

ASX ANNOUNCEMENT - KPG

Tuesday, 16th May 2023

First Californian firm chooses Kelly+Partners

Kelly Partners Group Holdings Limited ("Group", ASX:KPG) announces that it has signed a binding heads of agreement to partner with an accounting business located in California, USA. The details are as follows:

Location: California, USA
 Revenue to Group: US\$1.2m to US\$1.7m (A\$1.8m to A\$2.5m)
 NPATA to Parent: US\$0.15m to US\$0.21m (A\$0.22m to A\$0.31m)
 based on 35% EBITDA margin post improvements
 Completion on: 1 July 2023

The acquired business will be rebranded to Kelly Partners Woodland Hills. The existing partner of the acquired business will continue as a 49% equity partner.

This partnership is not material to KPG, however it indicates our focus on the California market.

Founder and CEO of Kelly+Partners, Brett Kelly said,
"The partnership confirms the attractiveness of the Kelly+Partners offer and our Partner-Owner-Driver™ model to owners of leading accounting firms. We are excited to complete our first acquisition in California, USA and building our presence in the area."

A summary of the acquisitions we have announced for FY23 are as follows:

| # | Date of completion | Location | Type | Revenue to Group |
|---|----------------------------|-----------------------------|---------|---------------------------|
| 1 | 1 September 2022 | Leeton, NSW | Marquee | \$0.8m to \$1.0m |
| 2 | 8 September 2022 | Palm Beach, QLD | Marquee | \$1.6m to \$2.1m |
| 3 | 4 October 2022 | Maitland, NSW | Marquee | \$1.5m to \$2.2m |
| 4 | 8 November 2022 | Melbourne, VIC | Tuck-in | \$0.5m |
| 5 | 5 December 2022 | South West Brisbane, QLD | Marquee | \$0.6m |
| 6 | 3 April 2023 / 3 July 2023 | Griffith, NSW / Sydney, NSW | Marquee | \$8.2m to \$11.7m |
| 7 | 3 April 2023 | Brisbane CBD, QLD | Marquee | \$0.5m |
| 8 | 1 August 2023 | Gold Coast, QLD | Marquee | \$1.5m - \$2.1m |
| 9 | 1 July 2023 | California, USA | Marquee | \$1.8m - \$2.5m |
| | Total | | | \$17.0m to \$23.2m |
| | % of FY22 Revenue | | | 26.1% to 35.7% |

The Executive Chairman of Kelly Partners Group Holdings Limited has approved the release of this document to the market.

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KP+GH

KELLY PARTNERS GROUP HOLDINGS LIMITED

Kelly+Partners – Current Office Locations - NSW



Kelly+Partners – Current Office Locations – VIC



Kelly+Partners – Current Office Locations – QLD



Kelly+Partners – Current Office Locations – International



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About Kelly+Partners Group Holdings Ltd (ASX:KPG)

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 35 operating businesses across 28 locations in Australia, Hong Kong and the United States.

In total, the team consists of more than 400 people, including 78 partners, who service over 17,000 SME clients.

The holding company, Kelly Partners Group Holdings Limited, was successfully listed on ASX on 21 June 2017.

Over the past 17 years, Kelly+Partners has undertaken 70 individual transactions in order to build the current accounting network. This includes the transformation of 40+ external firms, and the launch of 20+ greenfield businesses.

KPG's ownership structure and unique operating model (**Partner-Owner-Driver™**) is transforming 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 KPG to help solve many of the issues currently facing both the accounting sector and the SME clients of our firms.

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