

1. Company details

Name of entity:	Kelsian Group Limited
ABN:	49 109 078 257
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

	2025 \$'000	2024 \$'000	Change \$'000	Change %
Revenue from ordinary activities	2,208,909	2,016,811	192,098	10%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) ⁽¹⁾	277,176	265,035	12,141	5%
Earnings Before Interest, Tax and Amortisation (EBITA) ⁽¹⁾	161,410	155,894	5,516	4%
Earnings Before Interest and Tax (EBIT) ⁽¹⁾	128,208	121,751	6,457	5%
Net Profit after Tax and before Amortisation (NPATA) ⁽¹⁾	87,696	92,149	(4,453)	(5%)
Underlying⁽²⁾ EBITDA ⁽¹⁾	284,966	265,408	19,558	7%
Underlying ⁽²⁾ EBITA ⁽¹⁾	169,200	156,267	12,933	8%
Underlying ⁽²⁾ EBIT ⁽¹⁾	135,998	122,124	13,874	11%
Underlying ⁽²⁾ NPATA ⁽¹⁾	94,787	92,522	2,265	2%
Profit from ordinary activities after tax attributable to the owners of Kelsian Group Limited	54,494	58,006	(3,512)	(6%)
Underlying ⁽²⁾ profit from ordinary activities after tax attributable to the owners of Kelsian Group Limited	61,584	58,488	3,096	5%

(1) EBITDA, EBITA, EBIT and NPATA are all non-IFRS measures.

(2) Underlying Results adjusted for significant items for the period.

	2025 \$'000	2024 \$'000
Significant items for the period		
Acquisition, transaction related costs and other	5,506	374
Group system costs	2,284	-
Total significant items	7,790	374
Tax effect of significant trading items and one off tax adjustments	(699)	108

Refer to the commentary in the Directors' Report in the 'Review of operations' section.

The profit for the Group after providing for income tax amounted to \$54,494,000 (30 June 2024: \$58,006,000).

3. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Fully Franked Final Dividend ⁽¹⁾	9.5	9.5
Fully Franked Interim Dividend (paid 16 April 2025)	8.0	8.0

(1) Record date for determining entitlements to 2025 final dividend is 16 September 2025. Payment date for the final dividend is 21 October 2025.

Previous period

	Amount per security Cents	Franked amount per security Cents
Fully Franked Final Dividend	9.5	9.5
Fully Franked Interim Dividend (previous corresponding period)	8.0	8.0

4. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

Participation in the Dividend Reinvestment Plan (DRP) will be offered to shareholders in Australia, New Zealand, the United Kingdom, Jersey, Canada, and Qualified Institutional Buyers in the United States. Under the DRP, Kelsian shares will be issued at the average of the daily volume weighted average market price of Kelsian shares sold on ASX during the 10 trading days commencing 19 September 2025 with no discount.

The last date(s) for receipt of election notices for the dividend or distribution plans: 17 September 2025

5. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	33.22	17.92

6. Control gained over entities

Not applicable.

7. Loss of control over entities

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

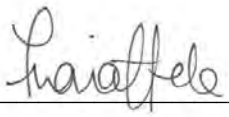
The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Kelsian Group Limited for the year ended 30 June 2025 is attached.

12. Signed

Signed 

Date: 26 August 2025

Fiona A Hele
Chair

For personal use only

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') 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 year ended 30 June 2025.

Directors

The names and details of the Company's Directors in office during the financial year or at the date of this report are set out below. Directors have been in office for the entire period unless otherwise stated.

Fiona A. Hele (B.Com, FCA, FAICD) – Chair – Independent Non-Executive Director

Ms Hele is an experienced Non-Executive Director with a strong commercial and finance background. Ms Hele is a Chartered Accountant with over 30 years' experience in both the private and public sectors specialising in strategic business advisory, mergers and acquisition, risk management and corporate governance.

Ms Hele is a Fellow of the Institute of Chartered Accountants, Australia and New Zealand, and a Fellow of the Institute of Company Directors.

Ms Hele is also a Director of Argo Global Listed Infrastructure Limited and CEA Technologies Pty Ltd. Past Directorships include the Adelaide Venue Management Corporation, South Australian Tourism Commission, Celsus Securitisation Pty Ltd, Prime Q, Adelaide Fringe Festival and SA Water Corporation.

Ms Hele joined the Board in 2016 and was Chair of the Audit, Risk and Sustainability Committee until 1 July 2025 when she became Chair of the Board. She is currently a member of the Nomination Committee. Ms Hele is classified by the Company as an independent director.

Terry J. Dodd – Independent Non-Executive Director

Mr Dodd has extensive experience in business management and the marine industry. After qualifying as a commercial diver in the USA and working as a commercial diver in the onshore and offshore oil and gas industry, he successfully established a recreational diving business and a travel agency in North Queensland (after which he built both a marine construction and ferry business).

Mr Dodd is Managing Director and owner of Pacific Marine Group Pty Ltd, one of Australia's largest marine construction and commercial diving companies. Mr Dodd was previously Managing Director of Sunferries, a ferry transport business based in Townsville, prior to its sale to Kelsian in March 2011 when Mr Dodd joined the Board of Kelsian.

Mr Dodd is former deputy chair of the Australian Festival of Chamber Music as well as the former deputy chair of Commerce Queensland, and former chairman of Sydney Fast Ferries.

Mr Dodd is Chair of the Nomination Committee, a member of the Finance and Audit Committee and is classified by the Company as an independent director.

Neil E. Smith (MTM, BA) – Non-Executive Director

Mr Smith was one of the founding shareholders and a former Director of the Transit Systems Group prior to the acquisition by Kelsian. He has over 30 years of commuter transport operations experience.

Mr Smith commenced his career within the Sydney bus industry, before acquiring a number of bus operations in rural NSW and then Queensland. In 1995, Mr Smith joined with Graham Leishman and Lance Francis to found Transit Systems and in 2013, was a founding shareholder of Tower Transit.

Mr Smith holds a Bachelor of Arts Degree and a Masters of Transport Management from the University of Sydney. He is an occasional lecturer at the Massachusetts Institute of Technology, the University of Sydney and the University of Johannesburg.

Mr Smith is a member of the Safety, Risk and Sustainability Committee, member of the Nomination Committee and is classified by the Company as a non-independent director.

Lance E. Hockridge (FCILT, FIML, MAICD) – Independent Non-Executive Director (resigned 31 July 2025)

Mr Hockridge has extensive international experience in the transportation, manufacturing and logistics sectors with a focus on safety, operational and financial transformation of businesses.

Mr Hockridge was previously the Managing Director and CEO of Aurizon Holdings Limited (2010 to 2016) following the demerger of Queensland Rail and QR National from a government owned railway to an ASX50 company. Other notable accomplishments as an executive include the oversight of BHP's global transport business, together with key roles in financial and operational reform in the heavy industrial sector and leading a major turnaround for BlueScope Steel's North American operations.

Mr Hockridge is currently Chair and Member of AVADA Group Limited, a Director of Saudi Arabia Railways, Vivedus Pty Ltd, and Greenlink Australia Pty Ltd.

Until 31 July 2025, Mr Hockridge was Chair of the People, Culture and Remuneration Committee, a member of the Safety, Risk and Sustainability Committee and a member of the Nomination Committee. Mr Hockridge is classified by the Company as an independent director.

Diane J. Grady AO (BA Mills, MA Hawaii, MBA Harv, FAICD) – Independent Non-Executive Director

Ms Grady has extensive international experience as a company director across a variety of industries. She has been a full-time independent director since 1994 serving on a range of public company and not-for-profit boards, and was previously a partner of McKinsey & Co where she led the Consumer Goods, Marketing and Retailing practice in Australia and was a global leader of the Firm's Organisation, Culture and Change Management practice.

Ms Grady is currently a non-executive director on the Board of Grant Thornton and is on the Strategy Council of Heads Over Heels (a not for profit that supports women entrepreneurs seeking to scale up their businesses). Her former directorships include Tennis Australia, the Macquarie Group, Woolworths, BlueScope Steel, Goodman Group, Lend Lease, and Wattyl. She has also served as a Trustee of The Sydney Opera House, President of Chief Executive Women, Chair of Ascham School, and Chair of The Hunger Project Australia.

Ms Grady is classified by the Company as an independent director. For all of the reporting period Ms Grady was a member of the People, Culture and Remuneration Committee, the Finance and Audit Committee and the Nomination Committee. From 1 August 2025, Ms Grady is Chair of the Safety, Risk and Sustainability Committee and a member of the Finance and Audit Committee, People and Culture and Remuneration Committee and Nomination Committee.

Jacqueline McArthur (BEng, MAICD) – Independent Non-Executive Director

Ms McArthur is a highly experienced company director, currently on the Boards of Cleanaway Waste Management Ltd and Orora Limited. Ms McArthur was previously a non-executive director of Qube Holdings Ltd, Inghams Group Ltd, Tassal Group Ltd, InvoCare Ltd, and Blackmores Ltd.

With over 20 years of experience at executive and board level from her roles in strategy, general management, global and regional transport, supply chain and logistics, corporate social responsibility, governance, and IT, Ms McArthur's extensive skills and experience are highly valued by the Kelsian Board.

In her role as Managing Director of Martin Brower-ANZ, a global distributor and supply chain services provider, she was responsible for the oversight of a supply chain worth \$4.5bn across 38 markets. Ms McArthur was the 2016 Telstra NSW Business Woman of the Year and overall, 2016 Telstra Business Women's Awards – Corporate and Private National winner. She has a Bachelor of Engineering from the University of Sydney, completed the INSEAD International Executive Program and is a member of the Australian Institute of Company Directors.

Ms McArthur is classified by the Company as an independent director. For all of the reporting period Ms McArthur was Chair of the Safety, Risk and Sustainability Committee, a member of the People, Culture and Remuneration Committee and the Nomination Committee. From 1 August 2025, Ms McArthur is Chair of the People, Culture and Remuneration Committee and a member of the Safety, Risk and Sustainability Committee.

Caroline A. Elliott (B.Ec, CA, GAICD) – Independent Non-Executive Director

Ms Elliott is highly experienced at both executive and board levels from roles across a range of sectors including retail, financial services, healthcare, accounting, and transport. With over 25 years of experience in C-Suite roles including CFO, Company Secretary, COO, and CEO across multiple organisations.

Ms Elliott is currently a non-executive director of Cettire Limited (ASX: CTT); non-executive director and Chair of the Finance, Audit and Risk Committee of St John Ambulance Australia (Vic); non-executive director of Wiltrust Nominees Pty Ltd ATF Edward Wilson Trust and non-executive director of The Cormack Foundation Pty Ltd. Previously, Ms Elliott was Chair of the National Film and Sound Archive of Australia, a non-executive director and Chair of the Audit and Risk Committee of DorsaVI Limited, a non-executive director of Cell Therapies Pty Ltd, Peter MacCallum Cancer Centre and Public Transport Ombudsman Limited.

Ms Elliott is a Member of the Institute of Chartered Accountants, Australia and New Zealand, and Graduate of the Australian Institute of Company Directors.

Ms Elliott is classified by the Company as an independent director. For all of the reporting period Ms Elliott was Chair of the Finance and Audit Committee and a member of the Safety, Risk and Sustainability Committee and the Nomination Committee. From 1 September 2025 Ms Elliott will be Chair of the Finance and Audit Committee and a member of the People, Culture and Remuneration Committee and Nomination Committee.

Jeffrey R. Ellison AM (B. Acc, FCA, FAICD) – Chair and Non-Executive Director (retired 1 July 2024)

Mr Ellison holds a Bachelor of Arts Degree in Accounting from the University of South Australia, is a Fellow of the Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. He joined the company in 1991 as CFO and then GM, and was appointed to the position of Chief Executive Officer of Kelsian Group Limited in 1997 and then, Managing Director in 2008. Mr Ellison retired as Managing Director and CEO on 16 January 2020 and following a month of transition became a non-executive director from 17 February 2020. He was subsequently appointed Acting Chair with effect from 1 July 2020 and Chair on 23 February 2021. Mr Ellison retired as a non-executive director and Chair of the Company with effect from 1 July 2024.

Mr Ellison was a member of the Nomination Committee and classified by the Company as non-independent director.

Clinton Feuerherdt (B.Ec, B.Com (Hons) – Managing Director and Group Chief Executive Officer (resigned 31 March 2025)

Mr Feuerherdt joined Kelsian as Group CEO in 2020 following the acquisition by Kelsian of the Transit Systems Group. Mr Feuerherdt was CEO of Transit Systems Group for 10 years and, under his guidance, Transit Systems Australia was entrusted with more franchised bus service contracts than any other company in Australia, growing revenue by over 400%.

Mr Feuerherdt has led the global expansion of Kelsian into the United Kingdom in 2012, Singapore in 2015, and the USA in 2023.

Mr Feuerherdt graduated from the University of Queensland with an Honours Degree in Commerce and was awarded the University Medal. Mr Feuerherdt previously worked in investment banking.

In addition to holding the role of Group Chief Executive Officer, Mr Feuerherdt was appointed as Managing Director, and a member of the Kelsian Board, in July 2023. Mr Feuerherdt resigned effective from 31 March 2025.

Joint Company Secretary

Joanne H. McDonald (LLB, B.Ec, GAICD, FGIA)

Ms McDonald was appointed Company Secretary on 21 August 2018. Ms McDonald has over 25 years' experience in governance, commercial and corporate law holding company secretarial and senior legal and commercial positions with listed private and statutory corporations. She holds a Bachelor of Laws (Hons) and Bachelor of Economics from the University of Adelaide as well being a graduate of the Australian Institute of Company Directors and Fellow of the Australian Governance Institute. Ms McDonald is also Group Chief Legal and Risk Officer for the Company.

Joint Company Secretary

Andrew D. Muir (B.Ec, MBA)

Mr Muir was appointed Company Secretary on 1 June 2018. Mr Muir has also held a number of similar financial positions with other ASX listed and private companies. Mr Muir holds a Bachelor of Economics and a Master of Business Administration from the University of Adelaide. Mr Muir is also Group Chief Financial Officer of the Company.

Interest in the shares of the Company and related bodies Corporate

	Number of ordinary shares
As at the date of this report, the interests of the Directors in the shares of the Company were:	
Neil Smith	24,305,622
Clinton Feuerherdt (resigned 31 March 2025)	6,168,676
Terry Dodd	5,846,439
Jeffrey Ellison AM	5,429,583
Lance Hockridge (resigned 31 July 2025)	111,765
Fiona Hele	125,387
Diane Grady AO	35,337
Jacqueline McArthur	70,000
Caroline Elliott	10,000

Principal activities

During the financial 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 year were as follows:

	2025 \$'000	Consolidated 2024 \$'000
Interim fully franked dividend for the year ended 30 June 2025 paid 23 April 2025 of 8.0 cents (2024: 8.0 cents) per ordinary share	21,691	21,549
Final fully franked dividend for the year ended 30 June 2024 paid 21 October 2024 of 9.5 cents (2023: 9.5 cents) per ordinary share	25,630	25,594
	47,321	47,143

Kelsian's Directors today declared a 9.5 cents per share fully franked final dividend payable on 21 October 2025 to shareholders registered on 16 September 2025. Total 2025 dividends of 17.5 cents represents a 50.2% return of underlying net profit after tax and before amortisation to shareholders, which is in line with the Company's policy of returning 40% - 60% of net profit after tax and before amortisation, subject to business needs and ability to pay. The interim dividend for the half-year ended 31 December 2024 was 8.0 cents per share.

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

The Dividend Reinvestment Plan (DRP) will be in operation for the 2025 final 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 17 September 2025. Kelsian periodically adjusts its DRP and the DRP discount for the 2025 final dividend is 0%. Kelsian expects to satisfy dividends paid by way of the DRP 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 of the daily volume weighted average market price of Kelsian shares sold on ASX during the 10 trading days commencing 19 September 2025.

Review of operations

The profit for the Group after providing for income tax amounted to \$54,494,000 (30 June 2024: \$58,006,000).

Kelsian Group Limited ('Kelsian') is a leading global operator of bus, motorcoach and marine services, trusted by governments and private clients to deliver safe, reliable and sustainable passenger transport solutions. With over 30 years of experience, Kelsian connects people and places across complex urban and regional networks in Australia, the UK, Singapore, the USA and the Channel Islands. Our innovative customer focused operations enable our partners to improve efficiency, mobility and achieve their sustainability goals.

Our businesses include Transit Systems - one of Australia's largest public bus operators, All Aboard America! Holdings, Inc. (AAAHI) - the second-largest motorcoach operator in the USA; SeaLink - Australia's leading marine transport provider and Tower Transit - spearheading bus franchising in the UK and Singapore.

As a leader in low and zero-emission transport, Kelsian is helping shape the future of sustainable mobility. Kelsian has a strong track record of growth, underpinned by a majority of defensive, long-term, government or corporate-backed service contracts, most with effective cost base protection. Kelsian enjoys long term Government and corporate contracts with more than 90% of Group revenues contracted or non-discretionary in nature. This results in predictable and defensive cash flows.

The results for the 12-month period ended 30 June 2025, were in line with expectations and were achieved despite ongoing cost pressures in an inflationary environment.

The strong growth in revenue, up 10.0% to \$2,208,909,000, was achieved with growth across all three divisions and geographies. Pleasingly, all three divisions delivered growth in EBITDA and EBIT during the period reflecting operational excellence, disciplined cost control and efficiencies.

Most of our public transport contracts include contract indexation mechanisms which protect the business from fluctuations in the cost base for fuel, wage inflation and CPI. The solid growth in AAAHI was achieved with several new contracts commencing during the period delivering improved profitability.

FY25 Underlying EBITDA was \$284,966,000, and in line with guidance provided at the FY24 results in August 2024.

One off costs during the period included \$3.5 million (pre-tax) in the first half relating to acquisition and due diligence costs and a property-related cost relating to the unsuccessful Melbourne bus franchise tender. In the second half there were one off costs of \$2.1 (pre-tax), of which the majority relates to implementation costs for the new finance and HR system (Workday Systems).

Kelsian recorded a statutory Net Profit after Tax ('NPAT') of \$54,494,000, compared to \$58,006,000 in the previous year reflecting higher depreciation and higher interest costs associated with larger facilities.

FY25 Financial Results Overview

- Revenue of \$2,208,909,000, up 10% compared to 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 up 7% to \$284,966,000 compared to FY24;
- Higher interest expense reflects line fees on larger facilities and higher debt levels linked to the peak capital investment program;
- Underlying Net Profit After Tax and before Amortisation of \$94,787,000, up 2% compared to FY24 reflecting higher depreciation and higher interest costs;
- Record operating cashflow with net operating cashflow up 39.5% to \$204.6 million and continued strong cash conversion at 86.8%;
- Strengthened balance sheet reflecting strong cashflow generation and completion of the peak capex cycle. Leverage was 2.7x compared to 3.2x at 31 December 2024; and
- Fully franked final dividend of 9.5 cents per share, taking the full year to 17.5 cents per share (in line with FY24);

(1) Underlying EBITDA has been adjusted for one-off costs associated with M&A due diligence, acquisition costs, Finance and HR system costs and an abnormal property related cost associated with the Melbourne bus franchise tender.

FY25 Operational Highlights

- As at 30 June 2025, Kelsian Group employed over 12,800 people and operated over 5,800 buses, 124 vessels and 24 light rail vehicles that delivered more than 383 million customer journeys in FY25;
- A focus on operational efficiency together with our strong reputation and performance saw Kelsian retain renew all material contracts as well as several new contracts;
- Commenced the Bankstown Rail Replacement service in NSW in September 2024;
- Strategic property acquisition of Hoxton Park, bus depot in Sydney;
- Sale and leaseback of three West Australian bus depots;
- Two contract extensions and a new contract won in Singapore; and
- Acquisition of Huyton Travel (UK).

Review of Operations - Australian Bus

Kelsian is one of Australia's largest public bus operators with a diversified portfolio in several cities including Sydney, Adelaide, Perth and Melbourne, as well as operating in resources, education and charter sectors.

In September 2024 Kelsian commenced the Bankstown Rail Replacement service in NSW with 60 new buses and 140 new drivers recruited, trained and deployed, on time and on budget. This service contributed to solid revenue growth and margins in the Australian Bus business in FY25.

In part offsetting the positive Bankstown Rail Replacement contribution, several Sydney bus contracts faced operational performance and congestion-related challenges. This was compounded by higher accident rates associated with many new inexperienced drivers and increased traffic. The business also incurred higher maintenance costs associated with an ageing fleet due to delays in the upgrade and electrification of charging infrastructure at depots and rollout of new electric buses. The launch of an operational efficiency program and service changes in Sydney delivered an improved contribution during the last quarter of FY25.

During the period, Kelsian continued its strong track record of contract renewals and extensions. In March 2025, Transport for New South Wales ('TfNSW') entered direct negotiations with Kelsian for an extension for the provision of public bus services in Sydney's Region 6. In June 2025, TfNSW advised it was seeking NSW Government approval to proceed with a two-year extension to operate Region 6 until 30 June 2028.

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 that commenced in January 2025, securing approximately \$100 million of contracted revenue over the term of the contract.

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 purchase of Hoxton Park bus depot was completed in July 2024 representing an opportunistic purchase of a valuable and strategic asset that will be integral in the growth strategy for the important Sydney market.

In February 2025, Kelsian announced the sale and leaseback of three West Australian bus depots, to optimise the Group's portfolio for purposes of allocating funds to higher returning assets, whilst securing the use of the sites for operational purposes through long term leases. The total proceeds of the three depots sold was \$20.3 million.

Review of Operations – International Bus Division

USA

Kelsian has a well-established foothold in the USA, as the owner of All Aboard America! Holdings, Inc. (AAAHI); the second-largest motorcoach company in the country. Kelsian continues to retain clients across its charter and contracting operations and has successfully renewed all key contracts since the business was acquired in June 2023.

Kelsian's operations in the USA continued to perform well during the period with ongoing growth in several of our existing contracts and several exciting new contracts secured in the second half.

In July 2024, Kelsian 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, Kelsian renewed and expanded the contract with the State of Colorado's Department of Transportation. The capital-light contract is for the operation of the statewide Bustang motorcoach network doubling the size of the existing contract and will generate up to US\$26.5 million of revenue in the first year.

In June 2025, AAAHI signed two contracts for workforce transportation services relating to LNG Projects in the Gulf Coast. The first was a contract with Worley Field Services, Inc. to provide workforce transportation services for the Venture Global LNG CP2 Project development in Cameron Parish, Louisiana, USA. The second was a contract with Bechtel Energy, Inc. to supply workforce transportation services in connection with the Louisiana LNG development project in Calcasieu Parish, Louisiana.

In June 2025, Mr Brent Maitland commenced as CEO following Mr Graeme Legh's succession to Kelsian Group CEO. Mr Maitland has over 20 years' leadership experience in the motorcoach transport industry.

UK and Channel Islands

In April 2025, Kelsian successfully renewed a contract with the Government of Jersey to continue running the Island's bus service for at least the next 10 years. The new Jersey contract to operate and maintain all the public bus services for the Island of Jersey secures an estimated A\$260 million of revenue over the 10-year contract term.

Kelsian was not successful in renewing the Guernsey bus contract which expired in March 2025. The contribution from the Guernsey contract was not material.

In February 2025, Tower Transit Limited completed the acquisition of Huyton Travel, a regional bus operator in Liverpool. Huyton Travel provides access to buses, drivers, a leasehold depot and a training school. The total consideration paid was 1.0 GBP million and included a deferred earn-out component. The priority and focus of the UK team is now on the upcoming tenders in Liverpool and elsewhere in regional UK.

Singapore

Singapore's performance in FY25 was in line with expectations with the business achieving performance incentives reflecting improved operational performance. It continued to excel in maintenance audits conducted by the Land Transport Authority of Singapore (LTA) and upheld a strong safety track record which was recognised with the Operational and Workplace Safety Award at the Public Transport Safety and Security Awards 2024. In recognition of its strong operational performance, the business was awarded two-year contract extensions for each of its existing PT217 contracts and several new service routes by the LTA, further expanding its role in Singapore's public bus network.

Kelsian also secured a new capital light contract for the operation of bus services and maintenance of vehicles for Sentosa Development Corporation, scheduled to begin in October 2025. This is an important achievement for the Singapore business as its first contracted service outside of the public transport sector.

Marine and Tourism Division

The FY25 results for the Marine and Tourism division were mixed with several markets continuing to see good levels of activity and growth including South East Queensland, Whitsundays, Gladstone and Townsville. However some markets, particularly K'gari (Fraser Island), experienced lower levels of visitation and occupancy throughout the period.

In March 2025, parts of the Marine and Tourism division in Queensland were impacted by Cyclone Alfred. While there was no material damage to Kelsian infrastructure or assets, the widespread heavy rainfall and associated flooding, in particular for K'gari, North Stradbroke Island and Whitsunday Islands resulted in an extended period of interrupted trading, including the suspension of services and lower occupancy rates.

A new Gladstone vessel (MV Goodna) was delivered during the period, to support the renewed 10-year contract that commenced in November 2022. A feature of MV Goodna is its solar panels, totalling 14.5 kilowatts that can power essential systems, significantly reducing carbon emissions. Furthermore, MV Goodna is one of the first vessels in Australia fitted with IMO Tier III engines, which reduce both Nitrogen and Sulphur Oxide emissions, cutting emissions by up to 75% compared to conventional diesel engines, further underscoring our commitment to enhancing the sustainability of our marine fleet.

One of the two new Southern Moreton Bay Islands vessels was delivered during the period with the second now due in November 2025. The vessels will provide increased capacity and deliver improved operational performance to the services in the region.

Kelsian renegotiated and 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 up to approximately \$25.7 million of services 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. The two new vessels, called 'Wanggami' and 'Ruwi', are being built to support the 25-year exclusive licence and will more than double annual vehicle meterage capacity to Kangaroo Island.

Corporate

Kelsian completed a detailed review of its Capital Management and Allocation Framework ('CMAF') in February 2025. The core objectives of the CMAF 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; and
- Significantly grow return on invested capital in the medium term, with management remuneration and incentives aligned to that outcome.

Kelsian evaluated its portfolio against the CMAF, to identify potential opportunities to improve returns and optimise the overall composition of the Group's portfolio of businesses and assets. As part of this, three West Australian bus depots were assessed and viewed as not strategic and were subsequently sold with total proceeds of ~\$20.3 million realised during the period. Kelsian secured the use of the three sites for operational purposes through appropriate long-term leases.

In April 2025, following a thorough evaluation, Kelsian decided that a sale of a portfolio of Tourism businesses ('Tourism Portfolio') had the potential to release significant value for shareholders. The Board believes that streamlining the revenue and operations will allow Kelsian to focus more on its marine, bus and motorcoach transport businesses while lowering capital intensity and further increasing the predictability of the Group's earnings base.

The Tourism Portfolio earmarked for potential divestment comprises K'gari (Fraser Island) resorts, tours and ferry (including Kingfisher Bay Resort, K'gari Beach Resort and K'gari Explorer Tours); SeaLink Sydney Harbour (including Captain Cook Cruises, The Jackson and The Starship Group); Murray Princess; Adelaide Sightseeing; SeaLink Western Australia (including Captain Cook Cruises, SeaLink Rottnest Island and Swan Valley Tours, but excluding the Transperth ferry); SeaLink Whitsundays (including Red Cat Adventure tours); SeaLink Tasmania, and SeaLink Northern Territory.

During the period, work on the finance and HR system upgrade began scaling up. Kelsian has appointed Cognizant Technology Solutions as systems integrator to implement Workday, 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.

Risk management

To deliver our strategy it is important we understand and manage the risks that face the Group. Kelsian's Risk Management Framework supports a holistic approach to business risk management, identifying and understanding material risks across our operating divisions then consolidating these with Group risks to produce a Group view of our material business risks.

Material risks are reported to and reviewed by the Board, the Safety, Risk and Sustainability Committee and Group Executive as part of risk reporting processes. The Board Safety, Risk and Sustainability Committee, along with the Group Executive, monitor these risks to ensure the risk is within the Group's risk appetite, whilst at the same time identifying and analysing emerging risks that we face in the pursuit of our objectives. The Group has in place a risk appetite framework which informs the business of the Board's appetite for certain risks.

Risk management is also integrated into key business decision-making activities, including strategic planning, investment decisions, financial risk management and project/change management. Internal audits and risk reviews are undertaken to confirm risks are being effectively managed and continually improve the quality of risk management information reported to the Board through the Safety, Risk and Sustainability Committee.

The achievement of Kelsian's strategic objectives and future financial performance is subject to various risks that arise from the activities and operations of the Group. The table below outlines our material risks that could affect results and performance. (Note this is not an exhaustive list nor in order of materiality.)

Risk	Description	Mitigation
External Risks		
Economic Conditions	Like all organisations, the Group is exposed to economic fluctuations which can impact on customer needs, supply chain costs and growth opportunities. The global economic outlook is looking uncertain, driven by geopolitical tensions, trade disputes, policy unpredictability which all have the potential to impact inflation and interest rates, supply chain costs, labour and fuel prices all of which increase uncertainty around financial resources	In addition to hedging through financial instruments, the Group have natural hedging within many of its contracts to significantly manage this risk. In FY24, Kelsian signed a binding agreement to refinance and upsize its existing debt facilities which is available to support our global operations. This is further supported by innovative and efficient business operating models that support our clients in delivering safe, reliable, sustainable and economical solutions.
Climate Change	Businesses globally continue to come under increasing pressure from all stakeholders to demonstrate strong progress on understanding their climate related risks and performance. Failure to manage the risks, and expectations, in respect of climate-change could negatively impact the Group's reputation, performance and growth opportunities. Kelsian believes that the transition to a lower carbon economy presents opportunities as well as risks for our business. The transition to decarbonisation presents opportunities to embrace new technologies that are more efficient and innovate our services. Increased use of public transport services can be a positive contributor to lowering carbon emissions in metropolitan cities where we operate. The risks include transition risks; extensive policy, legal, technology and market changes as well as physical risks which result from climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Group.	A detailed review of Kelsian's material climate related risks and opportunities including existing mitigations is underway. The outcomes of this work will be disclosed under the new regulatory reporting requirements on climate change.
Geopolitical/ Government Policy	Kelsian is exposed to risks of changes in government policies and regulations which may impact financially on the Group's cost base or future prospects and opportunities for new or renewed contracts. The Group's operations depend heavily on government policy, funding regimes and infrastructure plans initiatives continuing to support private company operators in public transport. Such changes have the potential to impact (both positively and adversely) on Kelsian's profitability and future growth prospects.	Kelsian manages these risks by putting in place dedicated resources to manage and monitor government policies and implement appropriate systems and processes to ensure compliance with changing regulatory environments. Kelsian, as far as possible, incorporates consideration of changes in regulatory requirements and government policies into its corporate and financial plans and forecasts.

Risk	Description	Mitigation
Strategic Risks		
Competition/ Growth	Kelsian provides its services and products to individuals, companies and government agencies across a range of economic sectors. This is carried out in competitive markets where we compete in areas of price, quality and service options. Failure to effectively compete in the market and/or develop new and innovative solutions could lead to non-renewal of contracts and failure to win new tenders. Should these crystallise these risks can impact on the financial performance of the Group.	Kelsian's focus is on being a world leader in delivering essential travels through safe, intelligent and sustainable transport solutions while creating brilliant customer experiences. This purpose is built on core strategic strengths within the Group – Customer Experience, Operational Excellence, Safety and Innovation and Sustainability. Kelsian has a dedicated Business Development Function who oversee the Group's competitive tendering process as well as monitoring and assessing market conditions in areas where we bid/operate. This team also work with our operational divisions to identify and evaluate new business opportunities. Our continued focus in these areas will ensure Kelsian will continue to remain competitive and attractive to customers and clients who value these values in their business partner.
Contracted Services	A large proportion of the Group's revenue is secured through long-term government/commercial contracts. Such contracts attract inherent risks around achieving operational and financial performance. Unmanaged, these risks can impact on the Group's financial performance as well as our reputation and ability to renew and secure new contracts.	As an experienced and established operator, Kelsian and its Operating Division have extensive expertise to ensure we meet the requirements and standards on all our contracts. This is backed up with excellent customer/client relations to ensure expectations are understood and managed. Kelsian's financial and operational excellence models provide for effective financial monitoring of all business activities and efficient business operations.
Integration Risk – Acquisitions	There are potential integration risks associated with any acquisition, including due diligence risks, and risks that integration could take longer, be more complex or costly than expected, encounter unexpected challenges, divert management attention or that the anticipated benefits may not be achieved. Any material failure to fully integrate the operations of an acquired business, or material failure to achieve anticipated benefits, could adversely impact the operational performance and profitability of the Group.	Kelsian uses its risk management process to identify and assess the integration risks and then putting in place dedicated specialist resources to manage, monitor and report on the integration process. Reflecting the nature and scale of the AAAHI acquisition in FY23 Kelsian had in place a dedicated team and process for closely monitoring the integration risks of the acquisition with oversight of the Board and advice from external experts to support and challenge management thinking.
Integration and Transition Risks – New Public Transport Contracts	There are potential integration and transition risks associated with commencing large new public transport services contracts including employee relations risks, reputational risks, risks of operating from new depots (delay and construction/suitability) and risks that transitioning services may be more complex or costly than expected, encounter unexpected challenges, divert management attention or attract adverse media attention.	Kelsian manages these risks through use of robust transition processes including dedicated transition team planning and resources which it has developed during its experience in transitioning large public transport bus contracts over many years in Australia and Singapore.
Operational Risks		
Financial Risks	Kelsian's continued ability to operate its business and effectively implement its business plans is exposed to a variety of financial risks including credit risk, interest and currency risk, liquidity risk as well as Balance Sheet risk.	Information on how Kelsian manages its financial risks are outlined in the Notes of the Financial Report.

Risk Operational risks continued	Description	Mitigation
Health & Safety	Transport, tourism and hospitality inherently include safety risks many of which are outside our control. Significant safety incidents, or failings in our safety management systems, could result in reputational, legal and financial damage.	Kelsian maintains a strong safety culture and is committed to continuous improvement and maintaining safety standards for all our operations. As part of this, the Group delivers an annual assurance program (external & internal) to monitor the effectiveness of safety risk management practices. Many operations are certified to AS 4801 / ISO 45001 with the remainder operating to equivalent standards. The Group conducts an annual internal and external assurance program to test the effectiveness of safety risk management practices and drive continuous improvement. The Group has dedicated professionals who provide governance, training and on the ground support to ensure consistent compliance and capability across the workforce.
Environmental	The nature of our activities which occur in some environmentally sensitive areas such as marine waters in Australia have the potential to cause harm to the environment if not managed appropriately. Failure to operate in accordance with environmental standards not only has the potential to result in environmental harm but also increases compliance costs, jeopardises our community relations and causes reputational damage with our stakeholder and investors.	Kelsian undertakes comprehensive risk assessments to ensure the environmental risks and hazards we face are identified and risks managed to acceptable standards.
Cyber and Information Security	Kelsian like any business faces an ever-changing cyber security threat and needs to have adequate arrangements in place to prevent, detect and respond to such threats ensuring no loss of or disruption to our systems and data.	The Group aligns with ISO 27001 (Information Security Management) and the ACSC (Australian Cyber Security Centre) Essential 8 Maturity Model. We have an established suite of technical controls and procedural solutions, as well as routine activities, such as cyber awareness training, to ensure levels of security and resilience are at the optimum level. Our security arrangements are routinely reviewed, through external and internal reviews, and upgraded or reinforced as necessary to ensure Kelsian remains resilient to existing, new and emerging cyber threats.
People	Employee costs represent the largest operating cost of the Group. In addition to the management of the various financial aspects of employee costs, the Group also face challenges around talent management - recruitment, retention and training, regulatory compliance and Industrial Relations management. Failing to manage these appropriately could have adverse financial, reputational and operational impacts.	Kelsian has a dedicated People & Culture team that provides governance, support and expertise across all workforce matters. We implemented workforce strategies, policies and remuneration frameworks to attract, retain and motivate our people, whilst ensuring succession planning is in place for critical roles. We are proactive in industrial relations management and regularly assess labour market changes to inform financial planning and contractual arrangements.
Business Resilience	As a key element of a location's infrastructure, prolonged and unplanned interruption to Kelsian's operations could significantly impact the financial performance of the Group and its reputation. Whilst a number of these risks are outside our control, we need to ensure that we manage those within our control and our response to their occurrence in order to provide high levels of availability and reliability of our services and products.	Kelsian has a range of controls and strategies in place to manage such risks, including incident and crisis management plans, business continuity plans, asset inspection and maintenance procedures, capital asset renewal programs, customer service training, compliance programs as well as appropriate insurances. This also includes an annual program of crisis and incident management exercises involving all layers up to and including the Kelsian Board.

Risk	Description	Mitigation
Operational risks continued		
Technology	Technology is a key enabler of organisational success and failure to appropriately invest in fit for purpose technology solutions can result in operational inefficiencies, inability to remain competitive and could have adverse financial and operational impacts.	Kelsian continues to invest in technology to drive innovation and operational efficiency across all operating divisions. The Kelsian Group IT Strategy drives investment in technology and digital capability across the Group and is recognised as a pre-requisite to achieving our objectives. A dedicated team of IT professionals support the ongoing delivery and realisation of the Group IT Strategy.

Sustainability

We are committed to maintaining a sustainable and resilient business by embedding environment, social and governance (ESG) principles into our operations. Doing so helps us manage risks, create long-term value, and respond to the evolving expectations of our stakeholders. Integrating ESG into day-to-day decision-making supports better outcomes for our people, customers, communities and shareholders. Our approach is structured around three core focus areas that guide how we deliver impact and measure success. Our performance against our ESG focus areas are outlined in the FY25 Sustainability Report planned for publication in September 2025.

Environmental regulation

The Group's operations are subject to various Australian Commonwealth, State and Territory environmental regulations as well as certain environmental regulations applicable to USA, Jersey, United Kingdom and Singapore activities. The types of key activities subject to these regulations relate to emissions reporting, storage of fuels and hazardous substances, regulatory controls on water quality, marine parks, noise, and other impacts of operating transport.

Each operating Division has an environmental management framework and supporting environmental management systems to manage these risks, maintain standards and ensure compliance with applicable regulatory and licence requirements. Environmental performance is monitored by site and business division and information about the Group's performance is reported to and reviewed by divisional management, Group Executive management and the Safety, Risk and Sustainability Committee. All of the public bus operations within the Group's business units (does not apply to USA motorcoach operations) have achieved or are working towards certification to ISO14001:2015. Marine safety systems applicable to our marine businesses also apply a systematic approach to managing environmental impacts of our marine businesses.

Significant changes in the state of affairs

On 8 November 2024, Clinton Feuerherdt, the 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 Advisor 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 year.

Matters subsequent to the end of the financial year

A fully franked dividend of 9.5 cents per share was declared by Kelsian's Directors on 26 August 2025, representing a total payment of \$25,796,571 to be paid 21 October 2025 based on the current number of ordinary shares on issue.

No other matter or circumstance has arisen since 30 June 2025 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.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board Committee held during the year ended 30 June 2025, and the number of meetings attended by each Director during the period were:

	Board Meetings Attended	Special Board Meetings Attended	Finance and Audit Committee Attended	Safety, Risk and Sustainability Committee Attended	People, Culture and Remuneration Committee Attended	Nomination Committee Attended
Total Number of meetings held	9	10	4	3	6	2
Fiona Hele	9	10	-	-	-	2
Terry Dodd	9	9	3	-	-	2
Neil Smith	9	7	-	3	-	2
Lance Hockridge (resigned 31 July 2025)	9	9	-	3	6	2
Diane Grady AO	8	8	4	-	6	2
Clinton Feuerherdt (resigned 31 March 2025)*	7	6	-	-	-	-
Jacqueline McArthur	9	9	-	3	6	1
Caroline Elliott	8	10	4	3	-	2
Jeffrey Ellison AM (retired 1 July 2024)**	-	-	-	-	-	-

Held: represents the total number of meetings held during the financial year.

Attended: represents the number of meetings attended by a Director.

To the extent that Directors who are not members of the relevant Committee attend Committee meetings as guests from time to time their attendance is not recorded in the table above.

* Clinton Feuerherdt eligible to attend 13 Board and Special Board Meetings.

** Jeffrey Ellison AM not eligible to attend any Board Meetings due to no meetings being held on 1 July 2024

Committee Membership

During the reporting period the Company had the following Committees with membership for the period as follows:

Finance and Audit Committee

Caroline Elliott (Committee Chair)
Terry Dodd
Diane Grady AO

* Lance Hockridge resigned from 31 July 2025

People, Culture and Remuneration Committee

Lance Hockridge (Committee Chair)*
Diane Grady AO
Jacqueline McArthur

Safety, Risk and Sustainability Committee

Jacqueline McArthur (Committee Chair)
Lance Hockridge
Neil Smith
Caroline Elliott

Nomination Committee

Terry Dodd (Committee Chair)
All Non-executive Directors as Members

Shares under option

At 30 June 2025, there were 2,015,623 (2024: 973,894) options/performance rights outstanding to acquire ordinary shares in the Company. No options or performance rights to acquire shares or interests in the Company or a controlled entity were granted since the end of the financial year.

During the year no performance rights were exercised by employees.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company is party to Deeds of Indemnity in favour of each of the Directors, referred to in this report who held office during the year and certain officeholders of the Company. The indemnities operate to the full extent permitted by law and are not subject to a monetary limit. Kelsian is not aware of any liability having arisen, and no claims have been made, during or since the financial year ending 30 June 2025 under the Deeds of Indemnity.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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.

Dear Shareholders,

As your incoming Chair of the People, Culture and Remuneration Committee and on behalf of the Board, I present the Remuneration Report for the financial year ended 30 June 2025 ('FY25').

Approach and framework

This Report summarises Kelsian Group Limited's ('Kelsian' or the 'Group') remuneration framework, governance, and outcomes for Key Management Personnel (Executives and Non-Executive Directors) ('KMP').

Our approach to remuneration and rewarding KMP continues to provide remuneration that is competitive, and that incentivises Executives to drive long-term sustainable growth and deliver shareholder value. Our focus is on maintaining KMP remuneration that meets key governance standards – fair, performance-aligned, acceptable to shareholders, and transparent.

FY25 Business performance and context for remuneration outcomes

Kelsian's financial performance for FY25 illustrates the business's resilience and the capability of the management team delivering on our strategic objectives. The results for this year include:

- Revenue up 10% to \$2,208.9 million;
- EBITDA up 5% to \$277.2 million;
- NPATA down 5% to \$87.7 million;
- NPAT down 6% to \$54.5 million;
- Underlying EBITDA (adjusted for one-off costs associated with M&A and abnormal items) up 7%¹ to \$285.0 million¹;
- Underlying NPATA up 2% to \$94.8 million;
- Net Operating Cashflow \$205.2 million; and
- Fully franked final dividend 9.5 cents per share.

(1) Compared to the 12 months ending 30 June 2024 ('FY24').

This financial performance was underpinned by several key strategic achievements for the period, including:

- Revenue growth supported by full period of Western Sydney bus contracts, Bankstown Rail Replacement, contract indexation and fare increases;
- Renewed and commenced expanded, capital light, Colorado Department of Transportation Bustang contract;
- Renewed Darwin to Mandorah, and Darwin to Tiwi Islands ferry services;
- Depot sales in Western Australia to realise proceeds of ~A\$20.3 million; and
- Renewed Jersey contract securing an estimated A\$260 million revenue over a 10-year term.

FY25 Remuneration outcomes

Fixed Annual Remuneration

This year there were fixed remuneration increases arising from annual performance reviews and the re-alignment of the remuneration framework, to accommodate for changes from 'Base plus', superannuation and variable remuneration weighting.

Short Term Incentive (STI)

The performance of the Managing Director & Group CEO and other Executive KMP was assessed against a combination of financial, safety and other operational objectives under the STI Plan.

In line with previously disclosed plans, the portion of FY25 STI outcomes awarded in rights to Kelsian shares rather than cash is 33% of the total STI outcome. In FY26 the deferral will be 50%.

The FY25 STI Plan was weighted 50% to financial objectives 15% to safety, and 35% to other operational measures. The financial performance delivered an outcome of 127.75% against a maximum of 150% for the Managing Director and Group CEO. While Group maintained its focus on safety, the lost time injury frequency (LTIFR) target was not achieved, Executive KMP were also assessed against operational objectives linked to their specific strategic priorities.

The Board considered these results in determining final outcomes. In exercising its discretion, the Board sought to ensure STI payments appropriately reflected overall company performance and shareholder experience for the year. As a result, STI awards for the Managing Director and Group CEO, and the Group CFO, were reduced from their formulaic outcomes.

Long Term Incentive (LTI)

The Kelsian long-term equity plan continues to be a rights-based plan incentivising achievements for long-term growth of the business.

For FY25 the Board considered the appropriate measures to align the interests of shareholders and management through the LTI program to be the following measures:

- Earnings Per Share Compound Annual Growth Rate (EPS CAGR); and
- Total Shareholder Return (TSR) as an external measure of long-term return performance.

Performance Rights issued during FY23 will lapse as the performance hurdles for both measures (Index TSR and EPS CAGR) outlined above were not achieved over the three-year measurement period to the end of FY25. Consequently, no FY23 performance rights have vested for executives participating in the FY23 LTI incentive.

Further details for both STI and LTI outcomes are set out in Section 6 of this report.

First Strike Against Remuneration Report

At the 2024 AGM, shareholders voted 68.3% of shares in favour and 31.7% against the adoption of the FY24 Remuneration Report. The Board acknowledges this was a clear message from shareholders that stronger alignment was required between executive remuneration and shareholder experience.

The Board has actively sought to understand shareholders' and proxy advisors' concerns following this first strike against our Remuneration Report. Through engagement meetings and direct feedback, it became clear that some investors believed the remuneration outcomes were not sufficiently aligned with the Company's financial performance. Specifically, that incentive outcomes did not adequately reflect shareholder returns and expectations on capital efficiency, raising questions about the performance metrics and targets used for their calibration.

Feedback also indicated that the STI scorecard lacked transparency on targets, performance ranges and outcomes. On transparency, the Board's position is clear: STI and LTI performance measures and outcomes will be disclosed wherever possible. In limited cases, where disclosure would commercially disadvantage Kelsian, we will instead provide a clear qualitative explanation of performance achieved. This approach balances shareholder's need for transparency with the protection of shareholder value.

As a result, the Board comprehensively reviewed the Remuneration Framework during FY25 to better align executive pay with intrinsic drivers of value and shareholder expectations. We have responded with a series of material changes to our remuneration framework, including a reweighting towards long-term incentives, the introduction of a minimum shareholding requirement, the addition of ROIC and a revised TSR benchmark into the LTI framework. Many of the adjustments in response to this feedback have been made for FY26, as feedback was received after the FY25 remuneration structure and targets were already in place.

These changes demonstrate that the Board has heard and acted on shareholder feedback, and that remuneration outcomes will be more closely aligned with both the creation and protection of long-term shareholder value.

A detailed response to these concerns is set out in Section 2 of this report.

Remuneration Framework Changes

Throughout FY25, Kelsian reviewed, benchmarked and refined its Remuneration Framework, with support from a Board appointed external advisor on remuneration governance matters. Feedback was also considered from shareholders and proxy advisors.

Changes to our remuneration framework phased in over FY25 and FY26 include:

- An amended Remuneration Mix phased in over FY25 and FY26 that better aligns the weighting of fixed remuneration, cash STI, deferred STI, and LTI to market practice and business strategy. Variable remuneration will account for a greater proportion of Total Remuneration and will be more weighted towards longer term elements;
- An increase in FY25 in the weighting of Deferred STI from 25% to 33% of the total STI outcome. The percentage to be deferred will reach 50% of the total STI award for FY26 performance;
- Introduction in FY26 of a Return on Invested Capital (ROIC) long term incentive measure, to be equally weighted with the two existing LTI measures;
- From FY25, STI Financial target setting and outcome determination will explicitly consider and disclose the impact of acquisitions and disposals for the application of discretion;
- A structured approach to the application of Board discretion was introduced for consistency of application, fairness and transparency;
- A transition in FY25 from the FY24 'Base salary plus' arrangement to a Fixed Annual Remuneration (FAR) package arrangement. Future annual remuneration increases, where applicable, will be applied to the FAR, with mandatory superannuation and other benefits being deducted from the FAR figure to arrive at the Base Salary. STI and LTI opportunities will become a function of FAR rather than Base Salary;
- Structural changes to the STI measure mix, with greater weight at maximum performance on financial components and lower weight on non-financial components for KMP Executives;
- A reduction in the STI Maximum Opportunity as a percentage of STI Target Opportunity from the 161.11% in FY24 to 150% in FY25, better reflecting market practice, with target adjusted to accommodate;
- Alignment of non-financial and financial STI metrics' maximum opportunity as a percentage of target. This is a change from the FY24 scorecard, where they were different, which reduced the simplicity and transparency of the scorecard;
- The STI Safety Gate was updated to align with the revised definition of safety performance under the Kelsian Group Health, Safety, Environment & Quality (HSEQ) Standards, reinforcing our ongoing commitment to safety.
- Introduction of a Minimum Shareholding Requirement (MSR) Policy for KMP to build and maintain a substantial shareholding in Kelsian Group.

Executive Changes

As announced in November 2024, Graeme Legh (AAAH CEO) was appointed Kelsian Group Chief Executive Officer effective 1 April 2025⁽¹⁾. As part of Kelsian's succession and transitional planning during the year, Clint Feuerherdt stepped down from the role of Managing Director and Group Chief Executive Officer and transitioned into a Strategic Advisor position. This arrangement ensures continuity of leadership and enables the Board and executive team to continue benefiting from their deep institutional knowledge and strategic insight. Clint remains actively involved in supporting the execution of key strategic initiatives during the transition period. Details of this arrangement are outlined in the relevant sections of this report.

Joining Kelsian in November 2024, Renee Draper, was appointed as Group Chief People & Culture Officer, responsible for the advancement of Kelsian's People & Culture, HSEQ, and Communications functions. Renee's role reflects the Group's ongoing commitment to building a safe, high-performing and values-driven culture across a diverse and operationally complex organisation.

Brent Maitland joined All Aboard America! Holdings, Inc. ('AAAHI') as the Chief Executive Officer in June 2025. Brent brings extensive industry experience from his tenure at a major commercial vehicle manufacturer, where he was responsible for leading private sector sales and marketing initiatives. Brent is responsible for setting the strategic direction of the USA business, overseeing operations across the national portfolio, and driving initiatives focused on growth and safe, reliable transportation.

(1) As described in the ASX releases dated 8 November 2024 and 28 March 2025 of Kelsian Group Limited.

Board Changes

Fiona Hele was appointed as an independent Chair of the Board effective from 1 July 2024 following the announcement in September 2023 that Kelsian's previous Chair of the Board, Jeff Ellison, would retire. With Fiona's appointment to the role of Chair of the Board, Jeff retired from the Kelsian Board on 1 July 2024.

Effective 1 July 2024, the Board separated the Audit, Risk and Sustainability Committee into two dedicated committees: the Finance and Audit Committee, and the Safety, Risk and Sustainability Committee. This followed a governance review to ensure committee structures remain fit for purpose and allows greater focus on these areas. As a result, responsibility for safety related matters now rests with the Safety Risk and Sustainability Committee from FY25 onwards.

Announced on 27 June 2025, Lance Hockridge has resigned as director of the Kelsian Board, effective 31 July 2025, following five years of significant contribution, commitment and guidance⁽¹⁾. With effect from 1 August 2025, Jackie McArthur was appointed Chair of the People, Culture and Remuneration Committee and Diane Grady AO was appointed Chair of the Safety, Risk and Sustainability Committee.

Our gender balance goal of not less than 30% of our directors being men and 30% women was achieved in FY25, with the Board comprising an equal number of male and female directors for the majority of the year. Following the transition of the Managing Director and Group CEO, the gender balance goal is still maintained with a greater balance towards women.

(1) As described in the ASX release dated 27 June 2025 of Kelsian Group Limited.

Looking Ahead

The People, Culture and Remuneration Committee and the Board continue to regularly engage with shareholders and proxy advisors to seek feedback. The above changes are aligned with Kelsian's remuneration principles and align with the feedback we have received.

As the incoming Chair of the People, Remuneration & Culture Committee, I acknowledge the importance of maintaining ongoing engagement with our shareholders and proxy advisors. We welcome your feedback on this report and/or our revised approach to KMP remuneration.

On behalf of the Board, I invite you to review our FY25 Remuneration Report and look forward to welcoming you to our Annual General Meeting in October 2025.

Signed



Ms Jackie McArthur
Chair, People, Culture and Remuneration Committee
Kelsian Group Limited
Date: 26 August 2025

The Remuneration Report comprises of the following sections:

1. **Key Management Personnel (KMP)**
2. **Response to First Strike against Remuneration Report**
3. **Remuneration Governance**
Remuneration Principles
4. **Overview of Financial Performance**
5. **Remuneration Framework**
Remuneration Framework and Details for Executive KMP
Short-Term Incentive Program
Long-Term Incentive Program
6. **Remuneration Outcomes**
Fixed Remuneration
STI Outcomes
LTI Outcomes
7. **NED Remuneration**
8. **Contractual Arrangement and Statutory Remuneration**
9. **Equity Holdings of KMP**
Options
Equity Rights
Shareholdings

The Remuneration Report forms part of the Directors' Report and sets out the remuneration framework and arrangements of Kelsian Group Limited ('Group' or 'Kelsian') for the Key Management Personnel ('KMP') of the consolidated entity, for the purposes of the Corporations Act 2001 and Accounting Standards for the financial year ended 30 June 2025.

This information has been audited as required by Section 308 (3A) of the Corporations Act 2001.

1. KEY MANAGEMENT PERSONNEL (KMP)

The KMP for the purposes of this Remuneration Report are those having the authority and responsibility for planning, directing, and controlling major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of Kelsian.

The term 'Executive KMP' includes the Managing Director and Group Chief Executive Officer, and other Group Executives who are KMP. The following persons set out in the table below were KMP for the reporting period 1 July 2024 to 30 June 2025. Members of the People, Culture and Remuneration Committee ('PCRC') are identified in the last column.

TABLE 1.1: KMP FROM 1 JULY 2024 TO 30 JUNE 2025
NON-EXECUTIVE DIRECTORS (NEDs)

Name	Role	Appointed	Term as KMP in FY25	PCRC
Jeffrey Ellison AM	Chair, Non-Executive Director	Appointed Chair on 23 February 2021 Director since 9 July 2008 (Retired 1 July 2024)	Part	
Fiona Hele	Chair, Non-Executive Director ⁽¹⁾	13 September 2016 Appointed Chair on 1 July 2024	Full	
Terry Dodd	Non-Executive Director	28 March 2011	Full	
Neil Smith	Non-Executive Director	16 January 2020	Full	
Lance Hockridge	Non-Executive Director	1 July 2020 (Resigned 31 July 2025)	Full	Committee Chair
Diane Grady AO	Non-Executive Director	1 September 2022	Full	Yes
Jacqueline McArthur	Non-Executive Director	15 January 2024	Full	Yes
Caroline Elliott	Non-Executive Director	17 June 2024	Full	

EXECUTIVE KMP

Name	Role	Appointed	Term as KMP in FY25
Clinton Feuerherdt	Managing Director & Group Chief Executive Officer (resigned as director 31 March 2025)	16 January 2020	Part
Andrew Muir	Strategic Advisor Group Chief Financial Officer & Joint Kelsian Secretary	1 April 2025 9 January 2017	Full
Graeme Legh	Group Chief Executive Officer Chief Executive Officer AAAHI (change of role 31 March 2025)	1 April 2025 1 September 2023	Full
Donna Gauci	Chief Executive Officer - SeaLink Marine & Tourism	11 October 2013	Full
Michael McGee	Chief Executive Officer - Transit Systems	12 December 2022	Full
Winston Toh	Managing Director – Singapore	16 January 2020	Full
James (Brent) Maitland	Chief Executive Officer AAAHI	9 June 2025	Part

(1) Ceased as a member of PCRC 30 June 2024.

2. RESPONSE TO FIRST STRIKE AGAINST THE FY24 REMUNERATION REPORT

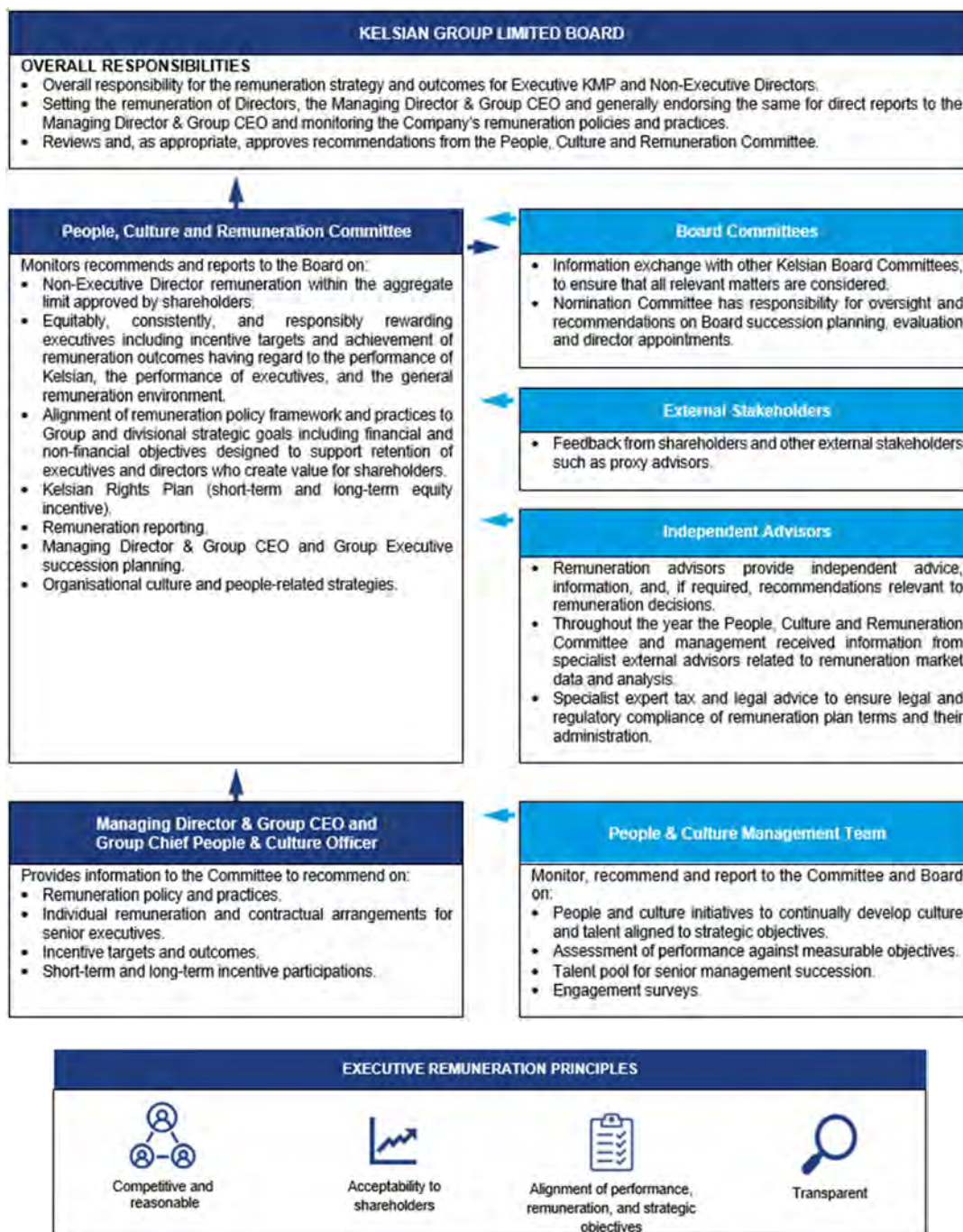
Following the strike against the FY24 Remuneration Report, the Board engaged with shareholders and proxy advisors to understand concerns with our remuneration framework, strategy and governance. After consideration, the following actions were undertaken to respond to concerns.

Related to	Concern	Response																				
Remuneration Mix	Higher weight of STI than LTI	From FY26 the mix will be rebalanced to offer a higher proportion of pay contingent on performance over the long term, resulting in a more balanced weighting of variable remuneration between short term and long-term performance. The weighting of fixed annual remuneration and short-term variable remuneration have been reduced, balanced by an increase in long term variable remuneration. Going forward, the proportion of the Group CEO's total remuneration delivered as equity will increase from 40% to 50% in FY26, with a similar reweighting approach applied to other KMP, although the specific proportions may differ. The remuneration mix that will apply in FY26 is as follows: <table><tr><th>Rem mix at maximum opportunity</th><th>Fixed Annual Remuneration</th><th>Short-term Variable Remuneration</th><th>Long-term Variable Remuneration</th><th>Total Equity (FY26)</th></tr><tr><td>Group CEO</td><td>33%</td><td>33.5%</td><td>33.5%</td><td>50%</td></tr><tr><td>Group CFO</td><td>40%</td><td>30%</td><td>30%</td><td>45%</td></tr><tr><td>Other Executive KMP</td><td>50-57%</td><td>24-25%</td><td>19-25%</td><td>31-37.5%</td></tr></table>	Rem mix at maximum opportunity	Fixed Annual Remuneration	Short-term Variable Remuneration	Long-term Variable Remuneration	Total Equity (FY26)	Group CEO	33%	33.5%	33.5%	50%	Group CFO	40%	30%	30%	45%	Other Executive KMP	50-57%	24-25%	19-25%	31-37.5%
Rem mix at maximum opportunity	Fixed Annual Remuneration	Short-term Variable Remuneration	Long-term Variable Remuneration	Total Equity (FY26)																		
Group CEO	33%	33.5%	33.5%	50%																		
Group CFO	40%	30%	30%	45%																		
Other Executive KMP	50-57%	24-25%	19-25%	31-37.5%																		
STI	Pay opportunities changing without explicit commentary in the Remuneration Report (related to FY24 STI non-financial)	Prior to FY24, the ratio between the target and maximum opportunity for financial and non-financial performance measures was different. This led to changes in the maximum opportunity year on year. To address shareholder concerns, target to maximum ratios for financial and non-financial measures will be aligned, so that under or overachievement against target will lead to the same variation in outcomes regardless of measure. Changes in opportunity in FY25 and FY26 relate to the adjustment of the remuneration mix that is being phased in to align it to market practice and ensure there is a higher weighting to longer term, variable remuneration.																				
STI	Underlying EBIT target in STI not adjusted for the impact of prior year acquisitions	When considering STI outcomes from FY25, discretion will be considered and, if appropriate, be applied for the impact of acquisitions, disposals, other external factors or unexpected financial impacts made in the prior year as well as during the year. The considerations for the determination will be disclosed.																				
STI	Insufficient disclosures (non-financial) and a lack of transparency on STI Outcomes.	STI outcomes will be described in the remuneration report unless deemed commercially sensitive.																				
STI	Negative discretion not exercised for STI payments.	The Board will explicitly consider whether discretion should be applied prior to approving payments and disclose discretion consideration in our report. From FY26, we will be adopting a more structured approach for the consistent exercise of discretion in future years.																				
STI	Deferred Element low for Managing Director and Group CEO and ASX entities.	In FY24 deferred STI was 25% of the outcome. Current STI policy for FY25 is to defer 33% of the outcome in rights for a period of 12 months. In FY26, deferral will be increased to 50%.																				
LTI	No Minimum Shareholding Requirement Policy	In FY25 we introduced a Minimum Shareholding Requirement Policy. For the Board Chair this is 150% of the Base Board Fee and for Non-Executive Directors this is 100% of the Base Board Fee. For the Managing Director and Group CEO this is 150% of fixed remuneration and 100% of fixed remuneration for KMP Executives. These requirements are to be achieved over a five- year period.																				

Related to	Concern	Response
LTI	The LTI lacks a capital efficiency measure.	ROIC will be introduced as a new FY26 LTI performance measure (weighted at 33.4% alongside EPS CAGR at 33.3% and TSR CAGR at 33.3%). We also introduced a new capital management and allocation framework in FY25.
LTI	The relative TSR structure ideally would be based on the Small Ordinaries Index.	The ASX Small Ordinaries Index will be used for the FY26 TSR Benchmark when assessing LTI performance rights measures.
Transparency	Address changes of CEO Remuneration	Remuneration reports will disclose all changes to framework design, including thresholds and maximums, weightings and levels. These will be accompanied by a clear rationale.
Transparency	STI targets and outcomes not transparent	Where not commercial in confidence, performance outcomes will be described.
Board	ASX 300 experience is low.	The Kelsian Board is going through a period of renewal, with four new director appointments announced since 2022 with significant ASX 300 experience.

3. REMUNERATION GOVERNANCE

Kelsian's Remuneration governance is illustrated below. While the Board retains ultimate responsibility, Kelsian's Remuneration Principles and Policies are implemented through the People, Culture and Remuneration Committee.



The People, Culture and Remuneration Committee operates under a Charter that outlines its structure and responsibilities. The Charter⁽¹⁾ is available on the Kelsian corporate website (www.kelsian.com/our-governance).

(1) The Charter of the Committee has changed from 1 July 2024 as a result of a review of Board Committees.

3. REMUNERATION GOVERNANCE (continued)

Membership of the People, Culture and Remuneration Committee during the period 1 July 2024 to 30 June 2025 was comprised of the following Non-Executive Directors (NEDs) and chaired by an independent NED for the entire year:

L. Hockridge	Non-Executive Director, Independent (Committee Chair) <i>(ceased 31 July 2025)</i>
D. Grady AO	Non-Executive Director, Independent
J. McArthur	Non-Executive Director, Independent

The People, Culture and Remuneration Committee met regularly throughout the year. The Managing Director and Group Chief Executive Officer, Group Chief Financial Officer, Group Chief People and Culture Officer and Group Chief Legal and Risk Officer attend Committee meetings by invitation, where management input is required. However, Executive KMP are not present during discussions related to their own remuneration arrangements.

Specialist expert tax and legal advice were obtained during the year in relation to the offer of its Long-Term Incentive Program to ensure legal and regulatory compliance of the plan terms and its administration for residents of Australia, United Kingdom, Singapore, and the USA.

The People, Culture and Remuneration Committee follows protocols around the engagement and use of specialist external advisors to ensure compliance with the relevant executive remuneration legislation. The recommendations that the People, Culture and Remuneration Committee makes to the Board are based on its independent assessment of the information and advice provided by specialist external advisors.

No remuneration recommendations as defined in Section 9B of the Corporations Act 2001 were received from any external party providing the services described above.

4. OVERVIEW OF FINANCIAL PERFORMANCE

The FY25 financial performance was in line with expectations, reflecting the strength of our diversified global business, underpinned by long-term contracts with low-risk counterparties—most of which include effective cost base protections, ensuring predictable and resilient revenues and cash flows.

Kelsian recorded a statutory Net Profit after Tax and before Amortisation (NPATA) of \$87.7 million for the twelve months ended 30 June 2025 compared to a statutory NPATA of \$92.2 million in the previous year.

Kelsian's statutory results include the costs associated with due diligence and advisor costs associated with the acquisitions completed and advisor costs associated with the bank re-financing that took place during the period.

Underlying Earnings Before Interest, Tax (EBIT), another record was achieved at \$136.0 million compared to an underlying EBIT of \$122.1 million for FY24. Underlying EBIT has been adjusted for significant one-off items during the period including capital raising costs and due diligence-related expenses.

Taking into consideration the results for FY25 the Board has taken a prudent approach to capital management and determined a final dividend of 9.5 cents per share (the same as last year) which is at the middle of the stated dividend payout range of 40% to 60% of underlying net profit after tax and before amortisation.

4. OVERVIEW OF FINANCIAL PERFORMANCE (continued)

TABLE 4.1

Kelsian's financial performance as measured by statutory Earnings Before Interest Tax and Depreciation (EBITDA), Earnings Before Interest and Tax (EBIT), Net Profit After Tax and before Amortisation (NPATA) from continuing operations, earnings per share, gross dividends paid, the dividend paid per share, and the share price at year-end.

	30 June 2021	30 June 2022 ⁽¹⁾	30 June 2023	30 June 2024	30 June 2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	1,211,700	1,297,400	1,417,800	2,016,811	2,208,909
EBITDA	132,700	157,800	130,500	265,035	277,176
EBIT	66,600	82,100	53,100	121,751	128,208
NPATA	69,500	71,500	41,400	92,149	87,696
Gross Dividend Paid	25,100	34,900	37,100	47,143	47,321
Earnings Per Share (cents)	17.30	24.20	9.10	21.50	20.10
Dividend Paid Per Share (cents)	16.00	16.50	17.00	17.50	17.50
Share Price (\$ per share)	9.41	5.87	7.26	5.15	3.79

(1) Restated to reflect the change in accounting treatment.

CHART 4.2

Kelsian's share price performance since 1 July 2020 relative to S&P ASX300:



Kelsian's share price return during the five-year FY21-25 period was (12.7%) compared with the return of the S&P ASX300 which was 43.7%.

5. REMUNERATION FRAMEWORK

Remuneration Framework and Details for Executive KMP

(i) Objectives

The objective of Kelsian's Remuneration Framework is to align Executive KMP reward with performance and Kelsian's strategic objectives. Kelsian's approach to remunerating and rewarding Executive KMP ensures that:

- Remuneration is at levels that are competitive with market rates to attract, motivate and retain high calibre candidates;
- Parity exists for similar roles to maintain stability within the Executive;
- Executives are incentivised to drive long-term sustainable growth and increase shareholder value;
- Having financial performance as a core component of the reward framework design; and
- Remuneration is consistent with Kelsian's Remuneration Principles.

The People, Culture and Remuneration Committee reviews the current mix, market practice and levels of Executive KMP remuneration as part of our ongoing commitment to ensuring Kelsian's remuneration practices are transparent, fit for purpose and exhibit a strong alignment between value creation, Executive reward, and shareholders' interests.

5. REMUNERATION FRAMEWORK (continued)

(ii) Components

The Remuneration Framework has three components:

- Fixed Annual Remuneration;
- Short-term performance incentives; and
- Long-term performance incentives.

The combination of these comprises the Executive KMP's total remuneration. Remuneration mix refers to the proportion of Total Remuneration that is made up of each remuneration component.

The Board retains discretion to make necessary adjustments to ensure the remuneration mix and incentive outcomes are appropriate and aligned to shareholder returns.

For FY25 following the review of the remuneration elements, the mix of fixed and at-risk components (STI and LTI) of remuneration of the Managing Director and Group CEO and Group Chief Financial Officer is shown below for target and maximum stretch opportunity.

CHART 5.1: EXECUTIVE REMUNERATION MIX FY25 – MANAGING DIRECTOR and GROUP CEO

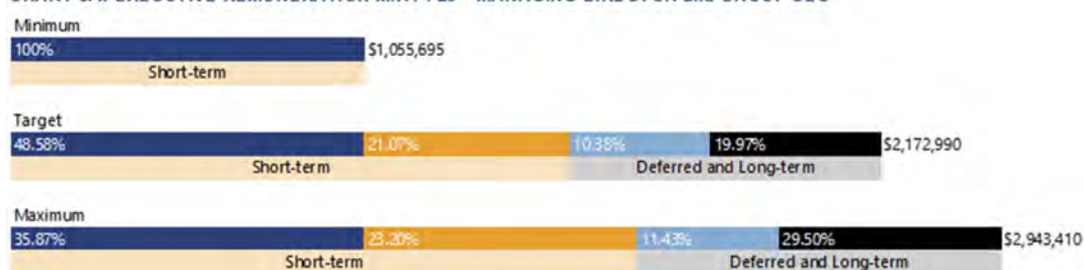
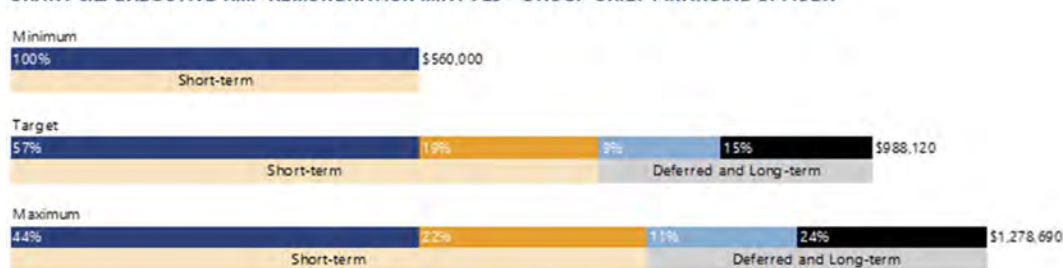


CHART 5.2: EXECUTIVE KMP REMUNERATION MIX FY25 – GROUP CHIEF FINANCIAL OFFICER



Short-term = Short-term pay and benefits including Fixed Remuneration and Non-deferred STI awards

Deferred and Long-term = Long-term benefits including Deferred STI and LTI equity awards

■ Fixed Pay ■ STI Non-deferred ■ STI Deferred ■ LTI

CHART 5.3: REMUNERATION TIME HORIZON



Fixed Annual Remuneration (FY25)

Fixed Annual Remuneration, consisting of base salary, superannuation, and non-monetary benefits, is reviewed annually by the People, Culture and Remuneration Committee on behalf of the Board. Whilst the Fixed Annual Remuneration is reviewed annually, increases are not guaranteed.

Any proposed increase is based on individual responsibility and contribution, divisional business performance, the overall performance of Kelsian and comparable market remuneration taking into account the scale of Kelsian's business, complexity and responsibilities.

Executive KMP may receive their Fixed Annual Remuneration in the form of cash and other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to Kelsian and provides additional value to the Executive KMP.

STI Program (FY25)

For FY25, the short-term performance incentive ('STI') program continued to align the strategic objectives of Kelsian and its operating business units with the performance hurdles of Executive KMP reward.

Kelsian's key objectives include financial outcomes and the creation of shareholder value and our strategic pillars of safety, people, customer, growth, technology & innovation, ESG, and operational excellence. STI payments are awarded to Executive KMP based on specific annual financial and operational targets and the achievement of set objectives which include stretch targets for both financial, operational and non-financial goals.

The financial targets set are based on outperforming the prior year reported underlying Earnings Before Interest and Tax (EBIT) (Group Underlying EBIT), and where applicable, division, and business unit Underlying EBIT. Group Underlying EBIT is the primary financial measure against which management and the Board assess the short-term financial performance of Kelsian.

In FY25, operational and non-financial Performance Objectives were tailored to each Executive KMP. Each of their performance objectives were weighted according to the level of impact on Kelsian.

STI payments are "at-risk" components paid to Executive KMP when agreed targets have been met, however, are discretionary and do not form part of the employment contract. The STI reward is delivered in a combination of cash and deferred cash equity.

STI remuneration paid varies by Executive KMP depending on the impact on the Group and the division, achievement of defined business targets, achievement of specific Division EBIT targets as well as the extent to which the Group achieved financial performance targets for the year. The Board considered these results in determining final outcomes. The Board sought to ensure STI payments appropriately reflected the shareholder experience for FY25 by applying negative discretion to the Managing Director and Group CEO and the Group CFO.

TABLE 5.4
EXECUTIVE SHORT-TERM INCENTIVE PROGRAM FY25

Performance period	1 July 2024 to 30 June 2025.	
Maximum STI opportunity (150% of Target)	Managing Director & Group CEO	96.56% of Fixed Annual Remuneration (64.38% at Target)
	Group CFO	73.69% of Fixed Annual Remuneration
	Other Executive KMP	30.2% - 70.00% of Fixed Annual Remuneration
	The actual outcome depends on the Executive KMPs actual achievement against each Performance Objective	
Non-deferred element	In FY25, 67% of the STI payment earned is paid in cash after the performance period, following the finalisation and release of the financial results.	
Deferred element	In FY25, 33% of the total STI potential award are paid in the form of restricted rights to Kelsian shares under the Kelsian Group Rights Plan. Rights for the deferred element will be issued after the FY25 performance period following the release of financial results for FY25.	
	The rights are fully vested at Grant Date and in the form of Restricted Rights (called Restricted Share Units for USA employees) granted to the Executive KMP under and subject to the terms of the Kelsian Group Rights Plan.	
	For Restricted Rights to be issued in September 2025, the rights will be subject to an exercise restriction until 31 August 2026 and have no service requirement applicable.	
	The quantum of Restricted Rights granted is calculated using the 10-day volume-weighted average price (VWAP) after the date of release of full-year results for the financial year for the deferred amount awarded.	
Board discretion	Board discretion may be applied to remunerate for delivery of outstanding performance for Executive KMP that were not foreseen at the time of target formulation.	
	Discretion to also be applied to reflect the impact of acquisitions, disposals, other external factors or unexpected financial impacts made in the prior year as well as during the year.	
	The consideration and application of discretion will be disclosed.	
Gate	The safety component accounts for 15% of the Target STI award.	
	There is a specific safety gate that applies, and in the event of a 'Catastrophic Incident or Event' (fatality or permanent impairment/disability from injury/illness), the Board will assess all available information relating to the incident and determine if the safety gate will result in a 0% outcome.	
	The consideration and application of the STI safety gate will be disclosed.	
Performance measures	Performance Objectives are specific targets to be achieved in connection with Kelsian's Strategic Pillars. Actual STI payments awarded to each Executive KMP depend on the extent to which specific measures, targets, initiatives and conditions for the FY25 (STI Targets) were met. STI Targets cover financial, operational and non-financial measures of performance.	
	The Board sets and assesses the Performance Objectives applicable to the Managing Director & Group CEO and approves the Performance Objectives for Executive KMP (direct reports to the Managing Director & Group CEO). The Managing Director & Group CEO then sets and assesses the Performance Objectives for Executive KMP.	
	Performance objectives relate to Group and/or Divisional financial performance and individual objectives that are operational or non-financial and reflect the Group's key measures of success as well as the Group's values.	

Financial Measures: up to 50% target	
Performance Areas & Weightings	Rationale for choosing this measure.
Group Profit Incentive	Financial measures focus senior executives on improving business efficiency and effectiveness along with sustained financial performance and value creation for our shareholders.
Managing Director & Group CEO, Group CFO = 50%	
All Other Executive KMP = 20%	(FY25 measures: Underlying EBIT outcomes measured against prior year outcomes)
Divisional or Business Unit Profit Incentive	
All Other Executive KMP = 30%	
Operational and Non-Financial Measures up to 50% target	
Performance Areas & Weightings	Rationale for choosing this measure.
Group Safety	Kelsian is committed to embedding safety in every aspect of our operations. We deliver services across public roads, remote regions, and marine environments in multiple geographies and jurisdictions. Operating conditions vary significantly, requiring active risk management.
Managing Director & Group CEO = 15%	
All other Executive KMP 15%	Maintaining a safe and healthy environment for our employees and customers is critical. In FY25, performance was assessed using both lead and lag indicators to provide a balanced view of outcomes and leadership behaviours. Our leaders are expected to demonstrate ongoing vigilance through visible engagement, structured management interactions and proactive interventions to reduce incidents and enhance our safety culture.
Growth	Growth remains a key driver of sustained shareholder returns. We pursue this through maximising contracted opportunities and strategic acquisitions that enable future organic growth.
Managing Director & Group CEO = 7.5%	
Other Executive KMP between 5% to 11.67%	Executive KMP were assessed on ability to secure and integrate new contracts, manage renewals, and progress identified acquisitions opportunities, supported by understanding of customer requirements and competitive market dynamics.
People	Our people capability directly underpins service delivery and customer outcomes. Executive KMP focus in FY25 was on maintaining engagement, strengthening succession for critical roles, and ensuring consistent performance management practices.
Managing Director & Group CEO = 7.5%	
Other Executive KMP between 5% to 10%	In a competitive labour market, the ability to attract and retain drivers, marine crew, and skilled talent is critical to fulfilling contractual obligations, sustaining reliable service deliver, and protecting long-term customer confidence.
Environmental, Social and Governance	Our sustainability strategy focuses on partnering with customers to support their ESG goals while making responsible service choices that benefit the environment and community as we as improving efficiency and reducing environmental impact.
Managing Director & Group CEO = 5%	Progress against agreed sustainability targets (including emissions reduction, fleet transition initiatives, and community engagement programs), and Board assessment of strengthened customer and stakeholder partnerships.
Customer	Customer satisfaction and contract renewal are critical to long-term business performance. Performance is assessed against evidence of applying industry knowledge to meet customer needs, delivering measurable improvements in satisfaction, and achieving positive feedback from external stakeholders.
Other Executive KMP between 5%	Validated by independent customer feedback, contract renewals, and third-party validation of service improvements.

Technology & Innovation	Investing in our digital and data solutions remains a priority to improve customer experience, drive efficiency, and safeguard information security.
Managing Director & Group CEO = 5%	Performance is assessed against the selection and successful integration of solutions that enable growth, efficiency, and compliance with data privacy and security requirements.
Other Executive KMP 5%	This was demonstrated through achievement of refined technology project milestones and delivery of business benefits.
Operational Excellence	Operational Excellence remains core to Kelsian's performance.
Managing Director & Group CEO = 5%	In FY25, Executive KMP were assessed on initiatives that improved efficiency, asset utilisation, service reliability and cost discipline, aligned to operating requirements. These were measured by business specific efficiency and service reliability metrics, including cost, utilisation, and reliability targets.
Other KMP Executive between 5% to 17.5%	
STI assessment	The Board Chair reviews the Managing Director & Group CEO performance against the performance targets and objectives set for that year. The performance assessment of the Managing Director & Group CEO is reviewed by the People, Culture and Remuneration Committee and approved by the Board.
	The Managing Director & Group CEO assesses the performance of the other Executive KMP. The performance assessment of the other Executive KMP is reviewed by the People, Culture and Remuneration Committee and endorsed by the Board.
End of Employment	If the Executive's KMP employment is terminated for cause, no STI will be paid.
	If the Executive KMP resigns before the end of the performance period or release of full-year financial accounts for the relevant performance period, the STI may be granted on a pro-rata basis in relation to the period of service completed, subject to the discretion of the Board and conditional upon the individual performance of the Executive KMP and taking into consideration the interests of Kelsian and its shareholders.
Malus and Clawback	The Board has the discretion to not pay or to reduce the amount of the STI otherwise payable, taking into consideration the interests of Kelsian and its shareholders.
	In the event of serious misconduct or a material misstatement in Kelsian's financial statements, the Board may cancel the STI payment and may also clawback STI payments paid in previous financial years, to the extent this can be done in accordance with the applicable law.

Long-Term Incentive Program

To align the interests of Executive KMP with the creation of long-term shareholder value, Kelsian generally awards long-term incentives (LTI) in the form of Performance Rights. Performance Rights are granted at no cost to the executive and only vest if Kelsian meets specified performance hurdles.

If an Executive KMP resigns before the Performance Rights have vested then any unvested rights are forfeited, unless and to the extent otherwise determined by the Board.

Vesting conditions for Performance Rights are determined by the Board annually as part of each invitation with the conditions selected for Performance Rights being intended to create alignment with indicators of shareholder value creation over the measurement period.

The Kelsian Group Limited Employee Share Trust was established in August 2022 to facilitate the acquisition and transfer of shares in Kelsian to eligible participants in accordance with Kelsian Group's Rights Plan. The trustee of the Employee Share Trust for all of FY25 was Certane CT Pty Ltd ABN 12 106 424 088.

Shareholder approval of the Kelsian Group Rights Plan (formerly called the SeaLink Travel Group Limited Rights Plan) was renewed at the 2022 AGM, enabling Kelsian to exempt issues of securities post the 2022 AGM under the Plan from the 15% limit on new securities issues that may be made during any twelve-month period pursuant to the ASX Listing Rules. We propose to seek shareholder approval to renew the Kelsian Group Rights Plan at the 2025 AGM, consistent with the prior approval obtained at the 2022 AGM, to maintain the ability to issue securities under the Plan without impacting the limit on new securities issued, as noted above.

TABLE 5.5
EXECUTIVE LONG-TERM INCENTIVE RIGHTS PLAN FY25

Maximum LTI Allocation	Managing Director & Group CEO 82.25% of Fixed Annual Remuneration Group CFO 54.65% of Fixed Annual Remuneration Other Executive KMP 12.8% - 57.8% of Fixed Annual Remuneration
LTI Instrument	Awards are in the form of Performance Rights over ordinary shares in Kelsian for no consideration. The Performance Rights carry neither Rights to dividends nor voting.
Measurement Period	The LTI measurement period is three financial years commencing 1 July of each applicable financial year.
Award timeline	Awards are made annually at the discretion of the Board and were made to Executive KMP and others in FY25.
Allocation methodology	The quantum of Performance Rights granted to an Executive KMP is determined by the Executive KMP's FAR the applicable multiplier; and the face value of Kelsian shares, calculated as the 10-day volume-weighted average price (VWAP) after the date of release of full-year results for the financial year prior to the year of grant of Performance Rights.
Performance conditions	There are two tranches of Performance Rights with the following weighting of performance conditions, referred to as vesting conditions: Tranche 1: Earnings Per Share Compound Annual Growth Rate (EPS CAGR): 50% weighting at target performance. Tranche 2: Indexed Total Shareholder Return (iTSR): Total Shareholder Return (TSR) growth measured against the ASX200 Total Return Index, 50% weighting at target performance. Overarching Gate for iTSR: Kelsian's TSR must be positive. There is also a service-based condition that is met if employment with Kelsian is continuous for the period commencing on or around the grant date until the date the Performance Rights vest.
What is EPS CAGR?	EPS CAGR is a method for calculating the compound annual growth rate in Kelsian's earnings per common share, calculated on a fully diluted basis from continuing operations.
What is iTSR?	TSR is a method for calculating the return shareholders would earn if they held a notional number of shares over a period of time. iTSR measures the growth in a company's share price together with the value of dividends during the period, assuming that all those dividends are reinvested into new shares. TSR CAGR is measured against the applicable index for Kelsian at the commencement of the first year of the measurement period for the Performance Rights. For Performance Rights issued during FY25 and FY24, this was the ASX200 Total Return Index following Kelsian's entry into the ASX200 Index in September 2021. (Rights issued in FY22 are measured against the ASX300 Total Return Index.)
Why were the performance conditions selected?	In selecting the performance conditions and the structure of the tranches the Board went through a process of consultation with external advisors, reviewing market trends and Kelsian's strategic objectives in structuring the existing LTI plan. The Board reviews the performance conditions annually to determine the appropriate hurdles based on Kelsian's strategy and prevailing market practice. Following its FY25 annual review of the most appropriate measures to align the interests of shareholders and management, the Board selected the following: • EPS CAGR as a measure of incentivising growth to reflect long-term growth yields for shareholders; and • TSR CAGR as an external measure of long-term return performance with the strongest link to shareholder returns.
What level of relative EPS and iTSR performance is required for the Rights to vest?	For Performance Rights granted in FY25, half of the Performance Rights will vest where the EPS CAGR performance is:

EPS CAGR (annualised) of Kelsian	Percentage of Performance Rights that vest
Less than 5%	Nil
5%	50% of Rights vest
Greater than 5% but less than 10%	Between 50% and 100% of Rights vest
10% and above	100% of Rights vest

For Performance Rights granted in FY25, half of the Performance Rights will vest where the TSR CAGR performance of Kelsian relative to the Total Return Index CAGR for the financial year in which the Performance Rights are granted is:

TSR CAGR of Kelsian relative to ASX200 Total Return Index CAGR	Percentage of Performance Rights that vest
Less than Index TSR	Nil
Index TSR	50% of Rights vest
Greater than Index TSR but less than 10% above Index TSR	Between 50% and 100% of Rights vest
Greater than Index TSR + 10%	100% of Rights vest

What happens to Performance Rights granted under the LTI Plan when an Executive ceases employment?	Kelsian intends to engage an independent organisation to calculate the TSR performance at the time of the potential vesting of any LTI to ensure an objective assessment of the relative TSR comparison. If the Executive KMP's employment is terminated for cause, or due to resignation, all unvested Performance Rights will lapse, unless the Board determines otherwise. In all other circumstances, unless the Board decides otherwise, a pro-rata portion of the Executive KMP's Performance Rights, calculated in accordance with the proportion of the performance period that has elapsed, will remain on foot, subject to the performance condition as set by the Board.
Can Kelsian apply malus or clawback to LTI awards?	If and when the Performance Rights vest, shares will be allocated in accordance with the Plan Rules and any other condition of the grant. In the event of serious misconduct or a material misstatement in Kelsian's financial statements, the Board may: • Reset the vesting conditions and/or alter the performance period applying to the award; • Deem all awards which have not vested to have lapsed or been forfeited.
What happens in the event of a change in control?	Where shares have been allocated to an Executive KMP and have been subsequently sold, require the Executive KMP to repay the net proceeds of such as sale to the extent this can be done in accordance with relevant laws. In the event of a change in control, the Board will exercise its discretion and determine the treatment of the unvested awards which may include a pro-rata vesting.

6. REMUNERATION OUTCOMES

Fixed Remuneration

In FY25, Non-Executive Directors received a 4.21% increase in fixed remuneration (inclusive where applicable of an 0.5% increase in mandated Superannuation Guarantee Charges).

During the period, for the annual salary review, Executive KMP received increases in fixed remuneration effective from the first full pay period post 1 July 2024. In determining the proposed Fixed Remuneration increases the following factors were taken into account: the change in roles/increased responsibilities taken on board since the acquisition of AAAHI, the ASX listed status and impact on Group roles which have global responsibility, as well as the experience and performance levels of individual incumbents.

In order to transition from 'Base salary plus' to the new Fixed Annual Remuneration (FAR) Package arrangement, and to accommodate the increases due to the Superannuation Concessional Contributions Cap from \$27,500 in FY24 to the Maximum Contribution Base (MCB) of \$29,932 in FY25, incremental increases were applied. Following this adjustment, any other remuneration components (such as motor vehicle benefits) were applied to arrive at the revised FAR package. In future years, annual adjustments are to be applied to the FAR with mandatory superannuation, the value of any other benefits (should appropriate benefits be introduced in the future) being deducted from the revised FAR to arrive at Base Cash Salary.

As part of the Board's succession planning, Clint Feuerherdt transitioned from the Managing Director and Group CEO role into a Strategic Advisor position during the year. In line with this change, Clint's remuneration was adjusted to reflect the revised scope of responsibilities and the terms of his revised part-time, fixed term employment agreement as a Strategic Advisor from 1 April 2025. No short or long-term incentive awards were granted or are carried forward in respect of the advisory role. Mr Feuerherdt remained entitled on a pro-rata basis to receive potential variable remuneration under the FY25 incentive programs for the period to 31 March 2025. This approach ensures appropriate alignment between role accountability and reward, while maintaining continuity of strategic insight during the leadership transition.

STI Outcomes

Chart 6.1 expands on the information related to the Managing Director and Group CEO. Table 6.2 identifies the performance measures, relevant weightings, and outcomes for FY25 short-term incentives for Executive KMP.

For the STI objectives that were met, 33% of those amounts will be offered as Restricted Rights or Restricted Stock Units, as applicable, under the Kelsian Group Rights Plan, subject to exercise restrictions until 31 August 2026.

Individual operational and non-financial STI targets for FY25 were set to achieve initiatives and target outcomes identified in our strategic plans aligned to delivering long-term growth and shareholder value. For FY25, the individual operational and non-financial STI targets represent 35% of the overall STI.

CHART 6.1:
Managing Director and Group CEO FY25 Performance Objectives and Outcomes

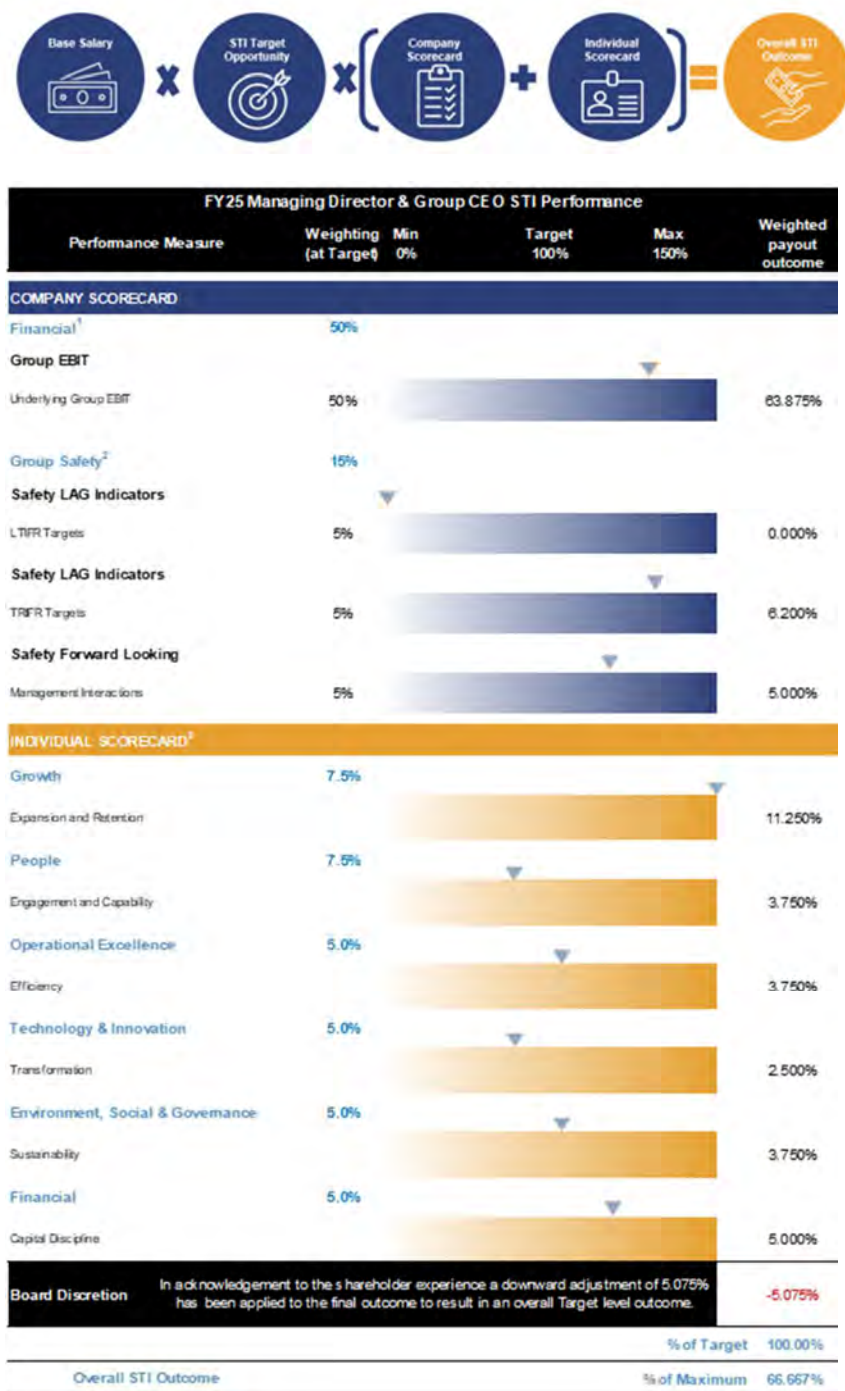


TABLE 6.1 Explanatory Notes

- (1) The STI for financial objective is awarded for threshold achievement of 95% with a sliding scale for outperformance up to 115% achievement for maximum award, capped at 150% of Target.
- (2) A no 'Catastrophic Incident or Event' (fatality or permanent impairment/disability from injury/illness) gateway applies to the award of the Group Safety component.
- (3) The STI for non-financial personal objectives for achievement of maximum award is capped at 150% of Target.

Managing Director and Group CEO Performance Outcomes Summary

Group EBIT	Underlying Group EBIT was assessed above Target, reflecting strong operational delivery and progress against strategic priorities. While performance was robust, maximum outcomes were not achieved as not all business units delivered at stretch levels, and further efficiency gains remain to be realised across the Group.
Group Safety	Performance was assessed below target. TRIFR performance was an improvement against the target of 13.70, while LTIFR of 8.93 was above the target of 7.6, meaning the threshold was not achieved. In contrast, forward - looking measures were assessed above target, with leadership safety interactions significantly exceeding expectations (472 Completed against a target of 184) Improving Group Safety continues to be a priority, with investments in risk management, safety software, leadership capability and governance frameworks across geographies. While progress has been made, maximum outcomes were not achieved as lag indicators remain above target.
Growth	Growth was delivered through successful expansion in the USA, a sustainable operating base in the UK, and continued tender retention and wins in Australia.
People	Progress was made in strengthening organisational structures, implementing a succession plan, and engagement through our "MySay" survey. Improvements were evident with 76% of planned actions completed, though results varied by business unit, which highlights the need for greater consistency in engagement before stretch can be achieved.
Operational Excellence	Cost savings and efficiencies were achieved, with budget outperformance and margin improvement recorded. Outcomes fell short of maximum, because integrations and system efficiencies are still being embedded across geographies, limiting delivery of full stretch expectations.
Technology & Innovation	Our digital transformation across Finance and HR has advanced as planned, remaining on budget and schedule. Maximum outcomes were not awarded because the program is still in its foundational stages, with system benefits yet to be fully realised at scale.
Environment, Social & Governance (ESG)	ESG outcomes were assessed as on target. The Board noted enhanced brand positioning and improved stakeholder relationships. Maximum performance was not awarded; some longer-term initiatives remain underway, and their impacts are yet to be fully demonstrated.
Financial	Delivery of the Capital Management Framework and reduction in leverage to 2.9x demonstrated disciplined financial management. Outcomes did not reach stretch because deleveraging is still progressing and remains a focus area. There is further headroom to achieve the target balance sheet strength.

TABLE 6.2

STI Remuneration Payable to Executive KMP for the current reporting period – STI achieved FY25

The following table outlines the percentage of each target STI achieved (and forfeited) in relation to the amount payable to each KMP for FY25.

Exec KMP	Financial					Operational and Non-Financial			Operational and Non-Financial					
	Opportunity		Group and Divisional Financials			Group Safety			Individual Objectives			Board Discretion	% Target STI awarded	STI \$A awarded
	Target STI	Max STI	Target Weight	Achieved	Forfeited	Target Weight	Achieved	Forfeited	Target Weight	Achieved	Forfeited			
	\$	\$	%	%	%	%	%	%	%	%	%	%	%	\$
Clinton Feuerherdt	509,703	764,558	50.0%	63.800%	-	15.0%	11.200%	3.800%	35.0%	30.000%	20.000%	(5%)	100.0%	509,703
Andrew Muir	275,100	412,650	50.0%	63.800%	-	15.0%	13.700%	1.300%	35.0%	27.500%	7.500%	(5%)	100.0%	275,100
Graeme Legh	496,941	745,411	50.0%	70.500%	-	15.0%	7.500%	7.500%	35.0%	48.100%	-	-	126.1%	627,028
Donna Gauci	113,387	170,081	50.0%	56.300%	-	15.0%	13.700%	1.200%	35.0%	25.000%	10.000%	-	95.0%	107,774
Michael McGee	123,037	184,556	50.0%	70.500%	-	15.0%	7.500%	7.500%	35.0%	28.700%	6.200%	-	106.8%	131,404
Winston Toh	128,506	192,759	50.0%	70.500%	-	15.0%	18.700%	-	35.0%	27.700%	7.500%	-	116.8%	150,095
Brent Maitland	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 6.2 Explanatory Notes:

- The 'Achieved' and 'Forfeited' represents the actual achieved and forfeited of the weighted performance measure out of Target 100%. In the example of Group Safety, this performance measure is weighted at 15% of the Target STI value.
- All values are shown in Australian Dollars for the purposes of this Remuneration Report.
- Graeme Legh STI based on full year AAAHI performance objectives.
- STI awards for the Managing Director and Group CEO, and the Group CFO, were reduced from their formulaic outcomes by (5.075%).

LTI Outcomes

The LTI award granted in FY23 consisted of two performance measures, EPS CAGR annualised (50% weighting) and index TSR relative to the performance of the ASX200 Total Return Index (50% weighting). The vesting scales were as below:

EPS CAGR (annualised) of Kelsian	Percentage of Performance Rights that vest
Less than 5%	Nil
5%	50% of Rights vest
Greater than 5% but less than 10%	Between 50% and 100% of Rights vest
10% and above	100% of Rights vest

TSR CAGR of Kelsian relative to ASX200 Total Return Index CAGR	Percentage of Performance Rights that vest
Less than Index TSR	Nil
Index TSR	50% of Rights vest
Greater than Index TSR but less than 10% above Index TSR	Between 50% and 100% of Rights vest pro-rata
Greater than Index TSR + 10%	100% of Rights vest

The EPS CAGR annualised, based on statutory NPATA, is below the threshold level of 5.0% to be achieved for this tranche to vest. Consequently, none of the EPS CAGR tranche for FY23 Performance Rights vested.

The calculation of EPS CAGR for Kelsian is set to ensure that the measure is fit for purpose and reflects alignment with shareholder value creation. Accounting standards require Kelsian to recognise and amortise identifiable goodwill (customer contracts) for acquisitions. The non-cash amortisation charge is excluded (i.e., added back) to statutory NPAT to determine EPS. Kelsian's dividend policy specifically adds this non-cash amortisation chargeback when determining the dividend payout ratio.

For FY23 Performance Rights, the NPATA statutory results were specified at time of grant to be used to assess the achievement of EPS CAGR each year for EPS tranche assessment.

The Board also retains the discretion to increase or decrease the extent of vesting in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period. No such discretion has been applied in relation to FY23 Performance Rights.

Assessment of the index TSR tranche shows that the Kelsian TSR for the period is negative. The overarching gate of a positive shareholder return required for the TSR tranche was not achieved and consequently none of the TSR tranche for FY23 Performance Rights vested.

Further details on the vested awards can be found in the table in Section 9. *(note that the FY23 LTI rights lapsed after the end of the reporting period)*

7. NED REMUNERATION

On appointment to the Board, all Non-Executive Directors enter into a contract for services with Kelsian in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

To maintain their independence and impartiality, Non-Executive Directors' rewards do not have any at-risk components. Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the People, Culture and Remuneration Committee.

For FY25, the remuneration of the Chair of the Board has been adjusted by 4.21% to an annual payment of \$273,570 inclusive of mandatory superannuation contributions. Committee Fees have been paid in addition to the base Board Member Fee for membership of specific Committees, excluding the Nomination Committee. The Chair of the Board does not receive additional fees for participation in Committees NED base fees and committee fees have been increases by 4.21% inclusive of the passing on the FY25 mandatory increase in the Superannuation Guarantee Charge applicable to Australian Directors (or the equivalent if located overseas).

Effective from the 1st of July 2024, the Audit, Risk and Sustainability Committee was separated into two, being the Finance and Audit Committee and the Safety, Risk and Sustainability Committee. This was following a full review of the suitability and governance of the committee structure and to provide more focus on these important areas. Oversight of safety related matters became the primary responsibility of the Safety, Risk and Sustainability Committee with consequential changes to the Charter of the People, Culture and Remuneration Committee for FY25 onwards.

**TABLE 7.1:
REMUNERATION FRAMEWORK AND DETAILS FOR NON-EXECUTIVE DIRECTORS (NEDs)**

Objectives	The key objectives of Kelsian's NED Remuneration Framework are to: • Secure and retain talented and qualified Directors – fee levels are set with regard to time commitment and workload, experience and expertise, risk and responsibility of the role, and market benchmarking of listed companies with a similar market capitalisation; • Promote independence and impartiality – fee levels do not vary according to the performance of the Group; and • Align Director and shareholder interests – Kelsian encourage its NEDs to build a long-term stake in the Group and Directors can acquire shares through acquisition on the market during permitted trading windows.
Fee Structure Review	NED fees are reviewed annually by the People, Culture and Remuneration Committee. The People, Culture and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure NED fees and payments are appropriate and in line with the market. With respect to the NED Remuneration Principles, adopted by Kelsian, every two years a more detailed market review and benchmarking analysis of Director remuneration is undertaken including with appropriate use of external reports and input from independent remuneration experts.
Fee Structure	Non-Executive Directors receive fixed pay only, paid as director fees, and do not participate in any performance-based incentive plans. In addition, NEDs, excluding the Chair of the Board, receive Committee Chair and Membership fees for membership of specific Board Committees. Further details relating to the Committee Chair and Membership fees are set out in Table 7.2. All NEDs participate in the Investment Working Group to enable consideration of complex projects such as tender applications and acquisition growth opportunities, meeting on an ad hoc basis as needed throughout the year. Participation in the Working Group is compensated for within the Base Board Fee, no addition remuneration is paid for this involvement.
Superannuation	Compulsory superannuation guarantee contributions (SGC) are paid on the Director's fee on behalf of all eligible NED. If a NED ceases to be eligible for SGC payments, the equivalent amount is paid in fees.
Additional fees and reimbursements	After considering the strategic importance of Board oversight of significant projects and initiatives, the Board may from time to time allocate additional responsibilities and commensurate fees to nominated directors. NEDs are entitled to be reimbursed for all business-related expenses. NEDs do not receive share options, rights, other incentives, or retirement benefits.
Aggregate annual fee pool	In accordance with Kelsian's Constitution and ASX Listing Rules, the aggregate amount paid to all NEDs must not exceed the maximum determined and approved by shareholders in a General Meeting. The most recent determination of the maximum aggregate remuneration ('pool') for NEDs was at the Annual General Meeting of shareholders held on 24 October 2023, where the shareholders approved a pool of \$1.75 million. The vote was 96.72% in favour. The total Directors' fees paid for FY25 were \$1,235,088 which is less than the maximum approved pool.

**TABLE 7.2
BOARD AND COMMITTEE FEES FOR NEDs IN FY25**

Board/Committee	Chair ⁽¹⁾ \$	Member \$
Board base fee, including superannuation, per annum.	273,570	133,178
Safety, Risk and Sustainability Committee, including superannuation, per annum.	26,575	11,672
People, Culture and Remuneration Committee, including superannuation, per annum.	26,575	11,672
Finance and Audit Committee, including superannuation, per annum.	26,575	11,672
Nomination Committee ⁽²⁾	nil	nil

(1) The Board Chair does not receive additional fees for Committee membership

(2) No fees are payable for membership of the Nomination Committee

8. CONTRACTUAL ARRANGEMENTS AND STATUTORY REMUNERATION

TABLE 8.1

MANAGING DIRECTOR AND GROUP CEO AND EXECUTIVE KMP EMPLOYMENT TERMINATION CONDITIONS

Contract term	Managing Director & Group CEO	Other Executive KMP
Contract Type	Permanent	Permanent
Notice Period by Kelsian	6 Months	2-4 Months
Notice Period by Executive KMP	6 Months	2-4 Months
Termination Payment	Executive KMP have termination benefits that are within the limit allowed by the Corporations Act 2001 without security holder approval. Where the Executive KMP is not employed for the full period of notice, a payment in lieu of notice may be made. The payment in lieu of notice is based on fixed remuneration unless other arrangements are required to align with applicable local employment legislation and rules.	

TABLE 8.2

NED REMUNERATION FOR THE YEARS ENDED 30 JUNE 2024 AND 30 JUNE 2025

Details of the nature and amount of each major element of the remuneration paid or payable to each Director are:

Non-Executive Director	Year	Director fee ⁽³⁾	Short-term Incentive	Non-Monetary Benefits	Other	Super-annuation	Long-term Benefit LSL	Performance Rights	Total
Jeffrey Ellison AM ⁽¹⁾	2025	4,548	-	-	-	523	-	-	5,071
	2024	235,509	-	-	-	25,214	-	-	260,723
Fiona Hele	2025	243,943	-	-	-	28,053	-	-	271,996
	2024	165,997	-	-	-	18,260	-	-	184,257
Terry Dodd	2025	129,730	-	-	-	14,919	-	-	144,649
	2024	124,827	-	-	-	13,731	-	-	138,558
Neil Smith ⁽²⁾	2025	144,467	-	-	-	-	-	-	144,467
	2024	127,790	-	-	39,000	-	-	-	166,790
Lance Hockridge	2025	153,532	-	-	-	17,656	-	-	171,188
	2024	146,917	-	-	-	16,161	-	-	163,078
Diane Grady AO	2025	140,029	-	-	-	16,103	-	-	156,132
	2024	124,827	-	-	-	13,731	-	-	138,558
Jacqueline McArthur	2025	153,330	-	-	-	17,633	-	-	170,963
	2024	60,272	-	-	-	6,630	-	-	66,902
Caroline Elliott	2025	153,023	-	-	-	17,598	-	-	170,621
	2024	2,657	-	-	-	292	-	-	2,949

(1) Retired 1 July 2024.

(2) Other remuneration in FY24 relates to additional fees for involvement in the integration and oversight of the recent AAAHI acquisition.

(3) Director fee is inclusive of both Board base fee and relevant Committee Membership Fees.

TABLE 8.3
EXECUTIVE KMP REMUNERATION FOR THE YEARS ENDED 30 JUNE 2024 AND 30 JUNE 2025

Details of the nature and amount of each major element of the remuneration paid or payable to each Executive are:

Non-Executive Director	Year	Salary	Short-term Incentive	Non-Monetary Benefits	Other	Super-annuation	Long-term Benefit LSL	Short-term Incentive - Restricted Rights	Performance Rights ⁽¹⁾	Total
Clinton Feuerherdt	2025									
	2024	1,280,285	341,501	15,408	-	29,932	3,600	168,202	(147,980)	1,690,948
		961,153	533,050	19,319	-	27,500	59,218	177,684	356,390	2,134,314
Andrew Muir	2025									
	2024	528,014	184,317	-	-	29,932	20,813	90,783	(41,858)	812,001
		475,010	223,666	-	-	27,500	21,998	74,555	99,898	922,627
Graeme Legh ⁽²⁾	2025									
	2024	1,076,275	420,109	1,527	-	11,023	97,330	206,919	(159,096)	1,654,087
		910,808	483,223	5,378	-	12,506	19,569	161,075	255,122	1,847,681
Donna Gauci	2025									
	2024	455,452	72,209	-	-	29,932	14,180	35,565	(14,078)	593,260
		399,557	51,615	-	-	27,500	11,781	17,205	50,945	558,603
Michael McGee	2025									
	2024	478,804	88,041	-	-	29,932	3,187	43,363	(37,197)	606,130
		446,538	88,923	-	-	27,500	882	29,641	48,816	642,300
Winston Toh ⁽³⁾⁽⁴⁾	2025									
	2024	637,911	100,564	-	11,989	19,116	-	49,531	(11,148)	807,963
		574,083	99,295	-	-	15,933	-	33,098	21,243	743,652
James (Brent) Maitland ⁽⁵⁾	2025									
	2024	26,952	-	76	-	-	-	-	-	27,028
		-	-	-	-	-	-	-	-	-

TABLE 8.3 Explanatory Notes

- All values are shown in Australian Dollars for the purposes of this Remuneration Report.
- Non-monetary benefits represent the inclusion of reportable fringe benefits (such as the provision of motor vehicles).
- Short-term Incentive represents the cash component of the STI. STI cash is paid after the end of the financial year to which it relates but is allocated to the earning year.
- Introduced in FY23, the balance of the STI is a Deferred Short-Term Incentive. For FY25, this applied to 33% of the financial and non-financial components.

- The FY23 LTI PR grant did not meet the required hurdles and all Performance Rights in connection with the measurement period FY23-FY25 are forfeited. As a result, the fair value previously expended has been reversed.
- Graeme Legh is remunerated in US Dollars for the period of 1 July 2024 up to and including 31 March 2025.
- Winston Toh is remunerated in Singapore Dollars.
- Other remuneration for FY25 relates to an additional cash payment of SGD \$10,000 for Winston Toh in recognition for his achievements related to safety in FY24 and the ongoing benefit in FY25.
- James (Brent) Maitland is remunerated in US Dollars.

9. EQUITY HOLDINGS OF KMP

Options

There were no options granted, awarded/forfeited, or exercised by KMP in FY24 or FY25.

Equity Rights

All equity transactions with KMP have been entered into under terms and conditions no more favourable than those Kelsian would have adopted if dealing on an arm's length basis.

Equity rights in the form of Restricted Rights (called Restricted Share Units in the USA) are used to award equity to Executive KMP as part of the Deferred STI Plan. These types of Rights are fully vested at grant and subject to an exercise restriction of 12 months following the release of the Company's full year results for the relevant financial year. The Restricted Rights will not be forfeited due to a cessation of employment event, such as resignation however they are subject to powers of forfeiture of the Board for unexercised rights.

There were a total of 151,802 Restricted Rights issued in the 12-month period to 30 June 2025 with 132,726 of those being issued to Executive KMP.

As of 30 June 2025, 151,802 Restricted Rights in total remained outstanding.

Performance Rights (called Restricted Share Units with performance conditions in the USA) are generally granted to Executive KMP as part of an LTI Plan. When a participant ceases employment prior to the vesting of their Performance Rights or where the performance hurdle is not met, the Performance Rights are forfeited, unless and to the extent that the Board determines otherwise.

Should all conditions be met, and rights exercised, one Ordinary Share is issued for each Restricted Right or Performance Right at no consideration.

There were a total of 1,278,178 Performance Rights issued in the 12-month period to 30 June 2025 with 638,556 of those being issued to Executive KMP.

As of 30 June 2025, 1,225,618 Performance Rights in total remained outstanding.

There were no loans to Directors or Executive KMP during the 2025 financial year.

TABLE 9.1:
EQUITY RIGHTS HELD BY KMP FOR THE YEARS ENDED 30 JUNE 2024 AND 30 JUNE 2025

KMP	Grant date	Fair Value of performance right \$	Rights on issue 30 June 2024 (number)	Granted (number)	Lapsed/cancelled (number)	Vested and exercised (number)	Rights on issue 30 June 2025 (number)	Vesting date
Clinton Feuerherdt								
FY22 LTI								
Performance Rights	25/10/2021	\$5.1340	60,115	-	(60,115)	-	-	31/08/2024
FY23 LTI								
Performance Rights	06/12/2022	\$3.1095	109,622	-	-	-	109,622	31/08/2025
FY24 LTI								
Performance Rights	23/11/2023	\$4.8080	104,162	-	-	-	104,162	31/08/2026
FY24 STI								
Restricted Rights	23/11/2023	\$0.0000	18,031	-	-	-	18,031	23/11/2023
FY25 LTI								
Performance Rights	19/11/2024	\$2.4120	-	259,088	-	-	259,088	31/08/2027
FY25 STI								
Restricted Rights	19/11/2024	\$0.0000	-	48,005	-	-	48,005	19/11/2024
Total			291,930	307,093	(60,115)	-	538,908	
Total \$				624,920				
Andrew Muir								
FY22 LTI								
Performance Rights	25/10/2021	\$5.1340	16,328	-	(16,328)	-	-	31/08/2024
FY23 LTI								
Performance Rights	27/09/2022	\$3.4910	28,894	-	-	-	28,894	31/08/2025
FY24 LTI								
Performance Rights	02/11/2023	\$4.1880	27,455	-	-	-	27,455	31/08/2026
FY24 STI								
Restricted Rights	10/10/2023	\$0.0000	6,931	-	-	-	6,931	10/10/2023
FY25 LTI								
Performance Rights	30/10/2024	\$2.3255	-	91,318	-	-	91,318	31/08/2027
FY25 STI								
Restricted Rights	08/10/2024	\$0.0000	-	20,142	-	-	20,142	08/10/2024
Total			79,608	111,460	(16,328)	-	174,740	
Total \$				212,360				
Graeme Legh								
FY22 LTI								
Performance Rights	25/10/2021	\$5.1340	29,688	-	(29,688)	-	-	31/08/2024
FY23 LTI								
Performance Rights	27/09/2022	\$3.4910	52,577	-	-	-	52,577	31/08/2025
FY24 LTI								
Performance Rights	02/11/2023	\$4.8080	102,525	-	-	-	102,525	31/08/2026
FY24 STI								
Restricted Rights	10/10/2023	\$0.0000	7,273	-	-	-	7,273	10/10/2023
FY25 LTI								
Performance Rights	30/10/2024	\$2.3255	-	178,482	-	-	178,482	31/08/2027
FY24 STI								
Performance Rights	08/10/2024	\$0.0000	-	42,768	-	-	42,768	08/10/2024
Total			192,063	221,250	(29,688)	-	383,625	
Total \$				415,060				

Donna Gauci									
FY22 LTI									
Performance Rights	25/10/2021	\$5.1340	8,393	-	(8,393)	-	-	-	31/08/2024
FY23 LTI									
Performance Rights	27/09/2022	\$3.4910	14,852	-	-	-	-	14,852	31/08/2025
FY24 LTI									
Performance Rights	02/11/2023	\$4.8080	13,823	-	-	-	-	13,823	31/08/2026
FY24 STI									
Restricted Rights	10/10/2023	\$0.0000	3,744	-	-	-	-	3,744	10/10/2023
FY25 LTI									
Performance Rights	30/10/2024	\$2.3255	-	37,865	-	-	-	37,865	31/08/2027
FY24 STI									
Performance Rights	08/10/2024	\$0.0000	-	4,648	-	-	-	4,648	08/10/2024
Total			40,812	42,513	(8,393)	-	-	74,932	
Total \$				88,055					

Michael McGee									
FY23 LTI									
Performance Rights	06/12/2022	\$3.4910	14,139	-	-	-	-	14,139	31/08/2025
FY24 LTI									
Performance Rights	02/11/2023	\$4.8080	23,181	-	-	-	-	23,181	31/08/2026
FY24 STI									
Restricted Rights	10/10/2023	\$0.0000	589	-	-	-	-	589	10/10/2023
FY25 LTI									
Performance Rights	30/10/2024	\$2.3255	-	48,696	-	-	-	48,696	31/08/2027
FY24 STI									
Performance Rights	08/10/2024	\$0.0000	-	8,008	-	-	-	8,008	08/10/2024
Total			37,909	56,704	-	-	-	94,613	
Total \$				113,243					

Winston Toh									
FY22 LTI									
Performance Rights	25/10/2021	\$5.1340	3,510	-	(3,510)	-	-	-	31/08/2024
FY23 LTI									
Performance Rights	27/09/2022	\$3.4910	6,301	-	-	-	-	6,301	31/08/2025
FY24 LTI									
Performance Rights	02/11/2023	\$4.8080	5,661	-	-	-	-	5,661	31/08/2026
FY24 STI									
Restricted Rights	10/10/2023	\$0.0000	1,312	-	-	-	-	1,312	10/10/2023
FY25 LTI									
Performance Rights	30/10/2024	\$2.3255	-	23,107	-	-	-	23,107	31/08/2027
FY24 STI									
Performance Rights	08/10/2024	\$0.0000	-	9,155	-	-	-	9,155	08/10/2024
Total			16,784	32,262	(3,510)	-	-	45,536	
Total \$				53,735					

(1) Lapsed on 28 August 2024.

Shareholdings

TABLE 9.2:
SHAREHOLDINGS HELD BY KMP FOR THE YEARS ENDED 30 JUNE 2024 AND 30 JUNE 2025

	Balance 30 June 2024 [^]	Rights exercised	Acquired / (Sold)	Balance 30 June 2025 [#]
Non-Executive Directors				
Jeffrey Ellison AM	5,589,591	-	(160,008)	5,429,583
Fiona Hele	65,583	-	59,804	125,387
Terry Dodd	5,828,510	-	34,101	5,862,611
Neil Smith	25,780,428	-	(1,474,806)	24,305,622
Lance Hockridge	111,765	-	-	111,765
Diane Grady AO	28,464	-	6,873	35,337
Jacqueline McArthur	20,000	-	50,000	70,000
Caroline Elliott	-	-	10,000	10,000
Executive KMP				
Clinton Feuerherdt	6,150,645	18,031	184,321	6,352,997
Andrew Muir	179,001	6,931	29,967	215,899
Graeme Legh	289,046	7,273	119,655	415,974
Donna Gauci	66,440	3,744	-	70,184
Michael McGee	-	589	-	589
Winston Toh	36,036	1,312	-	37,348
James (Brent) Maitland	-	-	93,000	93,000
TOTAL	44,145,509	37,880	(1,047,093)	43,136,296

[^] The balance reflects the number of shares held as of 1 July 2024.

[#] The balance reflects the number of shares held as of 30 June 2025.

Disclosures required in the Remuneration Report by the Corporations Act, particularly the inclusion of accounting values for LTI Performance Rights awarded but not vested, can vary significantly from the remuneration actually paid to Executives. This is because Accounting Standards require a value to be placed on the Performance Rights at the time it is granted to an Executive and then reported as remuneration even if ultimately the Executive does not receive any actual value, for example, because performance conditions are not met, and the Performance Rights do not vest.

Signed in accordance with a resolution of the Directors.
On behalf of the Directors



Ms Jackie McArthur
Chair, People, Culture and Remuneration Committee
Kelsian Group Limited
Date: 26 August 2025



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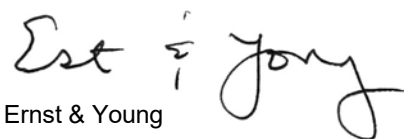
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Auditor's Independence Declaration to the Directors of Kelsian Group Limited

As lead auditor for the audit of the financial report of Kelsian Group Limited for the financial year ended 30 June 2025, 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



Nigel Stevenson
Partner
26 August 2025

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General information

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

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

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 August 2025. The Directors have the power to amend and reissue the financial statements.

	Note	2025 \$'000	Consolidated 2024 \$'000
Revenue from contracts with customers	4	2,208,909	2,016,811
Other income	5	15,965	25,584
Interest income		4,209	3,687
Expenses			
Direct operating expenses:			
Direct wages		(1,138,521)	(1,028,716)
Repairs and maintenance		(149,413)	(135,134)
Fuel		(168,371)	(181,764)
Subcontractor services		(36,547)	(34,615)
Commission		(12,708)	(10,108)
Meals and beverage		(18,163)	(18,537)
Tour costs		(12,007)	(8,620)
Depreciation		(89,933)	(84,287)
Depreciation - ROUA		(25,833)	(24,854)
Other direct expenses		(125,178)	(104,127)
Administration expenses:			
Indirect wages		(166,764)	(144,009)
General and administration		(106,319)	(102,117)
Marketing		(8,559)	(7,403)
Financing charges		(63,986)	(54,118)
Amortisation		(33,202)	(34,143)
Acquisition and transaction costs		(5,148)	(2,210)
Total expenses		(2,160,652)	(1,974,762)
Profit before income tax expense		68,431	71,320
Income tax expense	6	(13,937)	(13,314)
Profit after income tax expense for the year attributable to the owners of Kelsian Group Limited		54,494	58,006
		Cents	Cents
Basic earnings per share	39	20.1	21.5
Diluted earnings per share	39	20.0	21.4

	Consolidated	
	2025	2024
	\$'000	\$'000
Profit after income tax expense for the year attributable to the owners of Kelsian Group Limited	54,494	58,006
Other comprehensive profit/(loss)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in the fair value of cash flow hedges taken to equity, net of tax	(5,206)	(5,237)
Foreign currency translation of foreign operations, net of tax	21,214	(3,924)
Other comprehensive profit/(loss) for the year, net of tax	16,008	(9,161)
Total comprehensive income/(loss) for the year attributable to the owners of Kelsian Group Limited	70,502	48,845

	Note	2025 \$'000	Consolidated 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	182,784	134,470
Trade and other receivables	8	232,869	204,825
Inventories	9	34,340	31,949
Other assets	10	30,266	30,639
Total current assets		480,259	401,883
Non-current assets			
Property, plant and equipment	11	876,185	825,011
Right-of-use assets	12	170,863	187,709
Intangibles	13	958,863	973,384
Other assets	10	13,303	11,543
Total non-current assets		2,019,214	1,997,647
Total assets		2,499,473	2,399,530
Liabilities			
Current liabilities			
Trade and other payables	14	95,576	93,516
Contract liabilities	15	15,576	14,288
Borrowings - ringfenced finance facilities	17	10,232	11,725
Lease liabilities	18	22,925	44,487
Derivative financial liabilities	19	2,149	133
Current tax liability		3,158	1,077
Employee benefits	20	120,981	112,133
Provisions	21	49,291	39,559
Other liabilities	22	90,643	88,084
Total current liabilities		410,531	405,002
Non-current liabilities			
Borrowings	16	806,321	739,946
Borrowings - ringfenced finance facilities	17	78,718	89,089
Lease liabilities	18	143,712	134,637
Derivative financial liabilities	19	5,707	285
Deferred tax liabilities	6	83,115	93,929
Employee benefits	20	7,871	7,746
Provisions	21	4,608	671
Other liabilities	22	975	852
Total non-current liabilities		1,131,027	1,067,155
Total liabilities		1,541,558	1,472,157
Net assets		957,915	927,373
Equity			
Issued capital	23	859,620	853,179
Reserves	24	33,855	16,927
Retained profits		64,437	57,264
Equity attributable to the owners of Kelsian Group Limited		957,912	927,370
Non-controlling interest	25	3	3
Total equity		957,915	927,373

The above 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 year	-	-	58,006	-	58,006
Other comprehensive income/(loss) for the year, net of tax	-	(9,161)	-	-	(9,161)
Total comprehensive profit/(loss) for the year	-	(9,161)	58,006	-	48,845
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 40)	2,331	365	-	-	2,696
Employee rights converted (note 40)	905	(1,537)	-	-	(632)
Dividends paid (note 26)	-	-	(47,143)	-	(47,143)
Balance at 30 June 2024	853,179	16,927	57,264	3	927,373
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 year	-	-	54,494	-	54,494
Other comprehensive income/(loss) for the year, net of tax	-	16,008	-	-	16,008
Total comprehensive income/(loss) for the year	-	16,008	54,494	-	70,502
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments - non cash (note 40)	-	1,098	-	-	1,098
Employee rights converted	25	(178)	-	-	(153)
Dividend reinvestment plan	6,416	-	-	-	6,416
Dividends paid (note 26)	-	-	(47,321)	-	(47,321)
Balance at 30 June 2025	859,620	33,855	64,437	3	957,915

	Note	2025 \$'000	Consolidated 2024 \$'000
Cash flows from operating activities			
Receipts from customers		2,224,754	1,978,111
Payments to suppliers and employees		(1,953,565)	(1,789,316)
		271,189	188,795
Interest received		4,209	3,687
Other income		14,581	24,672
Interest and other finance costs paid		(63,985)	(53,961)
Income taxes paid		(20,822)	(16,491)
Net cash from operating activities	38	205,172	146,702
Cash flows from investing activities			
Payments for purchase of business, net of cash acquired	33	(2,957)	(16,637)
Payments for prior period's business acquisition	22	-	(11,788)
Payments for ring-fence financed assets		-	(104,969)
Payments for property, plant and equipment	11	(164,502)	(148,519)
Payments for intangibles	13	(578)	(1,313)
Proceeds from disposal of property, plant and equipment		27,566	20,242
Net cash used in investing activities		(140,471)	(262,984)
Cash flows from financing activities			
Drawdown of facilities		57,548	62,191
(Repayment)/drawdown of ring-fenced finance facilities		(11,725)	104,969
Payments for leases		(24,453)	(26,631)
Movements in equity - other		-	(632)
Dividends paid	26	(40,905)	(47,143)
Net cash from/(used in) financing activities		(19,535)	92,754
Net increase/(decrease) in cash and cash equivalents		45,166	(23,528)
Cash and cash equivalents at the beginning of the financial year		134,470	157,939
Effects of exchange rate changes on cash and cash equivalents		3,148	59
Cash and cash equivalents at the end of the financial year	7	182,784	134,470

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

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and relevant.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (IFRS) accounting standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The financial statements are prepared on a going concern basis. As at 30 June 2025, the Consolidated Statement of Financial Position reflected net current assets of \$69,728,000 (2024: \$3,119,000 net liabilities).

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kelsian Group Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Kelsian Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Kelsian Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Note 1. Material accounting policy information (continued)

The Group recognises revenue as follows:

Revenue from contracts with customers

Good transferred at a point in time

Revenue from the transport of passengers, freight and accommodation is recognised at the time of delivery of the service to the customer. This is the time where the control is transferred and when each separate performance obligation in the customer contract is fulfilled given the short time services are provided (less than a day). This typically occurs on a departure date or booking date basis whereby customers who have paid for services have actually departed on those travel or accommodation services. The revenue is recognised in the month of the departure date.

Some of the ferry and freight transportation have a series of performance obligations, but as the duration of these are short term the impact from splitting these contract into "distinct services" does not have material impact.

Revenue in relation to retailing of travel services is recognised on a gross basis when customers have paid for their travel services.

Revenue is recognised at the amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding GST and after deduction of trade discounts. Trade Receivables typically do not contain a significant financing component. The general credit terms are overall short and aligned with market terms.

Accounting estimates and judgements are made in order to determine time of delivery and account for income accruals when it is deferred. These accounting estimates and judgements are based on experience and continuous follow-up on services delivered.

Services transferred over time

Revenue from bus contracts to provide services is recognised over time as the services are delivered based on agreed contractual rates for delivery of the defined services. If services are increased or decreased, a pre-determined contractual adjustment on a per kilometre basis is made against the contractual rates.

Contract revenue includes the revenue from any pre-operational phase, initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The parent entity and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the parent entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the parent entity.

Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Material accounting policy information (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement between 30-60 days.

The consolidated entity has established a provision matrix that is based on its historical loss experience, adjusted for forward looking factors specific for the debtors and the economic environment. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If cashflow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cashflows are still expected to occur and released to profit or loss when the forecast transaction occurs. Otherwise the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

Hedges of a net investment

Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 1. Material accounting policy information (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	14-60 years
Leasehold improvements	4-22 years
Plant and equipment	3-30 years
Vessels	5-25 years
Motor vehicles	3-20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets (ROUA)

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their estimated finite life of between 1 to 10 years.

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their estimated finite life of between 1 to 10 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets including right of use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 1. Material accounting policy information (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-60 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset may fully written down after taking into account remaining lease term and any options to extend or terminate the agreement.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 1. Material accounting policy information (continued)

The cost of cash-settled transactions are initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in the Statement of Profit or Loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Valuation techniques for fair value measurements categorised within levels 1 and 2

Level 1 and 2 financial assets and liabilities 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.

Valuation techniques for fair value measurements categorised within level 3

Level 3 financial assets and liabilities have been valued by using the discounted cash flows (DCF) method.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 1. Material accounting policy information (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

From time to time comparative balances are restated to better align with current year classification or for compliance with the Group's accounting policies.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kelsian Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. From time to time comparative balances are restated to better align with current year classification or for compliance with the Group's accounting policies. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Carrying value of property, plant & equipment

The Group has assessed the carrying value of its tangible assets at the reporting date for indicators of impairment and, where applicable, reviewed the measurement of the carrying value of such tangible assets.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Comparatives in the financial report have been realigned to the current period presentation. There has been no effect on the comparative period profit.

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.

Impairment of financial assets specifically trade receivables

The Group has reviewed the expected credit losses for its trade receivables balances. AASB 9 requires forward-looking information (including macroeconomic information) to be considered both when assessing whether there has been a significant increase in credit risk and when measuring expected credit losses.

Impairment of non-financial assets

Intangible assets comprise of goodwill and other intangible assets with both finite and indefinite lives. Consistent with the Group's accounting policies, it has evaluated the conditions specific to the Group and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Group has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss at 30 June 2025 (refer note 13).

Risk management

The Group's risk management framework continues to be applied and the CODM continue to monitor the Group's risk profile. Non-financial risks emerging from global and local movement restrictions, liquidity, remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed and governed through timely application of Group's risk management framework.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Estimation of unregulated revenue for bus contracts

The Company has contracts with different government bodies to provide bus and ferry services across the Group. Management have assessed that where unregulated services are permitted under the respective contracts and such revenue streams are expected at contract inception to contribute to significant unregulated revenue compared to the total contract revenue, for the arrangement to fall out of scope of AASB Interpretation 12 'Service Concession Arrangements' (AASB Interpretation 12). The Company has exercised judgement on what is considered 'significant' in respect to unregulated revenue to cause a whole arrangement to fall out of scope of AASB Interpretation 12.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Group applies judgement in estimating future taxable profits from internal budgets and forecasts. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date, a key judgement of which is the identification, recognition and measurement of intangible assets recognised on acquisition. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. 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.

Note 3. Operating segments (continued)

Australian Bus – operates metropolitan public bus services on behalf of governments in Sydney, Melbourne, Perth, Adelaide and Stradbroke Island. 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 United Kingdom, Channel Islands and Singapore. Operates charter motorcoaches 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 year ended 30 June 2025, approximately 64.5% (2024: 65.0%) of the consolidated entity's external revenue was derived from sales to governments.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2025	Marine and Tourism \$'000	Australian Bus \$'000	International Bus \$'000	Corporate \$'000	Total \$'000
Revenue					
Sales to external customers	368,048	1,151,338	689,523	-	2,208,909
Interest received	131	304	658	3,116	4,209
Total revenue	368,179	1,151,642	690,181	3,116	2,213,118
EBITDA	75,251	127,933	113,202	(31,420)	284,966
Depreciation	(19,829)	(26,320)	(42,863)	(921)	(89,933)
Depreciation ROUA	(1,760)	(11,463)	(11,943)	(667)	(25,833)
Amortisation of customer contracts	(1,008)	(15,952)	(16,242)	-	(33,202)
Net finance costs	(398)	(9,845)	(17,017)	(32,517)	(59,777)
Acquisition and transaction costs	-	(22)	(748)	(4,378)	(5,148)
Net foreign exchange gain/(loss)	-	-	-	(2,642)	(2,642)
Profit/(loss) before income tax expense	52,256	64,331	24,389	(72,545)	68,431
Income tax expense					(13,937)
Profit after income tax expense					54,494
<i>Material items include:</i>					
Direct labour	(121,292)	(696,907)	(320,322)	-	(1,138,521)
Assets					
Segment assets	394,569	971,472	1,039,891	93,541	2,499,473
Total assets					2,499,473
Liabilities					
Segment liabilities	53,947	234,604	534,849	635,043	1,458,443
<i>Unallocated liabilities:</i>					
Deferred tax liability					83,115
Total liabilities					1,541,558

Note 3. Operating segments (continued)

Consolidated - 2024	Marine and Tourism \$'000	Australian Bus \$'000	International Bus \$'000	Corporate \$'000	Total \$'000
Revenue					
Sales to external customers	346,794	1,036,026	633,991	-	2,016,811
Interest received	229	741	1,127	1,590	3,687
Total revenue	347,023	1,036,767	635,118	1,590	2,020,498
EBITDA	71,574	117,962	104,920	(29,048)	265,408
Depreciation	(17,735)	(22,449)	(43,628)	(475)	(84,287)
Depreciation ROUA	(1,856)	(11,268)	(11,100)	(630)	(24,854)
Amortisation of customer contracts	(651)	(17,580)	(15,912)	-	(34,143)
Net finance costs	(102)	(6,309)	(18,946)	(25,074)	(50,431)
Acquisition and transaction costs	(2)	(24)	235	(2,419)	(2,210)
Net foreign exchange gain/(loss)	-	3	2,019	(185)	1,837
Profit/(loss) before income tax expense	51,228	60,335	17,588	(57,831)	71,320
Income tax expense					(13,314)
Profit after income tax expense					58,006
<i>Material items include:</i>					
Direct labour	(116,051)	(615,998)	(296,667)	-	(1,028,716)
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
<i>Unallocated liabilities:</i>					
Deferred tax liability					93,929
Total liabilities					1,472,157
Geographical information					
	Sales to external customers		Geographical non-current assets		
	2025	2024	2025	2024	
	\$'000	\$'000	\$'000	\$'000	
Australia	1,519,386	1,382,819	1,191,147	1,194,670	
Singapore	229,976	204,199	139,562	127,420	
United Kingdom	42,864	37,399	80,408	68,950	
United States of America	416,683	392,394	608,099	606,607	
	2,208,909	2,016,811	2,019,216	1,997,647	

The geographical non-current assets above are exclusive of, where applicable, financial instruments and deferred tax assets.

Note 4. Revenue from contracts with customers

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Goods transferred at a point in time	522,786	490,217
Services transferred over time	1,686,123	1,526,594
Revenue from contracts with customers	2,208,909	2,016,811

Note 5. Other income

	2025	Consolidated 2024
	\$'000	\$'000
Net foreign exchange gain	(926)	3,774
Gain on disposal of property, plant and equipment	1,384	912
Other income	15,507	20,898
Other income	15,965	25,584

Other income earned includes grants, rebates and other sundry items. Current year other income includes \$Nil reimbursement of leave entitlements for the employees of the new expanded regions taken on in Sydney, NSW (2024: \$9,800,000).

Note 6. Income tax

	2025	Consolidated 2024
	\$'000	\$'000
<i>Income tax expense</i>		
Current tax	26,018	24,642
Deferred tax - origination and reversal of temporary differences	(10,945)	(9,590)
Adjustment recognised for prior periods	(1,136)	(1,738)
Aggregate income tax expense	13,937	13,314
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(10,945)	(9,590)
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	68,431	71,320
Tax at the statutory tax rate of 30%	20,529	21,396
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based expenses	276	110
Non-taxable income	(4,949)	(5,426)
Tax effect of other non-assessable foreign income	(193)	(578)
Other non-deductible expenses	2,863	2,593
	18,526	18,095
Adjustment recognised for prior periods	(1,136)	(1,738)
Difference in overseas tax rates	(2,287)	(1,996)
Transferred losses	530	(312)
Deferred adjustment recognised for prior periods	3,131	(256)
Other	(4,827)	(479)
Income tax expense	13,937	13,314

	2025	Consolidated 2024
	\$'000	\$'000
<i>Amounts credited directly to equity</i>		
Deferred tax assets	(988)	(2,168)

Note 6. Income tax (continued)

	2025 \$'000	Consolidated 2024 \$'000
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	1,342	2,618
Allowance for expected credit losses	144	246
Employee benefits	41,102	38,126
Leases	27,427	37,767
Provisions	3,410	3,114
Property, plant and equipment	(106,397)	(117,191)
Customer contracts and other intangible assets	(56,020)	(65,846)
Other	3,520	7,112
	(85,472)	(94,054)
Amounts recognised in equity:		
Derivative financial instruments	2,357	125
Deferred tax liability	(83,115)	(93,929)
Movements:		
Opening balance	(93,929)	(100,559)
Credited to profit or loss	10,945	9,590
Credited to equity	988	2,168
Additions through business combinations (note 33)	(1,119)	(5,128)
Closing balance	(83,115)	(93,929)

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 7. Cash and cash equivalents

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
Cash on hand	1,599	353
Cash at bank	174,429	126,657
Cash on deposit	6,756	7,460
	182,784	134,470

Note 8. Trade and other receivables

	2025 \$'000	Consolidated 2024 \$'000
Current assets		
Trade receivables	200,296	176,091
Less: Allowance for expected credit losses	(569)	(903)
	<u>199,727</u>	<u>175,188</u>
 Other receivables	 33,142	 29,637
	<u>232,869</u>	<u>204,825</u>

Allowance for expected credit losses

Trade receivables are non-interest bearing. An allowance is made for trade receivables and other receivables as the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Consolidated						
Not overdue	-	-	208,113	181,805	-	-
0 to 1 month overdue	-	-	17,905	18,195	-	-
1 to 2 months overdue	-	-	4,300	3,091	-	-
2 to 3 months overdue	7.51%	-	1,985	1,502	149	-
Over 3 months overdue	37.02%	79.60%	1,135	1,135	420	903
			<u>233,438</u>	<u>205,728</u>	<u>569</u>	<u>903</u>

Movements in the allowance for expected credit losses are as follows:

	2025 \$'000	Consolidated 2024 \$'000
Opening balance	903	401
Additional provisions recognised	213	507
Receivables written off during the year as uncollectable	(547)	(5)
Closing balance	<u>569</u>	<u>903</u>

Note 9. Inventories

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
Goods held for resale - at cost	5,346	4,728
Less: Provision for impairment	(31)	(31)
	5,315	4,697
Fuel at cost	3,884	3,887
Spare parts at cost	27,487	24,737
Less: Provision for impairment	(2,346)	(1,372)
	34,340	31,949

Note 10. Other assets

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
Prepayments	25,243	25,149
Deferred expenses	1,380	2,452
Other deposits	1,275	870
Deferred consideration receivable	1,618	1,418
Other current assets	750	750
	30,266	30,639
<i>Non-current assets</i>		
Prepayments	2,233	-
Deferred consideration receivable	11,070	11,543
	13,303	11,543
	43,569	42,182

Prepayments include finance costs paid in advance as part of the successful debt facility refinancing completed in June 2024 and additional balances in relation to the new expanded regions in Sydney.

Deferred expenses relate to the Singapore bus contract which commenced in September 2021 and will be amortised over the life of the contract.

Deferred consideration receivable relates to the divestment of the Lea Interchange business in London in June 2022. The deferred component of the Lea Interchange divestment will be payable in ten equal instalments of 1.0m Pound Sterling on the anniversary of the sale for the remaining seven years and is shown at present value converted to Australian dollars.

Note 11. Property, plant and equipment

	2025 \$'000	Consolidated 2024 \$'000
Non-current assets		
Land and buildings - at cost	155,243	136,345
Less: Accumulated depreciation	(11,654)	(11,151)
	143,589	125,194
Leasehold improvements - at cost	18,078	14,368
Less: Accumulated depreciation	(9,142)	(5,904)
	8,936	8,464
Plant and equipment - at cost	71,642	62,585
Less: Accumulated depreciation	(40,869)	(35,264)
	30,773	27,321
Motor vehicles - at cost	640,253	572,490
Less: Accumulated depreciation	(179,140)	(123,289)
	461,113	449,201
Vessels - at cost	255,557	241,234
Less: Accumulated depreciation	(104,533)	(95,073)
Less: Accumulated impairment	(2,086)	(2,526)
	148,938	143,635
Capital works in progress - at cost	82,836	71,196
	876,185	825,011

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$'000	Leasehold improve \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Vessels \$'000	CWIP \$'000	Total \$'000
Balance at 1 July 2023	106,152	6,555	21,986	338,835	147,077	35,838	656,443
Additions	21,716	1,466	10,199	173,837	1,668	44,602	253,488
Additions through business combinations (note 33)	-	-	704	462	4,284	-	5,450
Disposals	-	-	(128)	(2,879)	(1,987)	(1,694)	(6,688)
Exchange differences	41	22	27	515	-	-	605
Transfers in/(out)	(1,219)	2,442	1,596	33	4,698	(7,550)	-
Depreciation expense	(1,496)	(2,021)	(7,063)	(61,602)	(12,105)	-	(84,287)
Balance at 30 June 2024	125,194	8,464	27,321	449,201	143,635	71,196	825,011
Additions	33,170	1,751	7,205	74,497	1,959	45,361	163,943
Additions through business combinations (note 33)	-	31	55	713	-	-	799
Disposals	(22,433)	(85)	(108)	(5,583)	(90)	(3,140)	(31,439)
Exchange differences	3,539	109	223	3,310	-	64	7,245
Transfers in/(out)	5,853	2,321	5,556	934	16,540	(30,645)	559
Depreciation expense	(1,734)	(3,655)	(9,479)	(61,959)	(13,106)	-	(89,933)
Balance at 30 June 2025	143,589	8,936	30,773	461,113	148,938	82,836	876,185

At 30 June 2025, 4 vessels were under construction and 51 conventional buses (US), 23 conventional buses (UK and Singapore) and a further 8 conventional buses are on order under contract for delivery in FY26.

Note 11. Property, plant and equipment (continued)

At 30 June 2024, 5 vessels are under construction and 26 conventional buses (US) and a further 102 conventional/ buses were on order under contract for delivery in FY25.

Refer to note 16 for further information on assets pledged as security for financing arrangements.

Note 12. Right-of-use assets

	2025 \$'000	Consolidated 2024 \$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	142,849	175,354
Less: Accumulated depreciation	(40,586)	(34,290)
	102,263	141,064
Motor vehicles - right-of-use	89,358	58,428
Less: Accumulated depreciation	(20,758)	(11,783)
	68,600	46,645
	170,863	187,709

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2023	83,555	52,059	135,614
Additions	59,465	331	59,796
Additions through business combinations (note 33)	1,128	-	1,128
Disposals	(12,640)	-	(12,640)
Lease remeasurement	31,400	-	31,400
Revaluation decrements	(2,732)	-	(2,732)
Exchange differences	130	15	145
Transfers in/(out)	(222)	74	(148)
Depreciation expense	(19,020)	(5,834)	(24,854)
Balance at 30 June 2024	141,064	46,645	187,709
Additions	20,864	28,919	49,783
Additions through business combinations (note 33)	-	1,630	1,630
Disposals	(40,830)	-	(40,830)
Revaluation decrements	(245)	-	(245)
Exchange differences	2,225	497	2,722
Transfers in/(out)	(58)	(4,015)	(4,073)
Depreciation expense	(20,757)	(5,076)	(25,833)
Balance at 30 June 2025	102,263	68,600	170,863

Current year acquired rights included \$22,000,000 relating to coaches for All Aboard America! and \$8,000,000 for leases as part of the sale and leaseback property transitions in the regional bus businesses in WA. Prior year acquired rights included \$41,700,000 relating to commencement of the new Region 2 and enlarged Region 3 metropolitan bus contracts in Sydney, NSW.

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 and settled in July 2024. In the prior year, \$8,100,000 of leases were relinquished as part of the enlarged Region 3 metropolitan bus contracts in Sydney, NSW.

Note 13. Intangibles

	2025 \$'000	Consolidated 2024 \$'000
Non-current assets		
Goodwill - at cost	733,485	721,487
Less: Accumulated impairment	(7,983)	(7,999)
	<u>725,502</u>	<u>713,488</u>
 Brands and trademarks - at cost	 51,882	 51,329
 Customer contracts - at cost	 176,962	 171,909
Less: Accumulated amortisation	(127,902)	(110,371)
	<u>49,060</u>	<u>61,538</u>
 Software - at cost	 1,164	 1,063
Less: Accumulated amortisation	(264)	(150)
	<u>900</u>	<u>913</u>
 Other intangible assets - at cost	 24,744	 23,392
Less: Accumulated amortisation	(13,395)	(10,614)
	<u>11,349</u>	<u>12,778</u>
 Customer relationships - at cost	 154,165	 152,059
Less: Accumulated amortisation	(33,995)	(18,721)
	<u>120,170</u>	<u>133,338</u>
	<u>958,863</u>	<u>973,384</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Brands and trademarks \$'000	Customer contracts \$'000	Software \$'000	Other intangibles \$'000	Customer relationships \$'000	Total \$'000
Balance at 1 July 2023	706,354	50,573	77,665	1,019	5,305	148,400	989,316
Additions	-	-	-	-	1,313	-	1,313
Additions through business combinations (note 33)	7,211	712	1,138	-	7,671	-	16,732
Exchange differences	(77)	44	6	-	8	185	166
Amortisation expense	-	-	(17,271)	(106)	(1,519)	(15,247)	(34,143)
Balance at 30 June 2024	713,488	51,329	61,538	913	12,778	133,338	973,384
Additions	-	-	-	95	123	-	218
Additions through business combinations (note 33)	986	-	3,576	-	-	-	4,562
Exchange differences	11,028	553	366	-	388	1,566	13,901
Amortisation expense	-	-	(16,420)	(108)	(1,940)	(14,734)	(33,202)
Balance at 30 June 2025	725,502	51,882	49,060	900	11,349	120,170	958,863

Included in other intangible additions through business combinations are amounts related to 'concession assets' recognised in accordance with AASB Interpretation 12 representing the Group's right to charge users in respect of the operation of certain government bus contracts.

There was no impairment of assets made in 2025 (2024: \$Nil). See commentary below.

Note 13. Intangibles (continued)

Impairment Testing

Goodwill, trademarks and brands acquired through business combinations have been allocated to the following cash-generating units (CGU's):

	Brands 2025 '000	Brands 2024 '000	Goodwill 2025 '000	Goodwill 2024 '000
All Aboard America! Holdings - USA	49,466	48,913	203,531	201,236
Transit - WA & NT	-	-	162,030	162,030
Tower Transit - Singapore	-	-	119,771	111,038
Transit - NSW	-	-	61,155	61,155
Transit - SA	-	-	59,649	59,649
Transit - Victoria (Sita)	-	-	45,727	45,727
SeaLink - South East QLD	712	712	33,156	33,156
Go West Tours - WA	2	2	17,929	17,929
Horizons West, WA	1,099	1,099	10,280	10,280
SeaLink - QLD	-	-	6,420	6,420
Fraser Island, QLD	-	-	3,500	3,500
Grand Touring, NT	603	603	1,318	1,318
Swan Valley Tours, WA	-	-	50	50
Tower Transit - Huyton	-	-	986	-
	51,882	51,329	725,502	713,488

The business combination assessment for the business of Huyton Travel Limited is provisional. The business combination assessment for the business of Red Cat is final. Refer note 33 for further details.

The recoverable amount of the consolidated entity's goodwill has been determined by value-in-use calculations using a discounted cash flow model. The cashflow projections are based on annual financial budgets approved by senior management and the Board, extrapolated using the growth rates below for a five-year period as approved by management together with a terminal value. The assumptions for determining the recoverable amount are based on past experience and senior management's expectation for the future taking into consideration the longer-term recovery from COVID-19 and recent trading performance.

A terminal value growth rate of 3.0% has been used for Marine and Tourism and 1.5% for Australian and International Public Bus CGUs (2024: 3.0% for Marine and Tourism CGUs and 1.5% for all Australian and International Public Bus CGUs). The terminal value growth rates are used to determine the terminal value of a CGU based on long range forecasts for CPI or comparable indices in the geographies we operate in.

Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive. The key general assumptions used in the discounted cash flow models and value in use calculations are the pre-tax discount rates and the projected revenue growth rates detailed below.

The pre-tax discount rates reflect management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for, the risk-free rate and the volatility of the share price relative to market movements.

	Marine and Tourism %	Australian Bus %	International Bus %
Discount rate used in impairment calculations for 2025	11.8%	10.7%	7.8%-11.5%
Discount rate used in impairment calculations for 2024	13.0%	11.2%	9.2% - 11.5%

Management believe the projected revenue growth rates are prudent and justified given the current uncertainty of the market.

Marine and Tourism CGU's

Marine and Tourism CGU's have had growth rates applied of 3.0% (2024: 3.0%), this is based on historical experience and current operating trends within these CGUs.

This specific application to Marine and Tourism CGUs is outlined further below:

SeaLink - Queensland and Northern Territories

An increase of 3.0% (2024: 3.0%) in traffic has been built into forecast sales based on strong domestic growth to both Magnetic Island and Tiwi Islands, continued recovery of the backpacker and adventure tourist markets as well as a growing population base in Townsville.

Note 13. Intangibles (continued)

SeaLink - SE Queensland

An increase in revenue of 3.0% (2024: 3.0%) to reflect underlying traffic growth based on increased tourism flow to Stradbroke Island and Whitsunday Islands, CPI increases built into fixed contracts and growth in vessel charter opportunities and rates.

K'gari (Fraser Island) - Queensland

An increase in revenue of 3.0% (2024: 3.0%) to reflect the underlying growth in traffic and visitation to the Island. Domestic demand has recovered post COVID-19 and there has been a moderate recovery of international tourism.

Australian Bus CGUs

Contracted increases in revenue – all CGU's within the Australian Bus Segment have had contracted revenue grow by at least 1.5% (2024: 1.5%). This is based on the contracted nature of these businesses and the increases reflected in the contracts it has with its government clients.

International Bus - Singapore

An increase in contracted revenue by at least 1.5% (2024: 1.5%). This is based on the contracted nature of these businesses and the increases reflected in the contracts it has with its primary government client. An increase in performance incentives has been assumed to return by year 2 of the forecast period.

Sensitivity

As disclosed in note 2, Management have made assumptions and estimates in respect of impairment testing of goodwill. Should these assumptions and estimates not occur the resulting goodwill carrying amount may decrease.

Summary of goodwill impairment testing

Management have reviewed the changes to the key assumptions in the model and based on those changes have assessed there would not be an impairment of goodwill for any of the Group's CGU's (2024: \$Nil).

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of each segment's goodwill is based would not cause the CGU's carrying amount to exceed its recoverable amount.

Customer Contracts, Relationships and Other intangibles (Permits and Trademarks)

As part of the Transit Systems Group acquisition in 2020, bus contracts in Australia and Singapore were acquired with a fair value of \$134,700,000. In addition, \$8,700,000 of intangible customer relationships were also recognised for Transit - Victoria (Sita).

A further \$15,400,000 of customer contracts associated with bus contracts in the resources sector were part of the Go West Tours acquisition on 1 July 2021. In addition, the asset acquisition of Dave's Transit in June 2022 resulted in a further \$900,000 customer contracts being recognised.

As part of the All Aboard America! Holdings Inc. acquisition, \$49,800,000 of trademarks/brand names and \$133,800,000 of customer relationship intangibles were recognised. As part of the Horizons West acquisition, \$9,800,000 of customer relationship intangibles, \$1,100,000 of software and \$1,100,000 of trademarks/brand names were recognised. For the Grand Touring acquisition, \$2,100,000 of customer relationships and \$600,000 of trademarks/brand names were recognised.

As part of the Huyton Travel Limited acquisition \$2.7m in customer contract intangible was recognised as well as \$0.9m in relation to the new school bus contracts acquired in WA.

During the period the Group recorded amortisation of \$33,202,000 (2024: \$34,143,000) associated with customer contracts and permits with an associated reduction in the Deferred Tax Liability of \$9,946,800 (2024: \$10,200,000).

All customer contracts and relationships are amortised over their estimated finite life and the amortisation period ranges between 1 and 10 years.

Note 14. Trade and other payables

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	48,637	54,946
BAS payable	16,038	13,096
Other payables	30,901	25,474
	95,576	93,516

Refer to note 27 for further information on financial instruments.

Trade creditors are non-interest bearing and are normally settled on 30-60 day terms.

Note 15. Contract liabilities

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Contract liabilities	15,576	14,288
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	14,288	14,634
Deferred during the year	148,959	108,620
Recognised during the year	(147,671)	(108,966)
Closing balance	15,576	14,288

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$7,109,971,000 as at 30 June 2025 (\$6,161,080,000 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

	2025 \$'000	Consolidated 2024 \$'000
Within one year	1,719,752	1,445,086
More than one year	5,390,219	4,715,994
	7,109,971	6,161,080

There have been no significant contract changes impacting unsatisfied performance obligations this period.

Note 16. Borrowings

	2025 \$'000	Consolidated 2024 \$'000
<i>Non-current liabilities</i>		
Commercial bills payable	806,321	739,946

Refer to note 27 for further information on financial instruments.

Total unsecured liabilities

Commercial bills payable are under the Group's multi tranche facility that were successfully renegotiated during 2024. Total facilities available decreased \$126,800,000 (2024: increased \$348,600,000) during the year releasing excess secured revolving credit not required. Total available facilities as at June 2025 were \$997,300,000 and is combined with letter of credit facilities of \$180,000,000 (2024: \$260,000,000).

Interest bearing loans and borrowings have a fair value and carrying value of \$806,321,000 (2024: \$739,946,000). During the year \$66,400,000 funds (2024: \$62,300,000) were drawn down.

As part of the renegotiated debt facilities, Kelsian entered into the following new three to five year facilities with evergreen provisions:

- Facility A: an unsecured AUD facility with a limit of AUD \$640,000,000 (2024: AUD \$675,000,000) 3, 4 and 5 year revolving credit facilities;
- Facility B: an unsecured USD facility with a limit of USD \$234,000,000 (2024: USD \$297,500,000) 3, 4 and 5 year revolving credit facilities; and
- Facility C: Implementation of global guarantee facility comprising a revolving letter of credit facility with a limit of \$180,000,000 (2024: \$260,000,000) and a term of 3 years from commencement, for the provision of letters of credit for material contract performance obligations (including the provision of new or refinanced performance bonds and bank guarantees).

Note 16. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2025 \$'000	Consolidated 2024 \$'000
Total facilities		
Facility A - multi currency revolving credit	640,000	675,000
Facility B - USD revolving credit	357,252	449,124
Facility C - revolving letter of credit (PY refinanced)	180,000	260,000
	1,177,252	1,384,124
Used at the reporting date		
Facility A - multi currency revolving credit	588,000	475,000
Facility B - USD revolving credit	218,321	264,946
Facility C - revolving letter of credit (PY refinanced)	119,919	119,639
	926,240	859,585
Unused at the reporting date		
Facility A - multi currency revolving credit	52,000	200,000
Facility B - USD revolving credit	138,931	184,178
Facility C - revolving letter of credit (PY refinanced)	60,081	140,361
	251,012	524,539

The AUD based facilities are provided on a floating rate basis referenced to the BBSY rate and the USD based facilities are provided on a floating rate basis referenced to the SOFR rate. As at year end, the balance of Facility A (AUD) \$588,000,000 (2024: \$475,000,000) had an average rate of 5.22% (2024: 5.75%) and Facility B (USD) \$143,000,000 (2024: \$175,500,000) had an average rate of 5.75% (2024: 6.79%) with the weighted average rate for combined facilities A and B (AUD and USD) 5.36% (2024: 6.12%). All current facilities are at floating rates. Committed financing facilities A and B total \$997,252,000 (2024: \$1,124,124,000) and were available to the consolidated entity at the end of the financial year. As at that date, \$806,321,000 (2024: \$739,946,000) of these facilities were in use.

During the current year, there were no defaults or breaches.

Financing cash flows

During the period \$66,400,000 (2024: \$62,300,000) of borrowings were drawn down together with a net \$8,700,000 increase (2024: \$42,500,000 increase) in letters of credit drawn the latter having no cashflow impact.

Assets pledged as security

All facilities are provided on an unsecured basis.

Various guarantees/performance bonds have been provided as surety on a range of material operational contracts and lease contracts. Guarantees provided total \$119,919,000 (2024: \$119,639,000), the net increase relates to the new expanded contracted regions in Sydney, NSW and increases of existing guarantees on the anniversary of the contract and various changes to lease related guarantees.

Facility covenants

The facility is subject to the following covenants, operating leverage ratio and financial charge cover ratio. The Group monitors compliance with its financial covenants on a monthly basis and reports compliance on a bi annual basis to its financiers. The Group has complied with all such requirements. There is no indication that the Company will have difficulty complying with these covenants.

Note 17. Borrowings - ringfenced finance facilities

In FY23, Kelsian established wholly owned special purpose Australian subsidiaries to own and operate government contracted bus assets used to service specific service regions in Sydney, NSW. These special purpose subsidiaries acquired the bus assets from the Kelsian operator entities using limited recourse ringfenced asset financing arrangements. These ringfenced financing arrangements are supported by government and have limited recourse to the broader Kelsian Group. The ringfenced finance arrangements are separate to Kelsian's corporate debt facilities and have both a tenor aligned to the expiry of the associated bus services contracts and an amortisation profile that matches the residual values of the buses determined under the bus services contract (with these amounts being payable to the subsidiaries at the end of the bus services contract).

In December 2023, a limited recourse asset financing facility of up to \$40,000,000 was established for the purchase of 49 Battery-Electric buses for Region 6. In February 2024, limited recourse asset financing facilities totalling approximately \$74,000,000 were established for contracted bus assets acquired from outgoing bus operators in Regions 2, 13 and 15. These ringfenced finance facilities are excluded from Kelsian's corporate debt facility financial covenant obligations. The ringfenced finance facility is not subject to financial covenants.

Note 17. Borrowings - ringfenced finance facilities (continued)

Government backed contracted assets with a vehicle termination payment obligation not in a ring-fenced finance facility total \$36,200,000 as at 30 June 2025 (30 June 2024: \$53,300,000). Excluding this contractual commitment, leverage (net debt to EBITDA) reduces to 2.56 times (30 June 2024: 2.45 times).

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Borrowings - ringfenced finance facilities	10,232	11,725
<i>Non-current liabilities</i>		
Borrowings - ringfenced finance facilities	78,718	89,089
	88,950	100,814

The ringfenced facilities are provided on a floating rate basis referenced to the BBSW rate. As at year end, the balance of the ringfenced facilities was \$88,950,000 (30 June 2024: \$100,814,000) and had an average rate of 5.48% (30 June 2024: 5.6%).

During the period \$Nil (2024: \$105,000,000) of borrowings were drawn.

Note 18. Lease liabilities

	2025 \$'000	Consolidated 2024 \$'000
Opening balance	179,124	128,625
Additions	43,867	62,366
Additions through business combinations (note 33)	1,847	1,128
Exchange differences	1,389	30
Lease payments (principal)	(31,624)	(23,491)
Lease related interest	7,170	(4,283)
Lease relinquishment (non cash)	(35,136)	(13,511)
Lease remeasurement	-	28,260
	166,637	179,124

As part of the new NSW contract commencement \$nil (2024: \$8,100,000) leases were relinquished and replaced by \$nil (2024: \$41,000,000) new leases for premises as part of the expanded operations. Short term lease payments of \$1,032,325 were made during the period (2024: \$3,800,000).

Note 19. Derivative financial liabilities

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Interest rate swap contracts - cash flow hedges	2,008	133
Fuel price swap contracts - cash flow hedges	141	-
	2,149	133
<i>Non-current liabilities</i>		
Interest rate swap contracts - cash flow hedges	5,707	285
	7,856	418

Refer to note 27 for further information on financial instruments.

Note 20. Employee benefits

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Annual leave	71,818	66,164
Long service leave	47,918	44,754
Sick leave	346	311
Employee benefits	899	904
	120,981	112,133
<i>Non-current liabilities</i>		
Long service leave	7,871	7,746
	128,852	119,879

Note 21. Provisions

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Deferred consideration	29,294	26,652
Other provisions	19,997	12,907
	49,291	39,559
<i>Non-current liabilities</i>		
Other provisions	4,608	671
	53,899	40,230

Movements in provisions

Movements in each class of provision during the current financial year are set out below:

Consolidated - 2025	Motor claims \$'000	Deferred consideration \$'000	Other \$'000	Workers compensation \$'000	Total \$'000
Carrying amount at the start of the year	8,130	26,652	687	4,761	40,230
Additional provisions recognised	5,770	-	-	6,818	12,588
Additions through business combinations (note 38)	258	-	219	-	477
Amounts used	(1,716)	-	(567)	-	(2,283)
Payments	-	-	-	-	-
Exchange differences	203	2,642	2	40	2,887
Carrying amount at the end of the year	12,645	29,294	341	11,619	53,899

Note 22. Other liabilities

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Deferred consideration	497	3,018
Accrued expenses	77,371	74,460
Deferred revenue	7,288	7,073
Revenue received in advance	3,746	3,023
Other current liabilities	1,741	510
	90,643	88,084
<i>Non-current liabilities</i>		
Deferred consideration	964	797
Subsidies and grants received in advance	11	55
	975	852
	91,618	88,936

The final instalment of deferred consideration of \$2,900,000 remaining in relation to the business combinations of Horizons West Bus and Coachlines did not meet the conditions and was reduced to nil.

Deferred consideration of \$471,000 has been recognised in relation to the business combination of Huyton Travel Limited refer note 33.

Note 23. Issued capital

	2025 Shares	2024 Shares	2025 \$'000	Consolidated 2024 \$'000
Ordinary shares - fully paid	271,542,854	269,778,791	859,620	853,179

Movements in ordinary share capital

Details	Date	Shares		\$'000
Balance	1 July 2023	269,217,706		849,943
Conversion of rights	8 September 2023	23,745	\$6.42	152
Conversion of rights	14 September 2023	53,879	\$6.42	346
Conversion of rights	15 September 2023	63,211	\$6.42	409
Shares issued (Dividend Reinvestment Plan)	17 April 2024	420,250	\$5.44	2,329
Balance	30 June 2024	269,778,791		853,179
Conversion of rights	2 September 2024	7,273	\$3.76	27
Dividend reinvestment	21 October 2024	1,353,877	\$3.98	5,387
Dividend reinvestment	24 April 2025	402,913	\$2.55	1,027
Balance	30 June 2025	271,542,854		859,620

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 23. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. The Group monitors capital on the basis of its gearing ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from 30 June 2024.

The gearing ratio at the reporting date was as follows:

	2025	Consolidated 2024
	\$'000	\$'000
Current liabilities - trade and other payables (note 14)	95,576	93,516
Non-current liabilities - borrowings (note 16)	806,321	739,946
Total borrowings	901,897	833,462
Current assets - cash and cash equivalents (note 7)	(182,784)	(134,470)
Net debt	719,113	698,992
Total equity	957,915	927,373
Total capital	1,677,028	1,626,365
Gearing ratio	43%	43%

Note 24. Reserves

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Hedging reserve - cash flow hedges

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Other capital reserves

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 24. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share option surplus \$'000	Cash flow hedging \$'000	Foreign currency \$'000	Total \$'000
Balance at 1 July 2023	2,685	4,944	19,631	27,260
Revaluation - gross	-	(7,481)	-	(7,481)
Deferred tax	-	2,244	-	2,244
Share based payment expense	365	-	-	365
Employee rights converted	(1,537)	-	-	(1,537)
Foreign currency translation	-	-	(3,924)	(3,924)
Balance at 30 June 2024	1,513	(293)	15,707	16,927
Revaluation - gross	-	(7,437)	-	(7,437)
Deferred tax	-	2,231	-	2,231
Share based payment expense	1,098	-	-	1,098
Employee rights converted	(178)	-	-	(178)
Foreign currency translation	-	-	21,214	21,214
Balance at 30 June 2025	2,433	(5,499)	36,921	33,855

Note 25. Non-controlling interest

The non-controlling interest \$3,000 (30 June 2024: \$3,000), relates to Torrens Connect Pty Ltd which is a majority owned subsidiary in the consolidated group under accounting standards however operationally is a joint venture entity used to service the Torrens Transit Tram contract in South Australia.

Note 26. Dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Interim fully franked dividend for the year ended 30 June 2025 paid 23 April 2025 of 8.0 cents (2024: 8.0 cents) per ordinary share	21,691	21,549
Final fully franked dividend for the year ended 30 June 2024 paid 21 October 2024 of 9.5 cents (2023: 9.5 cents) per ordinary share	25,630	25,594
	47,321	47,143

Franking credits

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Franking credits available at the reporting date based on a tax rate of 30%	111,214	116,024
Franking credits available for subsequent financial years based on a tax rate of 30%	111,214	116,024

Note 27. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the Group has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge 100% of foreign currency purchases and 50% of anticipated foreign currency transactions (i.e. acquisitions) for the subsequent 6 months.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
Consolidated	\$'000	\$'000	\$'000	\$'000
US dollars	218,753	229,421	218,321	264,946
Pound Sterling	2,096	2,860	29,294	26,652
Singapore dollars	612	44,874	-	-
	221,461	277,155	247,615	291,598

The Group had net current liabilities denominated in foreign currencies of \$26,154,000 (assets of \$221,461,000 less liabilities of \$247,615,000) as at 30 June 2025 (2024: Net current liabilities of \$14,443,000, assets of \$277,155,000 less liabilities of \$291,598,000). Based on this exposure, had the Australian dollar weakened by 5.0%/strengthened by 5.0% (2024: weakened by 5.0%/strengthened by 5.0%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$1,500,000 higher/lower (2024: \$1,300,000 lower/higher) and equity would have been \$1,000,000 higher/lower (2024: \$900,000 lower/higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The net foreign exchange loss for the year ended 30 June 2025 was a non cash unrealised loss of \$926,000,000 (2024: gain of \$3,800,000). There is no expectation the foreign exchange movements will be realised in the future as they relate to indefinite intercompany loans and provisions.

Price risk

The consolidated entity is not exposed to any significant price risk from fluctuations in fuel price as this is indexed in the bus contracts and passed through to the customer.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The policy is to maintain approximately 50% of current borrowings at fixed rates using interest rate swaps to achieve this when necessary.

Note 27. Financial instruments (continued)

As at the reporting date, the consolidated entity had the following average interest rate borrowings and interest rate swap contracts outstanding:

		2025		2024
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Consolidated				
Commercial bills - floating	5.36%	806,321	5.75%	739,946
Ringfenced finance facilities	5.48%	78,718	5.60%	89,089
Interest rate swap contracts - cash flow hedges	3.22%	(406,342)	4.25%	(394,768)
Net exposure to cash flow interest rate risk		478,697		434,267

The Group has entered into interest rate swap contracts of \$406,342,000 (2024: \$394,768,000) that effectively hedges approximately 50.0% (2024: 50.0%) of the Company's exposure to fluctuations in interest rates from senior debt.

An analysis by remaining contractual maturities is shown in the liquidity risk management section below.

For the Group the commercial bills outstanding, totalling \$806,321,000 (2024: \$739,946,000) are interest only payment loans. Monthly cash outlays of approximately \$3,400,000 (2024: \$3,700,000) per month are required to service the interest payments. An official increase in interest rates of 0.5% and decrease of 1.0% (2024: increase of 0.5% and decrease of 1.0%) basis points would have an adverse effect on profit before tax of \$4,000,000 and positive effect of \$8,000,000 respectively (2024: adverse effect on profit before tax \$3,600,000 and positive effect of \$7,400,000 respectively). The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. There are no minimum principal repayments due (2024: nil).

For the ringfenced facilities of \$88,950,000 (2024: \$100,814,000) repayments are principal and interest. Monthly cash outlays of approximately \$1,245,000 per month (2024: \$1,400,000) are required to service the repayments. An official increase in interest rates of 0.5% and decrease of 1.0% (2024: increase of 0.5% and decrease of 1.0%) basis points would have an adverse effect on profit before tax of \$71,000 and positive effect of \$142,000 respectively (2024: adverse effect on profit before tax of \$100,000 and positive effect of \$300,000 respectively). The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. The minimum principal repayments due were \$14,200,000 (2024: \$5,400,000).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on references, industry knowledge, ability to pay and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored with an analysis reported to the Board monthly. Material debtors are largely associated with government agencies and are reviewed by management taking into consideration the associated credit ratings and risk applicable to the relevant country (for international operations) or state within Australia and are generally considered relatively low risk.

Generally, trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

There were no exposures that comprised more than 30% of trade receivables. Collection of this debt is generally not considered doubtful however some small provisions have been made for debts with the indicators of no reasonable recovery.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Audit, Risk and Sustainability Committee in accordance with the Group's policy. Investments of surplus funds are only placed with the Group's major bank.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk using a liquidity planning tool and by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 27. Financial instruments (continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, interchangeable limits, finance leases and hire purchase contracts. The Group's policy is to ensure that the core funding limits have no less than a 12 month maturity date. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing or alternative lenders.

Financing arrangements

Unused borrowing facilities at the reporting date:

	2025 \$'000	Consolidated 2024 \$'000
Facility C - revolving letter of credit (PY refinanced)	60,081	140,361
Facility A - multi currency revolving credit	52,000	200,000
Facility B - USD revolving credit	138,931	184,178
	251,012	524,539

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of 1.7 years with an evergreen option to extend the term of the facility (2024: 2.7 years).

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. Except for leases, the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2025					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables		48,637	-	-	48,637
Other payables		30,901	-	-	30,901
BAS payables		16,038	-	-	16,038
Financial guarantee contracts (on demand)		119,919	-	-	119,919
Insurance bonds (on demand)		318	-	-	318
<i>Interest-bearing variable</i>					
Commercial bills	5.36%	43,247	836,876	-	880,123
Ringfenced finance facility	5.48%	14,945	77,004	10,245	102,194
<i>Interest-bearing - fixed rate</i>					
Hire purchase	4.86%	3,034	5,088	157	8,279
Lease liability	5.05%	32,372	107,250	38,041	177,663
Total non-derivatives		309,411	1,026,218	48,443	1,384,072

Note 27. Financial instruments (continued)

Consolidated - 2024	Weighted average interest rate %	1 year or less \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables		54,946	-	-	54,946
Other payables		25,474	-	-	25,474
BAS payables		13,096	-	-	13,096
Financial guarantee contracts (on demand)		119,639	-	-	119,639
Insurance bonds		17,072	-	-	17,072
<i>Interest-bearing variable</i>					
Commercial bills	5.75%	42,547	910,133	-	952,680
Ring fenced finance facility	5.56%	17,072	81,070	21,277	119,419
<i>Interest-bearing - fixed rate</i>					
Hire purchase	3.86%	3,478	6,178	-	9,656
Lease liability	4.85%	50,124	84,715	45,599	180,438
Total non-derivatives		343,448	1,082,096	66,876	1,492,420

Details about the financial guarantee contracts are provided in note 16. The amounts disclosed in the above tables are the maximum amounts allocated to the earliest period in which the guarantee could be called upon. The Group does not expect these payments to eventuate.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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 liabilities have been valued by using the discounted cash flows (DCF) method.

Note 27. Financial instruments (continued)

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

Consolidated	Carrying amount \$'000	2025	Carrying amount \$'000	2024
		Fair value \$'000		Fair value \$'000
Assets				
Cash on hand	1,599	1,599	353	353
Cash at bank	174,429	174,429	126,657	126,657
Cash on deposit	6,756	6,756	7,460	7,460
	182,784	182,784	134,470	134,470
Liabilities				
Commercial bills	806,321	806,321	739,946	739,946
Ring fenced finance facilities	88,950	-	100,814	-
	895,271	806,321	840,760	739,946

The fair value of the financial assets and 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 cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 28. Key management personnel disclosures

Directors

The following persons were Directors of Kelsian Group Limited during the financial year:

Directors

Jeffrey Ellison AM	Chair	Retired 1 July 2024
Fiona Hele	Non-Executive Director and Chair	Chair from 1 July 2024
Terry Dodd	Non-Executive Director	
Neil Smith	Non-Executive Director	
Lance Hockridge	Non-Executive Director	Resigned 31 July 2025
Diane Grady AO	Non-Executive Director	
Jacqueline McArthur	Non-Executive Director	
Caroline Elliott	Non-Executive Director	
Clinton Feuerherdt	Managing Director and Group Chief Executive Officer	Resigned 31 March 2025

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Senior executives

Clinton Feuerherdt	Managing Director and Group Chief Executive Officer	Resigned 31 March 2025
Andrew Muir	Group Chief Financial Officer and Joint Kelsian Secretary	
Graeme Legh	Chief Executive Officer - All Aboard America! Holdings, Inc. Group Chief Executive Officer	Appointed 1 April 2025
Donna Gauci	Chief Executive Officer - Sealink Marine and Tourism	
Michael McGee	Chief Executive Officer - Transit Systems	
Winston Toh	Managing Director - Tower Transit Singapore	
Brent Maitland	Chief Executive Officer - All Aboard America! Holdings Inc.	Appointed 9 June 2025

Note 28. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2025	Consolidated 2024
	\$'000	\$'000
Short-term employee benefits	7,699	7,243
Long-term benefits	139	113
Share-based payments	(411)	832
	7,427	8,188

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company, its network firms and unrelated firms:

	2025	Consolidated 2024
	\$'000	\$'000
<i>Audit services - Ernst & Young</i>		
Audit or review of the financial statements	629	607
<i>Other services - Ernst & Young</i>		
Preparation of the tax return	55	123
Due diligence	-	38
Fuel tax credit assurance review	13	6
Transfer pricing review	-	54
Other	9	-
CbC Reporting obligations	17	-
Tax residency review	10	-
	104	221
	733	828
<i>Audit services - network firms</i>		
Audit or review of the financial statements	374	390
<i>Other services - network firms</i>		
Other	119	-
Tax residency review	40	-
	159	-
	533	390
<i>Other services - unrelated firms</i>		
Preparation of the tax return	357	406
Other	52	61
	409	467

Note 30. Commitments

	2025	Consolidated 2024
	\$'000	\$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Vessels	19,887	28,206
Buses and motor vehicles	41,926	59,468
Land	1,672	900
Other	10,104	15,862
	73,589	104,436

Note 31. Related party transactions

Parent entity

Kelsian Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties at arm's length prices:

	2025	Consolidated 2024
	\$	\$
Payment for goods and services:		
Pacific Marine Group Pty Ltd (associated with Terry Dodd) - Provision of marine piling services	519,071	1,191,098
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 ⁽¹⁾	8,849	2,763,900
ST Property Trust - Balance paid for purchase of strategic land and buildings Hoxton Park which settled in July 2024 ⁽²⁾	28,260,000	3,140,000

(1) On 29 February 2024 Kelsian acquired on arms' length terms, the Newton bus depot in Adelaide from ST Property Trust and Newton No. 2 Trust (entities controlled or jointly controlled by Neil Smith) for \$15,200,000. The property value was supported by an independent valuation undertaken by Knight Frank Adelaide.

(2) 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 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2025 \$'000	Parent 2024 \$'000
Profit after income tax	52,319	47,976
Total comprehensive income/(loss)	52,319	47,976

Statement of financial position

	2025 \$'000	Parent 2024 \$'000
Total current assets	12,167	12,798
Total assets	1,166,841	1,182,133
Total current liabilities	23,564	24,571
Total liabilities	318,566	330,434
Equity		
Issued capital	859,622	853,179
Hedging reserve - cash flow hedges	(5,499)	(293)
Other capital reserves	2,433	1,513
Accumulated losses	(8,281)	(2,700)
Total equity	848,275	851,699

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent has entered into various cross-guarantees with its subsidiaries to support borrowings across the Group. Refer note 36 for further details.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 (2024: Nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 (2024: Nil).

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Business combinations

Current period acquisition of Huyton Travel Limited (HTL Buses)

On 20 February 2025, Tower Transit Limited acquired 100% of the voting shares in Huyton Travel Limited (HTL Buses) a small family-owned bus operator in Liverpool for approximately £1 million that provides strategic contracts and assets in the regional bus contract market in the UK. 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. The acquired business would have contributed revenues of \$12.0m and profit after tax of \$318,000 for the period 1 July 2024 to 30 June 2025 had it been held for the full period. The values identified in relation to the acquisition of Huyton Travel Limited are provisional as at 30 June 2025.

Note 33. Business combinations (continued)

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 acquired business would have contributed revenues of \$15.0m and profit after tax of \$1,500,000 for the period 1 July 2023 to 30 June 2024 had it been held for the full period. The values identified in relation to the acquisition of Red Cat are final as at 30 June 2025, with no changes to the provisional fair values presented in the 30 June 2024 annual report.

Details of the acquisitions are as follows:

	Provisional Huyton Travel Limited Fair value \$'000	Final Red Cat Fair value \$'000	Provisional Other acquisitions Fair value \$'000	Total \$'000
Cash and cash equivalents	285	-	-	285
Trade receivables	365	32	-	397
Inventories	-	113	-	113
Prepayments	116	-	-	116
Property, plant & equipment	624	5,199	175	5,998
Right-of-use assets	1,630	1,128	-	2,758
Brands and trademarks	-	712	-	712
Customer contracts	2,692	-	884	3,576
Other intangible assets	-	7,671	-	7,671
Trade payables	(282)	(13)	-	(295)
Other payables	(378)	(120)	-	(498)
Provision for income tax	(134)	-	-	(134)
Deferred tax liability	(806)	(2,486)	(265)	(3,557)
Employee benefits	-	(97)	-	(97)
Other provisions	(477)	-	-	(477)
Accrued expenses	(89)	-	-	(89)
Lease liability	(1,847)	(1,128)	-	(2,975)
Net assets acquired	1,699	11,011	794	13,504
Goodwill	986	3,075	-	4,061
Acquisition-date fair value of the total consideration transferred	2,685	14,086	794	17,565
Representing:				
Cash paid or payable to vendor	2,163	13,185	1,550	16,898
Contingent consideration	522	901	-	1,423
	2,685	14,086	1,550	18,321
Acquisition costs expensed to profit or loss	479	22	2	503
Cash used to acquire business, net of cash acquired:				
Acquisition-date fair value of the total consideration transferred	2,685	14,086	794	17,565
Less: payments made in prior periods	-	(13,185)	-	(13,185)
Less: payments to be made in future periods	(522)	(901)	-	(1,423)
Net cash used	2,163	-	794	2,957

Other Acquisitions

During the prior period Kelsian also acquired two school bus contract businesses in Western Australia comprising assets totalling \$794,000, acquired through its subsidiary Swan Transit Pty Ltd comprising buses with fair value of \$175,000 and recognition of a customer contract intangible \$884,000. The businesses would have contributed \$0.3m revenue and \$0.1m Profit after Tax had it been held for the full 12 months. This acquisition further complements and supports our education sector bus businesses.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
AAAH Acquisition Corporation	United States of America	100.00%	100.00%
AAAH Intermediate Holdings LLC	United States of America	100.00%	100.00%
AAAH Tempco, LLC	United States of America	100.00%	100.00%
AAAH Topco Corporation	United States of America	100.00%	100.00%
Ace Express Coaches, LLC	United States of America	100.00%	100.00%
All Aboard America! Holdings, Inc	United States of America	100.00%	100.00%
All Aboard America! School Transportation, LLC	United States of America	100.00%	100.00%
All Aboard Transit Services, LLC	United States of America	100.00%	100.00%
Australia Inbound Pty Ltd	Australia	100.00%	100.00%
Avonward Pty Ltd	Australia	100.00%	100.00%
Big Red Cat Pty Ltd	Australia	100.00%	100.00%
BITS Assets Pty Ltd	Australia	100.00%	100.00%
BITS Ferry Services Pty Ltd	Australia	100.00%	100.00%
Captain Cook Cruises Pty Ltd	Australia	100.00%	100.00%
CT Plus Guernsey Ltd	Channel Islands	100.00%	100.00%
CT Plus Jersey Ltd	Channel Islands	100.00%	100.00%
Curtis Island Assets Pty Ltd	Australia	100.00%	100.00%
Curtis Island Services Pty Ltd	Australia	100.00%	100.00%
First Class Transportation, LLC	United States of America	100.00%	100.00%
Hotard Coaches, Inc	United States of America	100.00%	100.00%
Huyton Travel Limited	United Kingdom	100.00%	-
Industrial Bus Lines, Inc	United States of America	100.00%	100.00%
Kangaroo Island Adventure Tours Pty Ltd	Australia	100.00%	100.00%
Kangaroo Island Odysseys Pty Ltd	Australia	100.00%	100.00%
Kangaroo Island SeaLink Pty Ltd	Australia	100.00%	100.00%
KBRV Resort Operations Pty Ltd	Australia	100.00%	100.00%
KBRV Services Pty Ltd	Australia	100.00%	100.00%
Kelsian International Holdings Pty Ltd	Australia	100.00%	100.00%
Kelsian UK Limited	United Kingdom	100.00%	100.00%
Kelsian USA Inc.	United States of America	100.00%	100.00%
Lux Bus America Co	United States of America	100.00%	100.00%
Lux Leasing, LLC	United States of America	100.00%	100.00%
Magnetic Island Cruise Corporation Pty Ltd	Australia	100.00%	100.00%
McClintock Enterprises, Inc	United States of America	100.00%	100.00%
NT Bus and Coachlines Pty Ltd	Australia	100.00%	100.00%
PDW Pty Ltd	Australia	100.00%	100.00%
RiverCity Ferries Pty Ltd	Australia	100.00%	100.00%
S. V. Haoust Pty Ltd	Australia	100.00%	100.00%
Sea Stradbroke Services Pty Ltd	Australia	100.00%	100.00%
SeaCap Pte Ltd	Singapore	100.00%	100.00%
SeaLink Ferries Pty Ltd	Australia	100.00%	100.00%
SeaLink Fraser Island Pty Ltd	Australia	100.00%	100.00%
SeaLink KI Ferries Pty Ltd	Australia	100.00%	100.00%
SeaLink KI Holding Pty Ltd	Australia	100.00%	100.00%
SeaLink Marina Pty Ltd	Australia	100.00%	100.00%
SeaLink Marine Services QLD Pty Ltd	Australia	100.00%	100.00%
SeaLink Northern Territory Pty Ltd	Australia	100.00%	100.00%
SeaLink Queensland Pty Ltd	Australia	100.00%	100.00%
SeaLink SA Ferry Services Pty Ltd	Australia	100.00%	100.00%
SeaLink Tasmania Pty Ltd	Australia	100.00%	100.00%

Note 34. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Sita Coaches Pty Ltd	Australia	100.00%	100.00%
Sita Tours Pty Ltd	Australia	100.00%	100.00%
STG Properties Pty Ltd	Australia	100.00%	100.00%
Stradbroke Assets Pty Ltd	Australia	100.00%	100.00%
Stradbroke Ferries Pty Ltd	Australia	100.00%	100.00%
Sunferries Travel Pty Ltd	Australia	100.00%	100.00%
Sureride Charter, Inc	United States of America	100.00%	100.00%
Swan Transit Canning Pty Ltd	Australia	100.00%	100.00%
Swan Transit Group Pty Ltd	Australia	100.00%	100.00%
Swan Transit Kalamunda Pty Ltd	Australia	100.00%	100.00%
Swan Transit Marmion Pty Ltd	Australia	100.00%	100.00%
Swan Transit Midland Pty Ltd	Australia	100.00%	100.00%
Swan Transit Pty Ltd	Australia	100.00%	100.00%
Swan Transit Services (South West) Pty Ltd	Australia	100.00%	100.00%
Swan Transit Services (South) Pty Ltd	Australia	100.00%	100.00%
Swan Transit Services Pty Ltd	Australia	100.00%	100.00%
Swan Transit South West Pty Ltd	Australia	100.00%	100.00%
Swan Transit Southern River Pty Ltd	Australia	100.00%	100.00%
Territory Transit Holdings Pty Ltd	Australia	100.00%	100.00%
Territory Transit Pty Ltd	Australia	100.00%	100.00%
The Living Classroom Pty Ltd	Australia	100.00%	100.00%
The Port Jackson & Manly Steamship Company Pty Ltd	Australia	100.00%	100.00%
The South Australian Travel Company Pty Ltd	Australia	100.00%	100.00%
Torrens Connect Pty Ltd*	Australia	55.00%	55.00%
Torrens Transit Group Pty Ltd	Australia	100.00%	100.00%
Torrens Transit Pty Ltd	Australia	100.00%	100.00%
Torrens Transit Services (North) Pty Ltd	Australia	100.00%	100.00%
Torrens Transit Services Pty Ltd	Australia	100.00%	100.00%
Tower Transit Asset Holdings Limited	United Kingdom	-	100.00%
Tower Transit Europe Pty Ltd	Australia	100.00%	100.00%
Tower Transit Holdings USA, Inc.	United States of America	-	100.00%
Tower Transit Limited	United Kingdom	100.00%	100.00%
Tower Transit Operations Ltd	United Kingdom	100.00%	100.00%
Tower Transit Property Holdings Limited	United Kingdom	-	100.00%
Tower Transit Singapore Pte Ltd	Singapore	100.00%	100.00%
Tower Transit Training Singapore Pty Ltd	Australia	100.00%	100.00%
Transit (NSW) Group Pty Ltd	Australia	100.00%	100.00%
Transit (NSW) Liverpool Pty Ltd	Australia	100.00%	100.00%
Transit (NSW) Services Pty Ltd	Australia	100.00%	100.00%
Transit Systems (Victoria) Pty Ltd	Australia	100.00%	100.00%
Transit Systems Finance Holdings Pty Ltd	Australia	100.00%	100.00%
Transit Systems MBF Pty Ltd	Australia	100.00%	100.00%
Transit Systems Melbourne Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW GSBC2 Assets Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW GSBC3 Assets Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW R6 Assets Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW SW Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW TTP Pty Ltd	Australia	100.00%	100.00%
Transit Systems Pty Ltd	Australia	100.00%	100.00%

Note 34. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Transit Systems Queensland Pty Ltd	Australia	100.00%	100.00%
Transit Systems WA Holdings Pty Ltd	Australia	100.00%	100.00%
Transit Systems WA Pty Ltd	Australia	100.00%	100.00%
Transit Systems West Pty Ltd	Australia	100.00%	100.00%
Transit Systems West Services Pty Ltd	Australia	100.00%	100.00%
Travellink Pty Ltd	Australia	100.00%	100.00%
Travellink Technology Pty Ltd	Australia	100.00%	100.00%
Vivonne Bay Outdoor Education Centre Pty Ltd	Australia	100.00%	100.00%
Vyscot Pty Ltd	Australia	100.00%	100.00%
WA Bus and Coachlines Pty Ltd	Australia	100.00%	100.00%

*Torrens Connect Pty Ltd is a subsidiary member of the consolidated group for accounting purposes but operationally functions as a joint venture. Refer note 25.

Note 35. Interests in joint ventures

Kelsian has a 50% joint controlling interest in International Travel Technology Pty Ltd which was not trading at 30 June 2025 (2024: Not trading).

Note 36. Deed of cross guarantee

The parent has entered into various cross-guarantees with its subsidiaries to support borrowings across the Group. Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Kelsian Group Limited and the following subsidiaries have entered into a Deed of Cross Guarantee on 3 June 2019: Kangaroo Island SeaLink Pty Ltd, Captain Cook Cruises Pty Ltd, SeaLink Queensland Pty Ltd, Curtis Island Assets Pty Ltd, Curtis Island Services Pty Ltd, TSA Ferry Group Pty Ltd, Stradbroke Ferries Pty Ltd, Stradbroke Assets Pty Ltd, Sealink Ferries Pty Ltd, KBRV Resort Operations Pty Ltd and SeaLink Fraser Island Pty Ltd.

On 9 June 2020 the following subsidiaries entered into a deed of assumption and also became parties to that Deed of Cross Guarantee: Transit Systems (Victoria) Pty Ltd (formerly Sita Bus Lines Pty Ltd), Sita Coaches Pty Ltd, Transit Systems Pty Ltd, Swan Transit Pty Ltd, Swan Transit Services Pty Ltd, Torrens Transit Pty Ltd, Torrens Transit Services Pty Ltd, Transit (NSW) Services Pty Ltd, Transit Systems West Pty Ltd, Transit Systems West Services Pty Ltd, Sita Tours Pty Ltd, Swan Transit Group Pty Ltd and Transit (NSW) Group Pty Ltd.

On 25 June 2021, the following subsidiary entered into a deed of assumption and also became party to that Deed of Cross Guarantee: Transit NSW (Liverpool) Pty Ltd.

On 23 June 2022, the following subsidiary entered into a deed of assumption and also became party to that Deed of Cross Guarantee: S.V. Haoust Pty Ltd (trading as Go West Tours).

On 30 June 2023, the following subsidiaries entered into a deed of assumption and also became party to that Deed of Cross Guarantee: Transit Systems WA Holdings Pty Ltd, WA Bus and Coachlines Pty Ltd and Kelsian International Holdings Pty Ltd.

On 25 June 2024, the following subsidiaries entered into a deed of assumption and also became parties to that Deed of Cross Guarantee: Swan Transit Services (South) Pty Ltd, Transit Systems NSW Pty Ltd and Transit Systems NSW SW Pty Ltd.

On 27 June 2025, the Deed of Cross Guarantee entered into with the following subsidiaries was revoked by Revocation Deed: Sealink Queensland Pty Ltd, Transit Systems Queensland Pty Ltd, Stradbroke Assets Pty Ltd, Stradbroke Ferries Pty Ltd, Transit (NSW) Services Pty Ltd, Swan Transit Group Pty Ltd, Transit (NSW) Group Pty Ltd and Transit (NSW) Liverpool Pty Ltd.

The effect of the deed is that Kelsian Group Limited has guaranteed to pay any deficiency in the event of winding up any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event Kelsian Group Limited is wound up or it does not meet its obligations under the terms of the overdrafts, loans, leases or other liabilities subject to the guarantee.

In reliance on ASIC Corporations (Audit Relief) Instrument 2016/784, subsidiary companies in the closed group (as described above) that are also large proprietary companies have complied with the terms of that instrument and relied on it for relief from individual auditing requirements for those companies as separate entities.

The statement of profit or loss and other comprehensive income and statement of financial position are substantially the same as the Group and therefore have not been separately disclosed.

Note 37. Events after the reporting period

A fully franked dividend of 9.5 cents per share was declared by Kelsian's Directors on 26 August 2025, representing a total payment of \$25,796,571 to be paid 21 October 2025 based on the current number of ordinary shares on issue.

No other matter or circumstance has arisen since 30 June 2025 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 38. Reconciliation of profit after income tax to net cash from operating activities

	2025 \$'000	Consolidated 2024 \$'000
Profit after income tax expense for the year	54,494	58,006
Adjustments for:		
Depreciation and amortisation	148,968	143,284
Share-based payments	917	2,696
Write off of assets	245	-
Net loss/(gain) on disposal of non-current assets	44,703	(912)
Foreign currency differences	(4,119)	(4,899)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(27,394)	(37,854)
Increase in inventories	(2,391)	(4,498)
Decrease in income tax refund due	-	2,897
Decrease/(increase) in derivative assets	(2,024)	4,543
Increase in prepayments	(2,211)	(9,410)
Decrease/(increase) in other operating assets	(380)	1,744
Decrease in trade and other payables	(26,339)	(40,470)
Increase/(decrease) in contract liabilities	1,288	(466)
Increase/(decrease) in derivative liabilities	2,025	(4,555)
Increase in provision for income tax	1,947	2,857
Decrease in deferred tax liabilities	(9,654)	(8,934)
Increase in employee benefits	8,973	14,679
Increase in other provisions	13,669	129
Increase in other operating liabilities	2,455	27,865
Net cash from operating activities	205,172	146,702

Note 39. Earnings per share

	2025 \$'000	Consolidated 2024 \$'000
Profit after income tax attributable to the owners of Kelsian Group Limited	54,494	58,006
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	270,793,480	270,152,604
Adjustments for calculation of diluted earnings per share:		
Performance rights	1,756,303	882,841
Weighted average number of ordinary shares used in calculating diluted earnings per share	272,549,783	271,035,445
Earnings per share	Cents	Cents
Basic earnings per share	20.1	21.5
Diluted earnings per share	20.0	21.4

Note 40. Share-based payments

	2025	Consolidated 2024
	\$'000	\$'000
Recognised share-based payment expenses		
Expense arising from performance rights issued in 2022	-	294
Expense arising from performance rights issued in 2023	312	318
Expense arising from performance rights issued in 2024	737	728
Expense arising from performance rights issued in 2025	993	-
Forfeited performance rights	(944)	(975)
	1,098	365

Types of share option plans

Employee Performance Rights Plan "EPRP"

Performance rights are generally granted to senior executives with more than 12 months service. The EPRP is designed to align participants interests with those of shareholders. When a participant ceases employment prior to the vesting of their performance rights or where the performance hurdle is not met, the performance rights lapse. Should all conditions be met, one ordinary share is issued for each performance right for no consideration to the participant.

For the 2023, 2024 and 2025 EPRP issue there are two tranches of Performance Rights with the following weighting:

- 50% for earnings per share growth (Tranche 1).
- 50% for Total Shareholder Return (TSR) growth measured against companies in the ASX 200 Total Return Index (Tranche 2).

For the 2023, 2024 and 2025 Performance Rights to vest in total, Kelsian must achieve the following conditions:

Tranche 1 - a compound annual growth rate (CAGR) of earnings per share (EPS) measured over a three-year measurement period, commencing 1 July 2022 (2023 issue), 1 July 2023 (2024 issue) and 1 July 2024 (2025 issue). For the 2023, 2024 and 2025 issues a target threshold CAGR over that three-year period of 5% will result in 50% of the Performance Rights vesting, with pro rata vesting for the 2023, 2024 and 2025 issue for achievement for between 5% and 10% of CAGR for the three-year measurement period.

Tranche 2 - an Annualised Indexed TSR measured against the ASX200 Total Index Return for 1 July 2022 (2023 issue), 1 July 2023 (2024 issue) and 1 July 2024 (2025 issue). A threshold annualised Kelsian TSR over that three year period meeting the Index will result in 50% of the Performance Rights vesting, with pro rata vesting of the remainder of the tranche for achievement up to 10% above the Index TSR for the three-year measurement period.

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

The fair value of the performance rights granted is estimated at the date of grant using a custom binomial lattice pricing model, taking into account terms and conditions upon which the performance rights were granted.

Effective date issued	2025 Issue	2024 Issue	2023 Issue
Number of Performance Rights issued	1,278,178	552,610	300,419
Minimum hurdle share price	Nil	Nil	Nil
Dividend yield	4.40%-4.50%	2.60%-2.80%	3.30%-3.50%
Expected volatility (as per valuation)	35%	35%	40%
Risk free interest rate	4.4%-4.5%	4.1%-4.3%	3.6%-3.7%
Expected life (years)	2.7	2.6-2.7	2.7-2.8
Valuation per performance right (Tranche 1 - KMP)	\$1.162	\$2.627	\$2.362
Valuation per performance right (Tranche 1 - CEO)	\$1.236	\$2.472	\$1.954
Valuation per performance right (Tranche 2 - KMP)	\$3.489	\$5.749	\$4.621
Valuation per performance right (Tranche 2 - CEO)	\$3.588	\$5.586	\$4.265

Note 40. Share-based payments (continued)

Performance rights	Number (000's) 2025	Weighted average exercise price	Number (000's) 2024	Weighted average exercise price
Outstanding at the beginning of the year	974	n/a	722	n/a
Granted (under the Employee Performance Rights Plan)	1,278	\$Nil	523	\$Nil
Forfeited	(237)	\$Nil	(30)	\$Nil
Exercised	-	n/a	(241)	\$6.31
	2,015		974	

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest % Tax residency	
Kelsian Group Limited	Body corporate	Australia	-	Australia
AAAH! Acquisition Corporation	Body corporate	United States of America	100.00%	United States of America
AAAH! Intermediate Holdings LLC	Body corporate	United States of America	100.00%	United States of America
AAAH! Tempco, LLC	Body corporate	United States of America	100.00%	United States of America
AAAH! Topco Corporation	Body corporate	United States of America	100.00%	United States of America
Ace Express Coaches, LLC	Body corporate	United States of America	100.00%	United States of America
All Aboard America! Holdings, Inc	Body corporate	United States of America	100.00%	United States of America
All Aboard America! School Transportation, LLC	Body corporate	United States of America	100.00%	United States of America
All Aboard Transit Services, LLC	Body corporate	United States of America	100.00%	United States of America
Australia Inbound Pty Ltd	Body corporate	Australia	100.00%	Australia
Avonward Pty Ltd	Body corporate	Australia	100.00%	Australia
Big Red Cat Pty Ltd	Body corporate	Australia	100.00%	Australia
BITS Assets Pty Ltd	Body corporate	Australia	100.00%	Australia
BITS Ferry Services Pty Ltd	Body corporate	Australia	100.00%	Australia
Captain Cook Cruises Pty Ltd	Body corporate	Australia	100.00%	Australia
CT Plus Guernsey Ltd	Body corporate	Channel Islands	100.00%	United Kingdom
CT Plus Jersey Ltd	Body corporate	Channel Islands	100.00%	United Kingdom
Curtis Island Assets Pty Ltd	Body corporate	Australia	100.00%	Australia
Curtis Island Services Pty Ltd	Body corporate	Australia	100.00%	Australia
First Class Transportation, LLC	Body corporate	United States of America	100.00%	United States of America
Hotard Coaches, Inc	Body corporate	United States of America	100.00%	United States of America
Huyton Travel Limited	Body corporate	United Kingdom	100.00%	United Kingdom
Industrial Bus Lines, Inc	Body corporate	United States of America	100.00%	United States of America
Kangaroo Island Adventure Tours Pty Ltd	Body corporate	Australia	100.00%	Australia
Kangaroo Island Odysseys Pty Ltd	Body corporate	Australia	100.00%	Australia
Kangaroo Island SeaLink Pty Ltd	Body corporate	Australia	100.00%	Australia
KBRV Resort Operations Pty Ltd	Body corporate	Australia	100.00%	Australia
KBRV Services Pty Ltd	Body corporate	Australia	100.00%	Australia
Kelsian International Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Kelsian UK Limited	Body corporate	United Kingdom	100.00%	United Kingdom
Kelsian USA Inc.	Body corporate	United States of America	100.00%	United States of America
Lux Bus America Co	Body corporate	United States of America	100.00%	United States of America
Lux Leasing, LLC	Body corporate	United States of America	100.00%	United States of America
Magnetic Island Cruise Corporation Pty Ltd	Body corporate	Australia	100.00%	Australia
McClintock Enterprises, Inc	Body corporate	United States of America	100.00%	United States of America
NT Bus and Coachlines Pty Ltd	Body corporate	Australia	100.00%	Australia
PDW Pty Ltd	Body corporate	Australia	100.00%	Australia
RiverCity Ferries Pty Ltd	Body corporate	Australia	100.00%	Australia
S. V. Haoust Pty Ltd	Body corporate	Australia	100.00%	Australia
Sea Stradbroke Services Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaCap Pte Ltd	Body corporate	Singapore	100.00%	Singapore
SeaLink Ferries Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Fraser Island Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink KI Ferries Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink KI Holding Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Marina Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Marine Services QLD Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Northern Territory Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Queensland Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink SA Ferry Services Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Tasmania Pty Ltd	Body corporate	Australia	100.00%	Australia
SeaLink Vessels Pty Ltd	Body corporate	Australia	100.00%	Australia
Sita Coaches Pty Ltd	Body corporate	Australia	100.00%	Australia
Sita Tours Pty Ltd	Body corporate	Australia	100.00%	Australia
STG Properties Pty Ltd	Body corporate	Australia	100.00%	Australia
Stradbroke Assets Pty Ltd	Body corporate	Australia	100.00%	Australia

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest % Tax residency	
Stradbroke Ferries Pty Ltd	Body corporate	Australia	100.00%	Australia
Sunferries Travel Pty Ltd	Body corporate	Australia	100.00%	Australia
Sureride Charter, Inc	Body corporate	United States of America	100.00%	United States of America
Swan Transit Canning Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Group Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Kalamunda Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Marmion Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Midland Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Services (South West) Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Services (South) Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Services Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit South West Pty Ltd	Body corporate	Australia	100.00%	Australia
Swan Transit Southern River Pty Ltd	Body corporate	Australia	100.00%	Australia
Territory Transit Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Territory Transit Pty Ltd	Body corporate	Australia	100.00%	Australia
The Living Classroom Pty Ltd	Body corporate	Australia	100.00%	Australia
The Port Jackson & Manly Steamship Company Pty Ltd	Body corporate	Australia	100.00%	Australia
The South Australian Travel Company Pty Ltd	Body corporate	Australia	100.00%	Australia
Torrens Connect Pty Ltd*	Body corporate	Australia	55.00%	Australia
Torrens Transit Group Pty Ltd	Body corporate	Australia	100.00%	Australia
Torrens Transit Pty Ltd	Body corporate	Australia	100.00%	Australia
Torrens Transit Services (North) Pty Ltd	Body corporate	Australia	100.00%	Australia
Torrens Transit Services Pty Ltd	Body corporate	Australia	100.00%	Australia
Tower Transit Europe Pty Ltd	Body corporate	Australia	100.00%	Australia
Tower Transit Limited	Body corporate	United Kingdom	100.00%	United Kingdom
Tower Transit Operations Ltd	Body corporate	United Kingdom	100.00%	United Kingdom
Tower Transit Singapore Pte Ltd	Body corporate	Singapore	100.00%	Singapore
Tower Transit Training Singapore Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit (NSW) Group Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit (NSW) Liverpool Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit (NSW) Services Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems (Victoria) Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems Finance Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems MBF Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems Melbourne Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems NSW Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems NSW GSBC2 Assets Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems NSW GSBC3 Assets Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems NSW R6 Assets Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems NSW SW Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems NSW TTP Pty Ltd	Body corporate	Australia	100.00%	Australia

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Transit Systems Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems Queensland Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems WA Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems WA Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems West Pty Ltd	Body corporate	Australia	100.00%	Australia
Transit Systems West Services Pty Ltd	Body corporate	Australia	100.00%	Australia
TravelLink Pty Ltd	Body corporate	Australia	100.00%	Australia
TravelLink Technology Pty Ltd	Body corporate	Australia	100.00%	Australia
Vivonne Bay Outdoor Education Centre Pty Ltd	Body corporate	Australia	100.00%	Australia
Vyscot Pty Ltd	Body corporate	Australia	100.00%	Australia
WA Bus and Coachlines Pty Ltd	Body corporate	Australia	100.00%	Australia

*Torrens Connect Pty Ltd is a subsidiary member of the consolidated group for accounting purposes but operationally functions as a joint venture. Refer note 25.

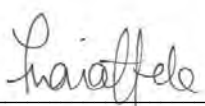
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 36 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Fiona A Hele
Chair

26 August 2025



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Independent Auditor's Report to the Members of Kelsian Group Limited

Opinion

We have audited the financial report of Kelsian Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the

procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Impairment of Intangible Assets

Why significant	How our audit addressed the key audit matter
The Group carries a significant amount of goodwill and other intangible assets. As stated in Note 13 to the financial statements, the carrying value of goodwill and other intangible assets are tested annually for impairment. The Group performed its annual impairment test and determined the recoverable amount on a value in use basis of its individual cash generating units (CGUs), to which the goodwill was allocated. The Group's impairment assessment resulted in no impairment for the year. Goodwill impairment was considered a key audit matter because impairment assessment requires estimation and significant judgement in respect of assumptions used in the value in use calculation. The Group makes assumptions in respect of future market and economic conditions such as economic growth, expected inflation rates, demographic developments, revenue and margin development. Key assumptions relating to the impairment test are disclosed in Note 13 to the financial statements. Key assumptions used in the impairment testing are inherently subjective and changes in certain assumptions can lead to significant changes in the recoverable amount of these assets. For this reason, we consider it important that attention is drawn to the information in Note 13 to the financial statements.	Our audit procedures included the following: ➤ We considered the relationship between market capitalisation and net assets of the Group. ➤ We assessed management's determination of CGUs and allocation of goodwill to the CGUs. ➤ We agreed the forecast cash flows used in the impairment model to Board approved budgets for the 2026 financial year. ➤ We tested the mathematical accuracy of the cash flow models used is the Group's estimate of value in use for impairment assessment purposes. ➤ We evaluated the Group's key input assumptions, analysed the extent to which the outcome of the impairment test was sensitive to changes in key assumptions and assessed the historical accuracy of the Group's budgeting process. ➤ We involved our valuation specialists to assess the discount rate and both the short and long-term growth rates used in the Group's impairment models for its CGUs. ➤ We compared the recoverable amount calculated within the value in use models to the carrying value recorded at 30 June 2025. ➤ We assessed the adequacy of the disclosures in Note 13 to the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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with confidence**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Nigel Stevenson'.

Nigel Stevenson Partner
Adelaide
26 August 2025