,820	4,064
Net cash used in investing activities		(112,687)	(142,914)
Cash flows from financing activities			
Drawdown of facilities		77,803	61,984
Payments for leases		(11,433)	(11,302)
(Repayment)/drawdown of special purpose vehicle financing		(6,188)	6,818
Movements in equity - other		-	(632)
Dividends paid	12	(20,241)	(25,594)
Net cash from financing activities		39,941	31,274
Net decrease in cash and cash equivalents		(6,799)	(43,726)
Cash and cash equivalents at the beginning of the financial half-year		134,470	157,939
Effects of exchange rate changes on cash and cash equivalents		3,652	(1,136)
Cash and cash equivalents at the end of the financial half-year		131,323	113,077

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' (AASB 134) and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of Kelsian's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new standards effective for periods beginning on or after 1 July 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued by the Australian Accounting Standards Board ("AASB") but is not yet effective.

Several amendments and interpretations apply for the first time in the period commencing 1 July 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Going concern

The financial statements are prepared on a going concern basis. As at 31 December 2024, the Consolidated Statement of Financial Position reflected an excess of current assets over current liabilities of $68,265,000 (30 June 2024: $3,119,000 deficiency of current assets over current liabilities). There is no indication the future operating cashflows of the business will be materially different to those achieved historically and the Group has undrawn borrowing facilities and other capital management options.

Note 2. Operating segments

Identification of reportable operating segments
For management purposes the Group is organised into four operating segments. The principal products and services of each of these operating segments are as follows:

Marine and Tourism – operates throughout Australia providing vehicle and passenger ferry services, barging, coach tours and package holidays, lunch, dinner and charter cruises and accommodation facilities.

Australian Bus – operates metropolitan public bus services on behalf of governments in Sydney, Melbourne, Perth and Adelaide. Operates regional and remote bus services supporting the resources sector in Western Australia. Operates charter bus services in the Northern Territory.

International Bus – operates metropolitan public bus services on behalf of governments in the Channel Islands and Singapore. Operates charter coaches for corporates, local and federal government and education sectors in the United States of America.

Corporate (Head Office) – provides finance, domestic and international sales and marketing, information and technology, business development, fleet management, health and safety and administration and risk management support.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors and Executive Committee (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions
Transfer pricing between operating segments is on an arm's length basis in a manner similar to transactions with third parties and inter-segment revenues are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers
During the half-year ended 31 December 2024, approximately 89.4% (31 December 2023: 88.8%) of the Group's external revenue was derived from sales to governments.

Note 2. Operating segments (continued)

Seasonality of results
Tourism services provided by Kelsian within the Marine and Tourism segment are seasonal in nature, with stronger turnover in the summer and autumn months. In particular, December and January have a high concentration of activity and turnover in the tourism sector. Revenues in the second half of the year from tourism related services provided are expected to be similar to the first half of the year.

This information is provided to allow for a proper appreciation of the results, however, management have concluded that this does not constitute "highly seasonal activity" as considered by AASB 134 *Interim Financial reporting*.

Operating segment information

Consolidated - 31 December 2024	Marine and Tourism $'000	Australian Bus $'000	International Bus $'000	Corporate $'000	Total $'000
Revenue					
Sales to external customers	189,061	564,301	318,485	-	1,071,847
Interest revenue	54	143	124	1,575	1,896
Total revenue	189,115	564,444	318,609	1,575	1,073,743
Underlying EBITDA	37,161	63,174	46,666	(14,823)	132,178
Depreciation	(9,974)	(13,139)	(20,569)	(465)	(44,147)
Depreciation ROUA	(811)	(5,367)	(5,397)	(343)	(11,918)
Amortisation of customer contracts	(556)	(8,078)	(7,991)	-	(16,625)
Net finance costs	(170)	(5,041)	(9,400)	(16,088)	(30,699)
Acquisition and transaction expenses	-	-	(82)	(1,945)	(2,027)
Net foreign exchange gain/(loss)	-	-	-	(1,549)	(1,549)
Profit/(loss) before income tax expense	25,650	31,549	3,227	(35,213)	25,213
Income tax expense					(5,163)
Profit after income tax expense					20,050
Assets					
Segment assets	409,137	908,001	1,029,257	138,259	2,484,654
Total assets					2,484,654
Liabilities					
Segment liabilities	83,286	333,407	152,844	863,647	1,433,184
Unallocated liabilities:					
Deferred tax liability					93,180
Total liabilities					1,526,364

Note 2. Operating segments (continued)

Consolidated - 31 December 2023	Marine and Tourism $'000	Australian Bus $'000	International Bus $'000	Corporate $'000	Total $'000
Revenue					
Sales to external customers	176,116	501,593	305,004	-	982,713
Interest revenue	132	535	13	338	1,018
Total revenue	176,248	502,128	305,017	338	983,731
EBITDA	38,345	54,021	52,185	(14,042)	130,509
Depreciation	(8,622)	(12,228)	(22,243)	(208)	(43,301)
Depreciation ROUA	(1,014)	(5,700)	(5,378)	(316)	(12,408)
Amortisation of customer contracts	(163)	(8,823)	(7,721)	-	(16,707)
Net finance costs	(12)	(1,713)	(10,147)	(13,281)	(25,153)
Acquisition and transaction expenses	-	(24)	(83)	(464)	(571)
Net foreign exchange gain/(loss)	-	2	2,031	1,195	3,228
Profit/(loss) before income tax expense	28,534	25,535	8,644	(27,116)	35,597
Income tax expense					(7,535)
Profit after income tax expense					28,062
Consolidated - 30 June 2024					
Assets					
Segment assets	340,218	945,446	983,902	129,964	2,399,530
Total assets					2,399,530
Liabilities					
Segment liabilities	74,780	351,408	147,174	804,866	1,378,228
Unallocated liabilities:					
Deferred tax liability					93,929
Total liabilities					1,472,157

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 December 2024 $'000	31 December 2023 $'000	31 December 2024 $'000	30 June 2024 $'000
Australia	753,363	677,708	1,188,393	1,194,670
Singapore	111,962	101,541	137,170	127,420
United Kingdom	20,467	18,378	72,167	68,950
United States of America	186,055	185,086	641,445	606,607
	1,071,847	982,713	2,039,175	1,997,647

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 3. Revenue from contracts with customers

	Consolidated	
	31 December 2024 $'000	31 December 2023 $'000
Goods transferred at a point in time	256,173	238,876
Services rendered over time	815,674	743,837
Revenue from contracts with customers	1,071,847	982,713

Note 4. Other income

	Consolidated	
	31 December 2024 $'000	31 December 2023 $'000
Net foreign exchange gain	498	5,029
Gain on disposal of property, plant and equipment	-	358
Other income	8,402	8,250
Other income	8,900	13,637

Other income earned includes grants, rebates and other sundry items.

Note 5. Income tax expense

	Consolidated	
	31 December 2024 $'000	31 December 2023 $'000
Income tax expense		
Current tax expense	10,284	13,322
Deferred tax - origination and reversal of temporary differences	(4,800)	(5,740)
Adjustments recognised for prior periods	(321)	(47)
Aggregate income tax expense	5,163	7,535
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	25,213	35,597
Tax at the statutory tax rate of 30%	7,564	10,679
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based expenses	109	141
Non-taxable income	(2,702)	(2,362)
Tax effect of other non-assessable foreign expenses	(193)	(492)
Other non-deductible expenses	1,064	1,033
	5,842	8,999
Difference in overseas tax rates	(712)	(1,111)
Adjustment recognised for prior periods - current tax	(321)	(47)
Adjustment recognised for prior periods - deferred tax	227	127
Tax loss (recognition)/de-recognition	(201)	(400)
Other	328	(33)
Income tax expense	5,163	7,535

Note 5. Income tax expense (continued)

The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to the Group, including amendments to IAS 12, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on country-by-country reporting and financial information for the constituent entities in the Group. The Pillar Two effective tax rate in all material jurisdictions in which the Group operates is above 15%. The Group has not recognised any Pillar Two current tax expense.

Note 6. Derivative financial assets

	Consolidated	
	31 December 2024	30 June 2024
	$'000	$'000
Current assets		
Fuel price swap contracts - cash flow hedges	357	-

Refer to note 13 for further information on financial instruments.

Note 7. Non-current assets classified as held for sale

Land and buildings with net book value of $19,643,000 relating to the sale and leaseback of South Bunbury, Welshpool and Landsdale bus depots have been reclassified as held for sale (refer note 17).

Note 8. Property, plant and equipment

Acquisitions and disposals
During the six months ended 31 December 2024, the Group acquired assets (including capital work in progress) with a cost of $119,477,000 (2023: $136,700,000). There were no assets acquired via business combinations (2023: $200,000).

Assets with a net book value of $6,879,000 were disposed of by the Group during the six months ended 31 December 2024 (2023: $3,700,000) resulting in a net loss on disposal of $59,000 (2023: net gain on disposal of $400,000).

Capital work in progress as at 31 December 2024 was $79,246,000 (30 June 2024: $60,600,000). This primarily related to vessels under construction for the Marine and Tourism segment.

Note 9. Right-of-use assets

Acquisitions and disposals
During the six months ended 31 December 2024, the Group acquired rights to use leased assets with a value of $8,520,000 (30 June 2024: $55,000,000).

There were $37,986,000 right of use assets relinquished by the Group during the six months ended 31 December 2024 (30 June 2024: $7,500,000). Right of use assets relinquished by the Group included $31,400,000 relating to the option to purchase Hoxton Park depot which was held at 30 June 2024, settlement occurring in July 2024.

Note 10. Intangibles

Included in the movement of the carrying value of the Group's intangible assets during the six-months ended 31 December 2024 is $15,428,000 (31 December 2023: $16,700,000) in amortisation of customer contracts and favourable exchange differences on translation of the goodwill relating to foreign operations $20,279,000 (31 December 2023: unfavourable $12,000,000).

Impairment of Goodwill
Goodwill is tested for impairment annually (as at June 30) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model.

The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements for the year ended 30 June 2024. There were no changes in the carrying value of goodwill allocated to the cash generating units nor any impairment of goodwill during the current half year.

Note 11. Derivative financial liabilities

	Consolidated 31 December 2024 $'000	Consolidated 30 June 2024 $'000
Current liabilities		
Interest rate swap contracts - cash flow hedges	1,630	133
Non-current liabilities		
Interest rate swap contracts - cash flow hedges	2,309	285
	3,939	418

Refer to note 13 for further information on financial instruments.

Note 12. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated 31 December 2024 $'000	Consolidated 31 December 2023 $'000
Final dividend for the year ended 30 June 2024 paid on 21 October 2024 of 9.5 cents (2023: 9.5 cents) per ordinary share	25,630	25,594

The Board will continue to consider Kelsian's growth requirements, its current cash position, market conditions and the need to maintain a healthy financial position, when determining future dividends.

Note 13. Financial instruments

Financing arrangements
During the period the Group reduced its revolving letter of credit facility by $80,000,000, the remaining revolving credit facilities were unchanged as at 31 December 2024. International credit facilities were unchanged (2023: unchanged). The Group has $322,644,000 (30 June 2024: $384,178,000) in unused revolving credit facilities with the Group's financiers and $60,000,000 (30 June 2024: $140,361,000) in available revolving letter of credit facilities. In addition, the Group has $94,626,000 in ringfenced facility limits which are fully utilised.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Valuation techniques for fair value measurements categorised within level 2
Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

The interest rate swap is categorised as a level 2 within the fair value hierarchy with the fair value determined using a present value valuation technique based on market inputs (including interest rates) which are actively traded and quoted through the Australian banking system.

The fuel forward contract is categorised as a level 2 within the fair value hierarchy with the fair value determined using a present value valuation technique based on market inputs (including commodity swap pricing) which are actively traded and quoted through the Australian banking system. The two product types we have under the fuel forward contract are PLATTS Sing Gas Oil 10ppm and ICE Gas Oil.

Valuation techniques for fair value measurements categorised within level 3
Level 3 financial assets and financial liabilities have been valued using the discounted cash flows (DCF) method.

Note 13. Financial instruments (continued)

The fair values of financial assets and financial liabilities, together with their carrying amounts in the statement of financial position, for the Group are as follows:

Consolidated	31 December 2024 Carrying amount $'000	31 December 2024 Fair value $'000	30 June 2024 Carrying amount $'000	30 June 2024 Fair value $'000
Assets				
Cash and cash equivalents	131,323	131,323	134,470	134,470
Derivative financial assets	357	357	-	-
	131,680	131,680	134,470	134,470
Liabilities				
Borrowings - ringfenced finance facilities	94,626	-	100,814	-
Borrowings - commercial bills	830,882	830,882	739,946	739,946
Derivative financial liabilities	3,939	3,939	418	418
	929,447	834,821	841,178	740,364

The fair value of the financial assets and financial liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Management assessed that trade and other receivables, trade and other payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term nature of these instruments.

Note 14. Commitments

	Consolidated 31 December 2024 $'000	Consolidated 31 December 2023 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Vessels	20,219	31,845
Buses and motor vehicles	56,654	41,767
Other	21,684	18,690
	98,557	92,302

Note 15. Related party transactions

Parent entity
Kelsian Group Limited is the parent entity.

Transactions with related parties
During the half year, the following purchases/services were made with entities associated with directors on a arms length basis at normal market prices:

	Consolidated 31 December 2024 $'000	Consolidated 31 December 2023 $'000
Payment for goods and services:		
Pacific Marine Group Pty Ltd (associated with Terry Dodd) - Provision of marine piling services.	-	561
ST Property Trust, ST Property Trust No. 2, Newton No. 2 Trust (associated with Neil Smith) - Rental for bus depots operated by Transit Systems Group in Australia	9	1,539
ST Property Trust - Balance paid for purchase of strategic land and buildings Hoxton Park which settled in July 2024 (1)	28,260	-

Note 15. Related party transactions (continued)

(i) On 13 May 2024 Kelsian entered into a contract to acquire on arms length terms, the Hoxton Park bus depot in Sydney from ST Property Trust No. 2 (an entity controlled or jointly controlled by Neil Smith) for $31,400,000. The property value was supported by an independent valuation undertaken by Savills Valuations Sydney. A deposit of $3,140,000 was paid during FY24 and settlement took place on 31 July 2024.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 16. Business combinations

Prior period acquisition of Red Cat Adventures
On 1 February 2024, Kelsian completed the acquisition of the multi award-winning tourism operator Red Cat Adventures including the assets used in and comprising the business, for an enterprise value of A$14,086,000. The values identified in relation to the acquisition of Red Cat are final as at 31 December 2024. Finalisation of the purchase price accounting was completed in the 12-month measurement period, with no changes to the provisional fair values presented in the 30 June 2024 annual report.

Note 17. Events after the reporting period

Sale and Leaseback of Three West Australian Properties
Kelsian has entered into binding agreements for the sale and leaseback of the Welshpool and Landsdale bus depots in Western Australia, in addition to signing and completing the sale and lease back of the South Bunbury depot in Western Australia. The net proceeds of $20,300,000 are expected to be fully realised by the end of April 2025. The net impact of the sale and leaseback of the bus depots on Kelsian's EBITDA, EBIT and NPAT over the next five years is not expected to be material.

Jersey (Channel Islands) Bus Contract Renewal
In January 2025, LibertyBus and the Government of Jersey signed the new contract to continue running the Island's bus service for at least the next 10 years from April 2025, with provisions allowing for three, one-year extensions beyond that term. The new Jersey contract is to operate and maintain all the public bus services for the island of Jersey secures and an estimated A$260 million of revenue over the 10-year contract term. The contract will be for the operation and maintenance of approximately 80 buses, located at one depot and staffed by approximately 175 employees.

New vessels into service
In January 2025, the first of two new Southern Moreton Bay Islands vessels was delivered, and the other is anticipated to be delivered in August 2025. These new vessels provide increased capacity and will deliver improved operational performance to the services operated in the region.

Kelsian UK Limited Acquisition
On 20 February 2025, Tower Transit Limited acquired Huyton Travel Limited (HTL Buses) a small family-owned bus operator in Liverpool for approximately £1 million. HTL Buses operates a fleet of approximately 65 vehicles (39 buses, 12 minibuses, 14 shuttle vehicles) throughout Merseyside and the Northwest from a leasehold depot, with the majority of existing services under contract from Merseytravel, the transport authority for the Liverpool region in the UK.

Given the timing of the acquisition, it has been impracticable to complete the initial accounting for the business combination. As such, Kelsian cannot make disclosures relating to the fair value of assets and liabilities acquired and the contribution of any intangible assets including goodwill. As the acquisition date is after 31 December 2024, there has not been any contribution to revenue or profit of Kelsian Group recorded for the period.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 18. Earnings per share

	Consolidated	
	31 December 2024	31 December 2023
	$'000	$'000
Profit after income tax attributable to the owners of Kelsian Group Limited	20,050	28,062
	Cents	Cents
Basic earnings per share	7.41	10.92
Diluted earnings per share	7.38	10.89
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	270,659,311	256,903,748
Adjustments for calculation of diluted earnings per share:		
Performance rights	1,115,589	731,541
Restricted rights	61,929	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	271,836,829	257,635,289

Note 19. Share options and performance rights

Employee Performance Rights

The performance rights in October 2022, December 2022, November 2023 and November 2024 will vest after a period of 3 years subject to the terms of the Kelsian Group Rights Plan (formerly the SeaLink Travel Group Limited Rights Plan) including requirements for the senior employee to remain employed on such date, achievement of the performance hurdles attaching to the performance rights and Board discretion. Further information on the Kelsian Group Rights Plan may be found in the notice of 2024 Annual General Meeting issued in September 2024 and available via the corporate website or via the ASX website for announcements.

During the period two groups of performance rights granted in 2021 lapsed as the performance hurdles weren't met. In the prior year performance rights did vest and rights were converted to issued shares (2023: 140,735 at $6.34 per share) together with a purchase on market (2023: 100,604 at $6.28) to satisfy exercised rights.

During the period 1,278,178 performance rights (2023: 522,610) were granted to Key Management Personnel and Senior Executives.

The amount recognised as an expense is only adjusted when performance rights do not vest due to non-market-related conditions.

For the six months ended 31 December 2024, the Group recognised $364,000 of share-based payments expense (2023: $471,000).

Employee Share Options

There were no share options issued or outstanding during the period.

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Fiona Hele
Chair

26 February 2025

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Independent auditor's review report to the members of Kelsian Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Kelsian Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
b. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001.*

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Nigel Stevenson
Partner Adelaide
26 February 2025