

ASX ANNOUNCEMENT - KPG

Wednesday, 21st April 2021

Kelly+Partners Acquisition Announcement \$1.0m annual revenue in Newcastle

Kelly Partners continues to deliver on its published 5 year plan (Appendix A). The key elements of that plan are to grow the group organically and continually make tuck in acquisitions to the existing sites. KPG is also growing its complementary wealth, finance, general insurance, and investment office business gradually over time.

In line with this plan, Kelly Partners Group Holdings Limited ("Group", ASX:KPG) announces today that it has acquired an accounting firm located in Newcastle, NSW. As part of the acquisition, a new partnership will be formed in the name of **Kelly Partners Hunter Region**.

The acquisition is expected to contribute approximately \$950,000 in annual recurring revenue to the consolidated Group and approximately \$125,000 NPATA to the parent post transaction improvements. The acquired firm will remain at its existing location in Newcastle.

The acquisition is expected to complete on 1 July 2021 pending satisfaction of conditions precedent.

The Group is also pleased to announce it has signed a 10 year agreement with a senior accounting partner in Newcastle who will own a 49% equity interest in Kelly Partners Hunter Region and manage the transition and succession of the vendor.

Founder and Chief Executive Officer of Kelly+Partners, Brett Kelly said,

"The acquisition confirms the attractiveness of the Kelly+Partners offer and our Partner-Owner-Driver™ model to owners of progressive accounting firms. We are excited that Kelly Partners Hunter Region will become the Group's 17th office, and the Group's 15th office in NSW.

We are pleased to have a presence in Newcastle, one of the fastest developing cities in NSW. The new office extends our presence and service offering along the coast of NSW."

The Board of Directors of Kelly Partners Group Holdings Limited, has approved the release of this document to the market.

Kelly Partners Group Holdings Limited ABN 25 124 908 363

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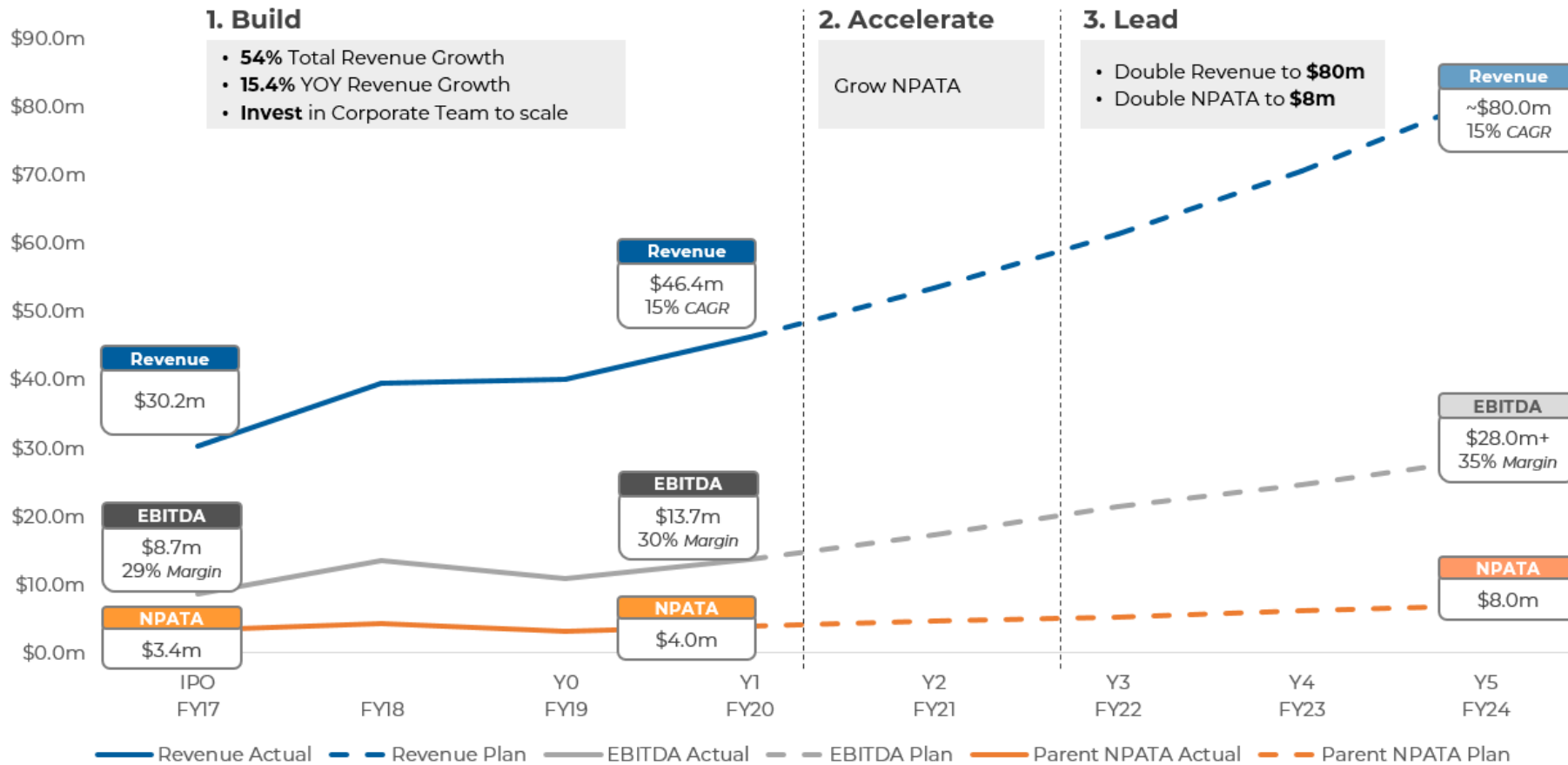
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Appendix A: KPG - 5 Year Growth Plan

Build, accelerate and lead Double revenue to \$80m+ by FY24



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Appendix B: KPG Existing and Target Locations

NSW



NSW Existing Locations: 15



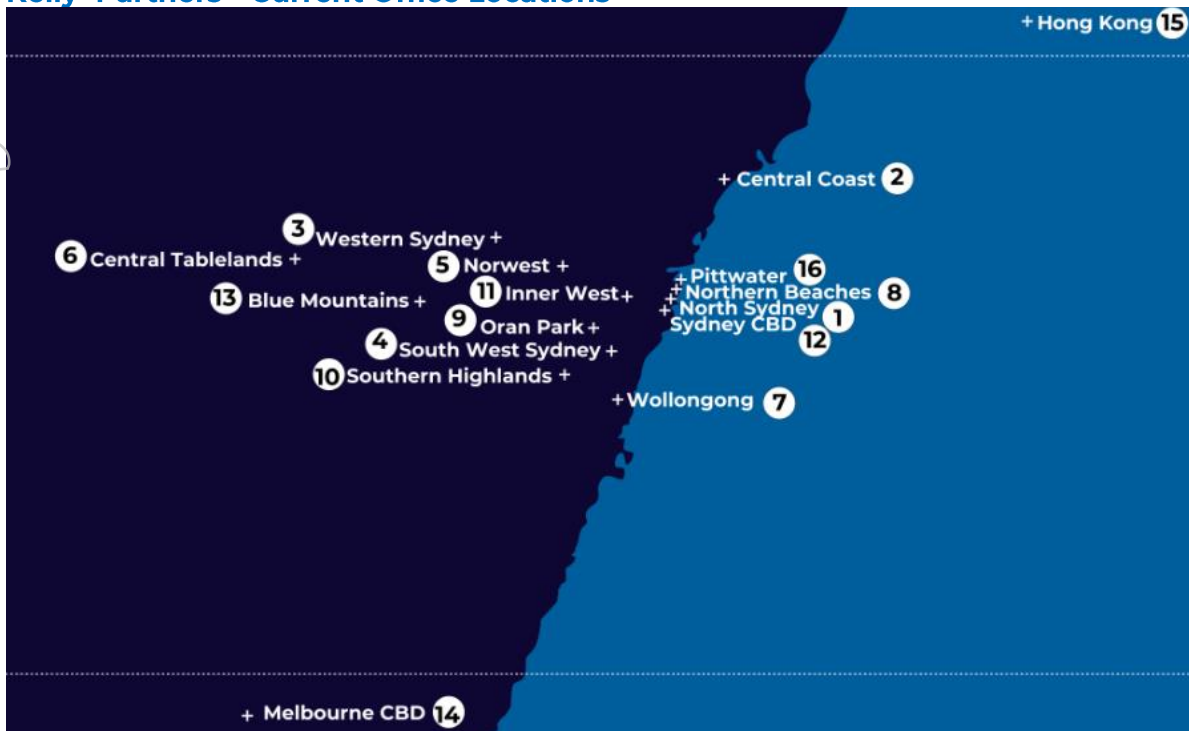
NSW Target Tuck-in Locations: 5



NSW Target Marquee Locations: 2

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Kelly+Partners – Current Office Locations



About Kelly+Partners

Kelly+Partners is a specialist chartered accounting network established in 2006 to provide a better service to private clients, private businesses & their owners, and families. Growing from two greenfield offices in North Sydney and the Central Coast, Kelly+Partners now consists of 23 operating businesses across 16 locations in Greater Sydney, Melbourne and Hong Kong. In total, the team consists of more than 250 people, including 51 partners, who service over 8,000 SME clients. Our holding company, Kelly Partners Group Holdings, was successfully listed on ASX on 21 June 2017. Over the past 14 years, Kelly+Partners has undertaken 42 individual transactions in order to build the current accounting network. This includes the transformation of 26 external firms, and the launch of 16 greenfield businesses. Our ownership structure and operating model is unique in the Australian accounting market, and provides a strong platform for long-term sustainable growth. The combination of a proven business model and specialist operational expertise enables Kelly+Partners to help solve many of the issues currently facing both the accounting sector and our SME clients.

For more information, please contact:

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