

ASX ANNOUNCEMENT - KPG

Thursday 14th April 2022

Regional NSW Firm chooses Kelly+Partners \$4.2m in Revenue

Kelly Partners Group Holdings Limited ("Group", ASX:KPG) announces today that it has signed agreements to partner with a leading accounting business located in regional NSW. The details are as follows:

Location:	Regional NSW
Revenue to Group:	\$3,360,000 to \$4,200,000
NPATA to Parent:	\$390,000 to \$490,000 post transactional improvements
Purchase Price:	\$1,499,400 to \$2,142,000 for a 51.00% interest
Upfront / Retention:	70%/30%
Retention Period:	2 years
Completion date:	1 July 2022 pending satisfaction of conditions precedent.

The remaining 49.00% will be held by three existing equity partners of the business under our **Partner-Owner-Driver™** model.

The business will continue to operate at its existing locations (Kelly+Partners' 20th location in Australia and 17th location in NSW) following completion.

This partnership is material to KPG and is expected to be accretive to earnings from FY23 onwards.

Founder and CEO of Kelly+Partners, Brett Kelly said,

"We are humbled to be chosen by this terrific group of Partners in this 80 year old leading firm located in Regional NSW. The partnership confirms the attractiveness of the Kelly+Partners offer and our Partner-Owner-Driver™ model to owners of leading accounting firms.

We are excited to be growing in Regional NSW and extending our already significant presence in the state.

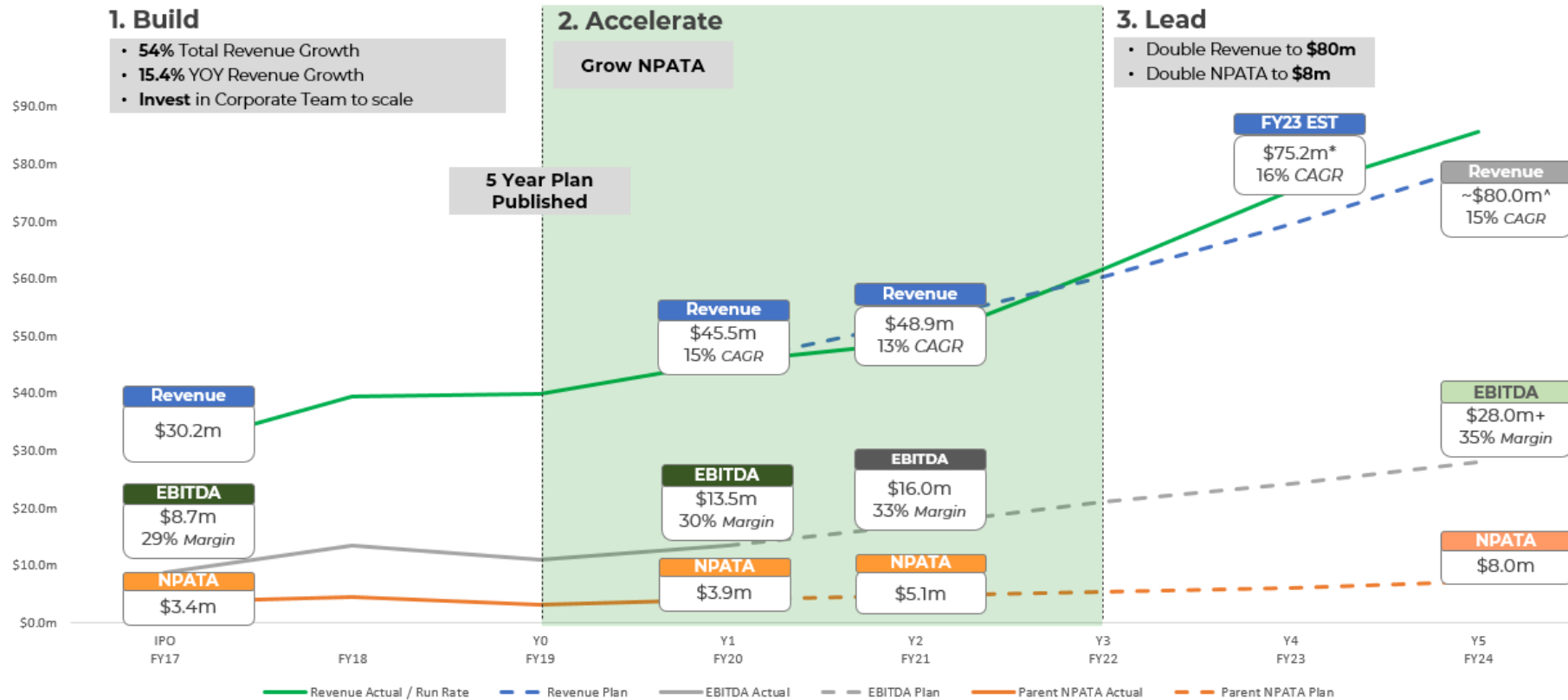
The Kelly+Partners Business System continues to assist Partners, their Teams, Clients and Communities to be very much better off and we look forward to the positive impact we can make in Regional NSW."

A summary of the acquisitions we have announced for FY22 are as follows:

#	Date of completion	Location	Type	Revenue to Group
1	11 November 2021	Penrith, NSW	Tuck-in	\$3.2m to \$4.3m
2	1 December 2021	Canberra, ACT	Marquee	\$0.8m to \$0.9m
3	17 January 2022	Carlton, VIC	Tuck-in	\$1.0m to \$1.4m
4	1 February 2022	Northern Beaches, NSW	Tuck-in	\$1.0m to \$1.4m
5	1 February 2022	Canberra, ACT	Tuck-in	\$0.9m to \$1.1m
6	1 March 2022	Central Coast, NSW	Tuck-in	\$1.0m to \$1.4m
7	31 March 2022	Regional Victoria	Marquee	\$3.8m to \$4.7m
8	1 July 2022	Regional NSW	Marquee	\$3.4m to \$4.2m
	Total			\$15.1m to \$19.4m
	% of Revenue			26.3% to 33.8%

The Board of Directors of KPG has approved the release of this document to the market.

Appendix A: KPG - 5 Year Growth Plan



*includes 5% p.a. organic growth consistent with 5 year plan. Estimate run-rate only. This is not a guidance.

^ \$80m group revenue puts Kelly+Partners Group in the 20 largest accounting firms in Australia, and represents only 0.7% of total addressable market (\$12.5bn). The average revenue of the 20 largest accounting firms in Australia excluding the Big 4 is \$163m (AFR Top 100 Accounting Firms 2021).

KP+GH

KELLY PARTNERS GROUP HOLDINGS LIMITED

Kelly+Partners – Current Office Locations – NSW & ACT



Kelly+Partners – Current Office Locations – VIC



Kelly+Partners – Current Office Locations – International



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

Kelly+Partners is a specialist chartered accounting network established in 2006 to provide a better service to private clients, private businesses & their owners, and families.

Growing from two greenfield offices in North Sydney and the Central Coast, Kelly+Partners now consists of 29 operating businesses across 19 locations in Greater Sydney, Melbourne and Hong Kong.

In total, the team consists of more than 300 people, including 65 partners, who service over 11,500 SME clients.

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

Over the past 16 years, Kelly+Partners has undertaken 54 individual transactions in order to build the current accounting network. This includes the transformation of 37 external firms, and the launch of 17 greenfield businesses.

KPG's ownership structure and unique operating model (**Partner-Owner-Driver™**) is transforming the Australian accounting market, and provides a strong platform for long-term sustainable growth. The combination of a proven business model and specialist operational expertise enables KPG to help solve many of the issues currently facing both the accounting sector and the SME clients of our firms.

For more information, please contact:

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