

ASX Announcement

8 December 2021

Kangaroo Island Ferry Services Contract Award

Key Highlights

- Retention of the Kangaroo Island ferry services contract for up to a further 25 years from 1 July 2024
- 15-year initial service term followed by two five-year, performance based, extension options
- Exclusive provider of roll-on roll-off ferry services for passengers, vehicles and freight on the Cape Jervis to Penneshaw route
- Introduction of new, 'state of the art', lower emission, larger capacity drive-through ferries enabling higher frequency, faster services
- Approximately \$50 million capital commitment for two new ferries, infrastructure upgrades and terminal refurbishments
- Fare reductions from current levels available to Kangaroo Island residents for ferry services from March 2022, with no other material fare changes planned until July 2024
- A planned 30% increase in timetabled departures from July 2024 as new ferries are introduced
- Tourist and non-resident fares remain uncontrolled

Kelsian Group Limited (ASX:KLS) ("**Kelsian Group**") advises that today, through its wholly owned subsidiary, SeaLink SA Ferry Services Pty Ltd ("**SeaLink SA**"), it has been awarded a new service contract, terminal leases and related documents, subject to satisfaction of several conditions precedent of a customary nature, with the Minister for Infrastructure and Transport of South Australia for the provision of roll-on roll-off ferry services for passengers, vehicles and freight between Cape Jervis, South Australia and Penneshaw, Kangaroo Island ("**New Contract**").

Ferry services under the New Contract are to commence from 1 July 2024 for an initial 15-year period to 30 June 2039 with performance-based options to extend the New Contract for a further two five-year terms.

Under the New Contract, SeaLink SA has preferred access to the leased areas and exclusive rights to be the provider of roll-on roll-off passenger and vehicle ferries on the Cape Jervis to Penneshaw route ("**Ferry Services**").

The Kelsian Group has committed to significantly reduce fares for Kangaroo Island residents from current levels from March 2022. This will mean that residents of Kangaroo Island who represent



approximately 10% of existing revenue for Kangaroo Island ferry service will be able to benefit from lower fares from early 2022.

From July 2024 under the New Contract, new fare structures and timetables will be introduced and timed to coincide with additional new ferry capacity and anticipated increased visitation to Kangaroo Island enabled by the expanded services. Fares for Kangaroo Island residents and freight services are controlled under the New Contract. Tourist and non-resident fares remain uncontrolled, and a dynamic pricing mechanism will be introduced to provide more options for visitors to the Island.

Two new 'state of the art', drive-through ferries will be built and mobilised in the lead up to the start of ferry services under the New Contract from July 2024. In total, the Kelsian Group has committed to make an estimated \$50 million capital investment on vessels and shore-side infrastructure to enhance this service for the next 25 years.

In addition, from July 2024, using new lower emission ferries with drive-through capability and quicker turnaround, a new timetable with an approximately 30% increase in departures will be introduced. The increased frequency and capacity of the Ferry Services are expected to be a catalyst for new tourism related investment by others on the Island and the Kelsian Group will continue to collaborate with the South Australian Tourism Commission to promote the Island.

SeaLink SA will also undertake a range of tourism and investment related projects in Kangaroo Island and South Australia including exploring investment in new or rebuilt accommodation on the Island at Vivonne Bay or elsewhere, and projects that look to support local industry and develop South Australian based marine capabilities.

Kelsian Group Chief Executive Officer, Clint Feuerherdt said "We will support the South Australian Visitor Economy Sector Plan 2030 by leveraging our extensive international and domestic trade distribution platform and direct-to-consumer network to continue to grow the visitor economy to the Island."

"We intend to deliver a significant increase in our schedule and capacity that will be a catalyst to help sustain the future growth of Kangaroo Island through until at least 2039," he said.

"In selecting SeaLink SA, the Government of South Australia has a partner who has a deep commitment to continuing the promotion of the Island and successful operation of this important essential transport link," he said.

Authorised for release by the Kelsian Group Chief Executive Officer, Clint Feuerherdt.

<<End>>

About Kelsian Group Limited

Kelsian Group Limited is Australia's largest integrated land and marine, tourism and public transport service provider with established international operations in London and Singapore.

With around 9,000 employees, we are one of Australia's most experienced and diverse multi-modal transport businesses operating around 4,000 buses, 120 ferries and 24 light rail vehicles, carrying over 207 million customers in FY2021. Visit www.kelsian.com



For further information contact the following:

Investor Relations

Andrew Muir, Chief Financial Officer
+61 8 8202 8693
investors@kelsian.com

Media

Square One PR: Katie Wilke, 0411 771 469
katie.wilke@squareonepr.com.au
