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KELLY PARTNERS GROUP HOLDINGS LIMITED (ASX: KPG)

FY21 RESULTS PRESENTATION

PRESENTED BY

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Kenneth Ko CFO

August 2021

CONTENTS

SECTION ONE:
Opportunity

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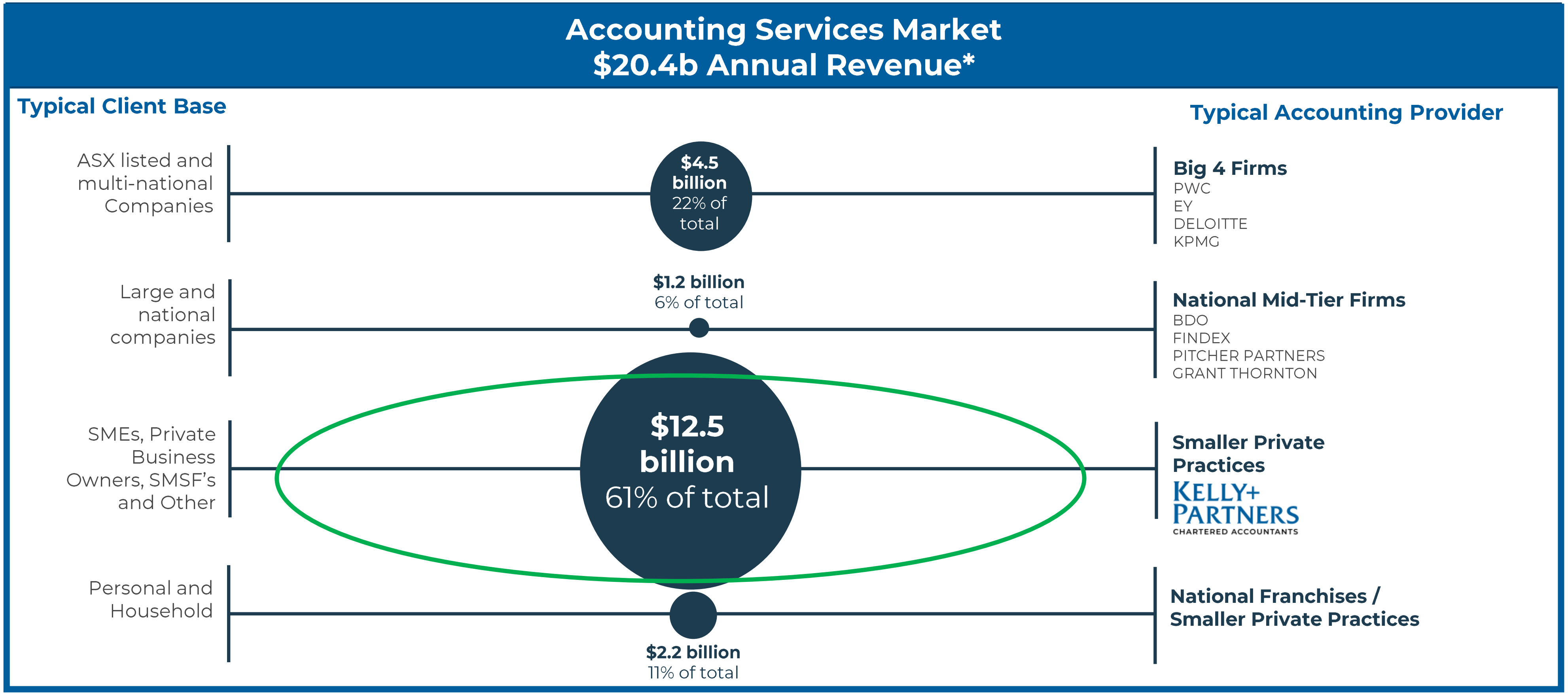
OPPORTUNITY

There is significant opportunity to grow under the Partner Owner Driver™ model

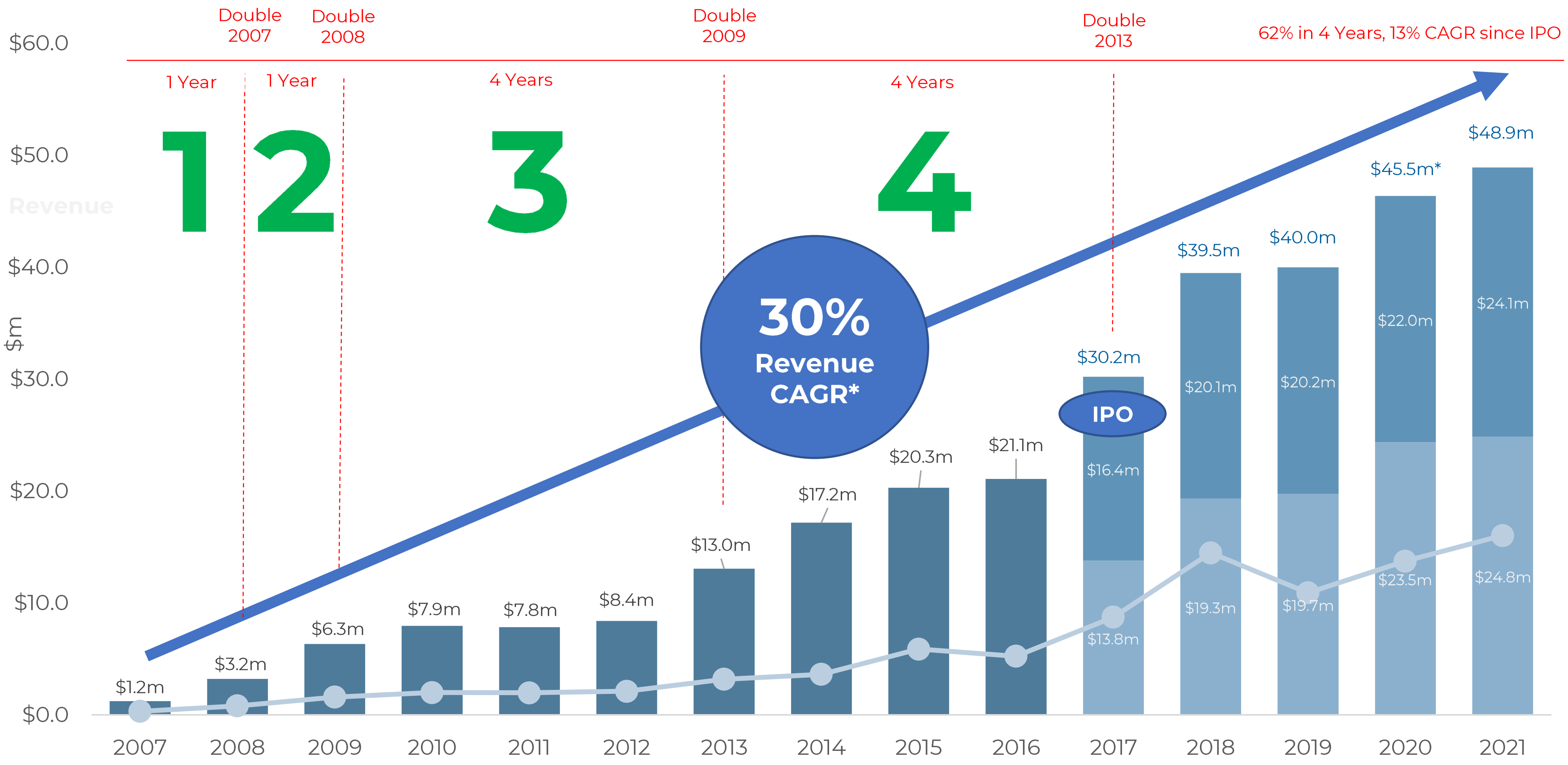


Source: Management estimates. $12.5bn represents the national market for SME's, Private Business Owners, SMSF's and Others, of which we estimate Sydney and Melbourne target markets are ~$7.0b. Our estimate of Big 4 revenues excludes consulting/advisory and other non traditional accounting fees, including consulting and advisory and other non traditional accounting fees, the Big 4 revenue is circa $8.6b.

** Source: IBIS World Accounting Services in Australia Industry Report (April 2020)*

PERFORMANCE

15 years of continual growth. The business has doubled on average every 4 years.



** Excludes discontinued operations*
***CAGR means Compound Annual Growth Rate and represents the constant rate of compound revenue growth over the period since inception (with the business founded in 2006, and the calculation based on 2007 representing the first full year of operations). Audited numbers from FY2013 onwards.*

IMPACT

BUILDING A PLATFORM BUSINESS FOR PROFESSIONAL SERVICES FIRMS

Financial Review Top 100 Accounting Firms

	Firm		Revenue FY20 ($m)	Revenue Change (% YOY)	Total Partners	Total New Partners	
1	PWC		2600	0.00%	695	23	
2	Deloitte	$9.1b	2500	10.00%	870	46	Big 4
3	Ernst & Young		2130	12.70%	572	42	
4	KPMG		1905	7.00%	559	31	
5	Findex		372	1.20%	297	14	
6	BDO		328	10.00%	205	6	Big 4 Wannabe
7	Pitcher Partners	$1.2b	264	1.00%	117	6	
8	Grant Thornton		257	-0.50%	158	5	
9	RSM Australia		221	9.00%	108	11	
10	William Buck		126	8.70%	89	7	National Mid Tiers
11	Bentleys Network		121	2.10%	102	6	
12	Nexia Australia		115	1.10%	75	2	
13	HLB Mann Judd		109	13.00%	87	4	
14	Walker Wayland Australasia	$1.3b	108	4.70%	81	4	
15	McGrath Nicol		96	15.00%	92	16	
16	Countplus		87	-1.50%	35	2	
17	Moore Australia		83	20.30%	64	2	
18	Hall Chadwick		78	-2.80%	73	6	
19	Synergy Group		75	1.70%	51	1	
20	DFK Australia New Zealand		72	30.60%	15	4	
23	**Kelly Partners (FY20)**		**46.4**	**16.00%**	**44**	**4**	**K+P**

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Source: Australian Financial Review 25 November 2020

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SECTION ONE:
Business Summary

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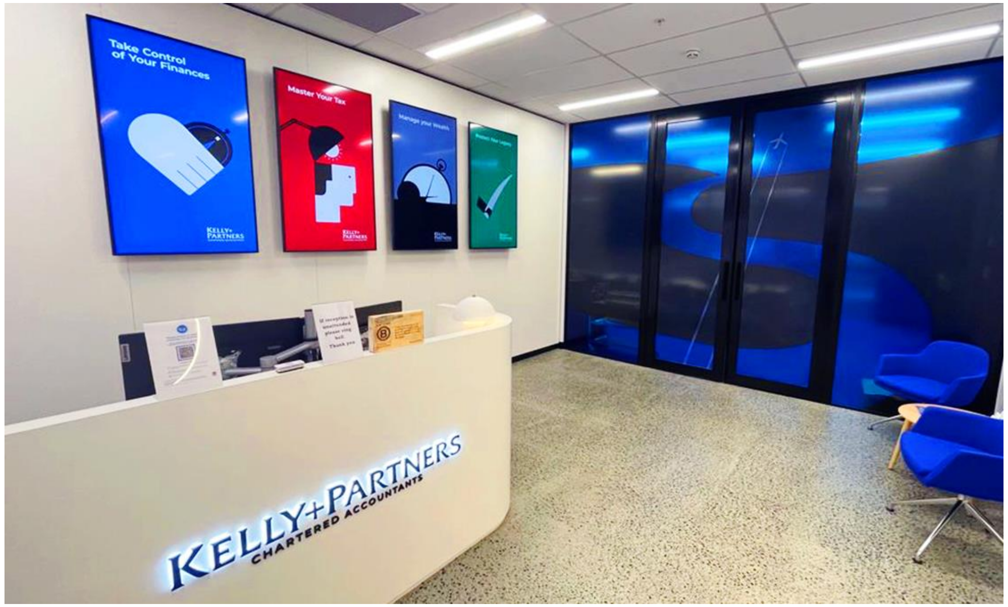
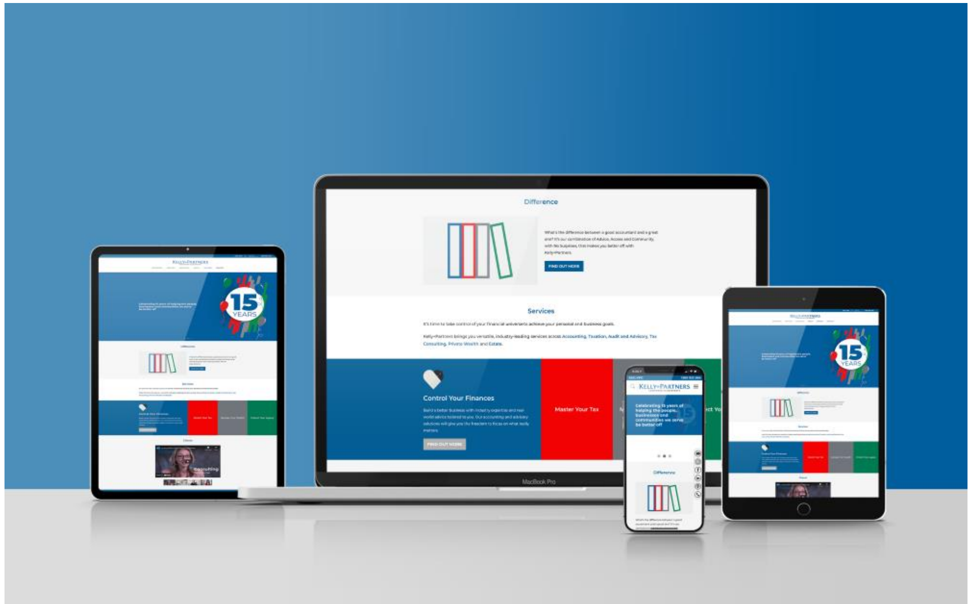
Reimagining the client experience





The business is in great shape

Employer of Choice	Net Promoter® Score[1]	Brand Score	B Corp
Great Place To Work® Certified MAY 2021 – MAY 2022 AUS™	67%	12%	Certified B Corporation®
Kelly Partners Satisfaction: 85% Typical Company: 55%	Macquarie Telecom: 75% Talenom: 51% Accounting industry: -18%[2]	AFR Top 23 Average: 6.3%	1 of 5 B Corp ASX Companies: - Australian Ethical - Silver Chef - Synlait Milk - Arowana

1. NPS®, Net Promoter® and Net Promoter® Score are registered trademarks of Satmetrix Systems, Inc., Bain & Company and Fred Reicheld
2. The Evolved Group Australian B2B NPS® Industry Benchmarks, https://www.theevolvedgroup.com/australian-b2b-nps-industry-benchmarks-how-does-your-organisation-compare/

Company Overview

WHO WE ARE

- Kelly Partners Group Holdings Limited (KPG.ASX) has a ~51% interest in 26 operating businesses operating from 17 locations in NSW and VIC
- Our businesses provide accounting, taxation and other services to private businesses and their owners
- We operate under our unique Partner Owner Driver™ model, where partners are owners of the businesses

KEY BUSINESS ATTRIBUTES

- Annuity revenue stream that is defensive and recurring
- 9,500+ client groups across diverse industries
- FY21 leading operating business margins of 33.4% vs industry average of 19.0%^
- FY21 ROE of 46.0% and Return on Invested Capital of 27.6%
- 93.5% of EBITDA converted to cash

FY21 Annuity and Transactional Revenue

Annuity Revenue		**~99%**	**Transactional Revenue**	**~1%**
Accounting	Wealth	Finance		Investment Office
~94%	~4%	~2%		~1%

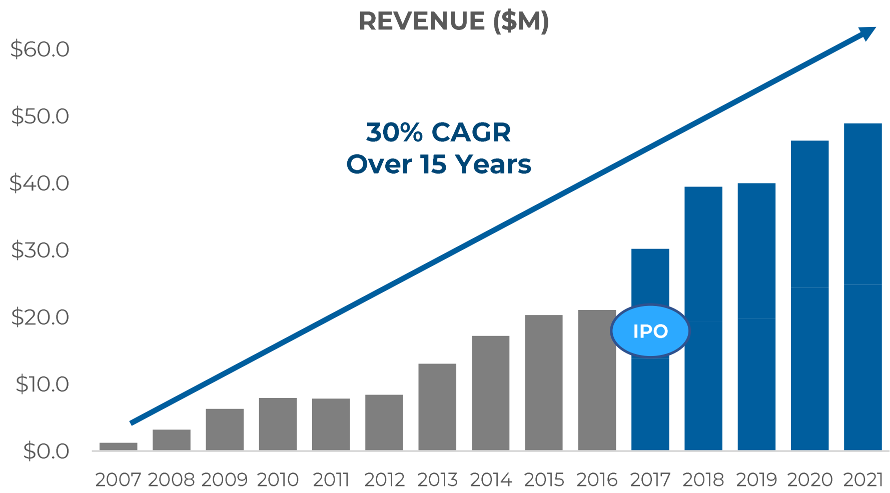
Australian Accounting Services Market targeting SMEs ~38,417 businesses

Total Addressable Market

~$12.5b*

KELLY+ PARTNERS CHARTERED ACCOUNTANTS

$49m
0.4%



**Source: Management estimates. $12.5bn represents the national market for SME's, Private Business Owners, SMSF's and Others, of which we estimate Sydney and Melbourne target markets are ~$7.0b.*
^Source: IBIS World Accounting Services in Australia Industry Report (April 2020)

KPG Owners' Principles

	Kelly+Partners
1	Our attitude is partnership in everything we do.
2	Our founder and Partner Owner Drivers^{TM} have their majority net worth invested in the business.
3	Our long term goal is to maximise KPG's intrinsic value on a per share basis.
4	Our intention is to grow by continuing to acquire accounting firms using our proprietary Partner Owner Driver^{TM} model
5	We will make decisions to maximise KPG's intrinsic value, even when such decisions may result in unfavourable treatments under current accounting standards.
6	We use debt prudently and structure our loans to be aggressively repaid.
7	We measure our performance using Earnings Per Share (EPS) growth and owner earnings.
8	We intend to seldom, if ever, issue shares to acquire a business.
9	It is not our intention to sell a business that we have acquired.
10	We will be completely transparent in our reporting to our shareholders, treating them as genuine partners in our business. We would call a spade a spade rather than under emphasise difficult situations.

GROWING DURING A PANDEMIC

PROFIT & LOSS

	REVENUE	MARGIN	PARENT NPATA
	↑7.5% REVENUE GROWTH	↑10.2% EBITDA MARGIN	↑29.9% UNDERLYING NPATA GROWTH
FY21	$48.9m	32.6%	$5.1m
FY20*	$45.5m	29.6%	$3.9m
	Revenue from ordinary activities	Underlying EBITDA pre AASB 16 to Revenue	Underlying NPATA attributable to parent

BALANCE SHEET

	RETURN	GEARING
	↑5.0% RETURN ON EQUITY	↓11.9% NET DEBT TO UNDERLYING EBITDA
FY21	46.0%	0.84x
FY20*	44.2%	0.96x
	Underlying Group NPATA on Group Equity	Net Debt on Underlying Group EBITDA

CASHFLOW

	CASHFLOW	EFFICIENCY
	↑5.1% INCREASE IN OPERATING CASHFLOW	↓3.9% CASH CONVERSION
FY21	$13.0m	93.5%
FY20*	$12.3m	97.3%
	Operating Cashflow pre AASB 16	Operating Cashflow (before finance costs and income tax) on Statutory EBITDA

Supplementary Statistics / Data

	Revenue / FTE exc partners	Firm EBITDA %	Underlying Group NPATA
FY21	$249K / FTE	33.4%	$11.6m
FY20	$301K / FTE	32.5%	$10.1m

	Group ROIC	Lockup Days
FY21	27.6%	51
FY20	26.1%	55

	Cash at Bank	Operating Cashflow
FY21	$4.0m	$17.7m
FY20	$3.8m	$16.4m

** Excludes discontinued operations. All data for FY20 in this presentation is shown excluding discontinued operations to allow for like for like comparison.*

STRATEGY

To maximise average annual rate of gain in intrinsic value on a per- share basis

Kelly Partners Group Holdings Limited aims to build per-share intrinsic value by:			FY19	FY20	FY21
1	Improving the earning power of our many operating businesses	✓	**27.7%** (EBITDA margin)	**32.5%** (EBITDA margin)	**33.4%** (EBITDA margin)
2	Further increasing their earnings through tuck-in acquisitions	✓	**6.4%** Contribute to 1.3% revenue growth	**6.6%** Contribute to 14% revenue growth	**4.8%** Contribute to 7.5% revenue growth
3a	Growing our existing accounting subsidiaries	-	**7.5%*** Contribute to 1.3% revenue growth	**6.6%** Contribute to 14% revenue growth	**1.5%** Contribute to 7.5% revenue growth
3b	Growing our existing complementary businesses	-	**1.8%** Contribute to 1.3% revenue growth	**1.4%** Contribute to 14% revenue growth	**1.2%** Contribute to 7.5% revenue growth
4	Repurchasing KPG shares when they are available at a meaningful discount from intrinsic value	✓	**2,181** Shares bought back	**95,000** Shares bought back	**400,000** Shares bought Back –183% gain
5	Making an occasional large acquisition (i.e. greater than $5m in revenue)	-	None in FY19	None in FY20	None in FY21

Dashboard: FY19, FY20, FY21

- *excludes Sydney CBD*

Share Buyback Update

497,181 shares repurchased since IPO, with no new shares issued.

- In line with KPG's strategy KPG intends to build per-share intrinsic value by repurchasing KPG Shares when they are available at a meaningful discount from intrinsic value.
- Since IPO, KPG has repurchased 497,181 shares at a c. 64.7% discount to the current price $4.00, improving returns to our shareholders

Date	Closing Shares	Shares Repurchased
Open at IPO**	45,497,181	
30 Jun 18	45,497,181	-
30 Jun 19	45,495,000	(2,181)
30 Jun 20	45,400,000	(95,000)
30 Jun 21	45,000,000	(400,000)
Total Outstanding	**45,000,000**	**(497,181)**

Share Purchase VWAP vs Current Price	
Total purchase costs	$701,517
VWAP of share repurchases Since IPO:	$1.41
Closing price on Monday 2nd August 2021	$4.00
Discount to closing price	*64.7%*

***Inclusive of shares issued to employees as part of the IPO transaction.*

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The Kelly+Partners Business Model

- Kelly+Partners is the pioneer and world leader in a Partner Owner Driver™ accounting model focused on Private Business Owners. KPGH has deployed a business model marked by dynamic growth of more than 30% year-on-year CAGR since its creation in 2006
- ***"Our business model is anchored in a long term vision that builds on the heritage of the Firms that join our group and strive for excellence. This model drives the success of our Group and ensures its promising future."*** – Founder and CEO, Brett Kelly
- The Kelly+Partners Group comprises 26 exceptional businesses across 17 locations that deliver world class advice to private business owners and their families across generations through our Partner Owner Driver™ model
- The Kelly+Partners Group currently has 54 equity partners and 250+ team members all of whom have the opportunity to be owners in the listed entity Kelly Partners Group Holdings (KPG: ASX)

Partner Owner Driver™ model ("POD") vs Typical Rollup model

POD aligns the risk and reward incentives to protect shareholder capital and drive return

	Rollup	Rollup	KPG: Partner Owner Driver™	KPG: Partner Owner Driver™
Shareholder Level	**CEO** < c.1.5%; Other Shareholders c.98.5%	1. CEO 'given' equity from shareholders 2. **CEO typically holds < 2.5%** 3. CEO typically a **Promoter** 4. Headstock used for acquisitions (dilutive) 5. Corporate Exec Mentality (Taker)	**CEO & Founder** c.51%; Other Shareholders c. 49%	1. Founder CEO grows equity from boot-strapped start-up. 2. **CEO Aligned** with > 50.1% 3. CEO is the **Founder Owner Driver** 4. Headstock **not used** for acquisitions (non dilutive) 5. Founders Mentality (Giver)
Holding Company Level (Rollup: RESPONSIBILITIES)	ASX Listed HeadCo; 100%	1. **Debt:** Acquisition and working capital debt sits at the HeadCo level. Single Group Debt facility that does not align and not secured against specific operating assets or personal guarantees. 2. Acquisition of 100% of business	ASX Listed HeadCo; 100%; Subsidiary Company; Operating Business Owner	1. **Debt:** No Acquisition or operating business working capital debt 2. Revolving facility for strategic use and smoothing of cashflows 3. Acquisition of 51% of business
Operating Business Level (Rollup: RIGHTS; POD: RIGHTS & RESPONSIBILITIES)	Operating Business	1. **"Partners"** are now 'employees' and have little to no equity. 2. **Income**: Operating Partner paid a salary. Less incentivised to grow profits. 3. **Debt:** No debt at the operating asset level, and 4. No personal guarantees 5. **Other Wealth Opportunities**: None	49%; 51%; Operating Business	1. **Partner Owner Driver** owns 49% 2. **Income** Operating Partner receives a base distribution plus profit share. Incentivised to grow profits. 3. **Debt:** Acquisition and Working Capital debt sit at the operating asset level, secured against the operating assets with personal guarantees. 4. **Other Wealth Opportunities:** KPG Headstock, KPIO returns
Examples*	**Harts, Stockfords, WHK, Countplus ***		**Austbrokers, Steadfast, McDonalds, Danaher, Constellation***	

** Example companies may not display all the attributes of the KPG Partner Owner Driver model*

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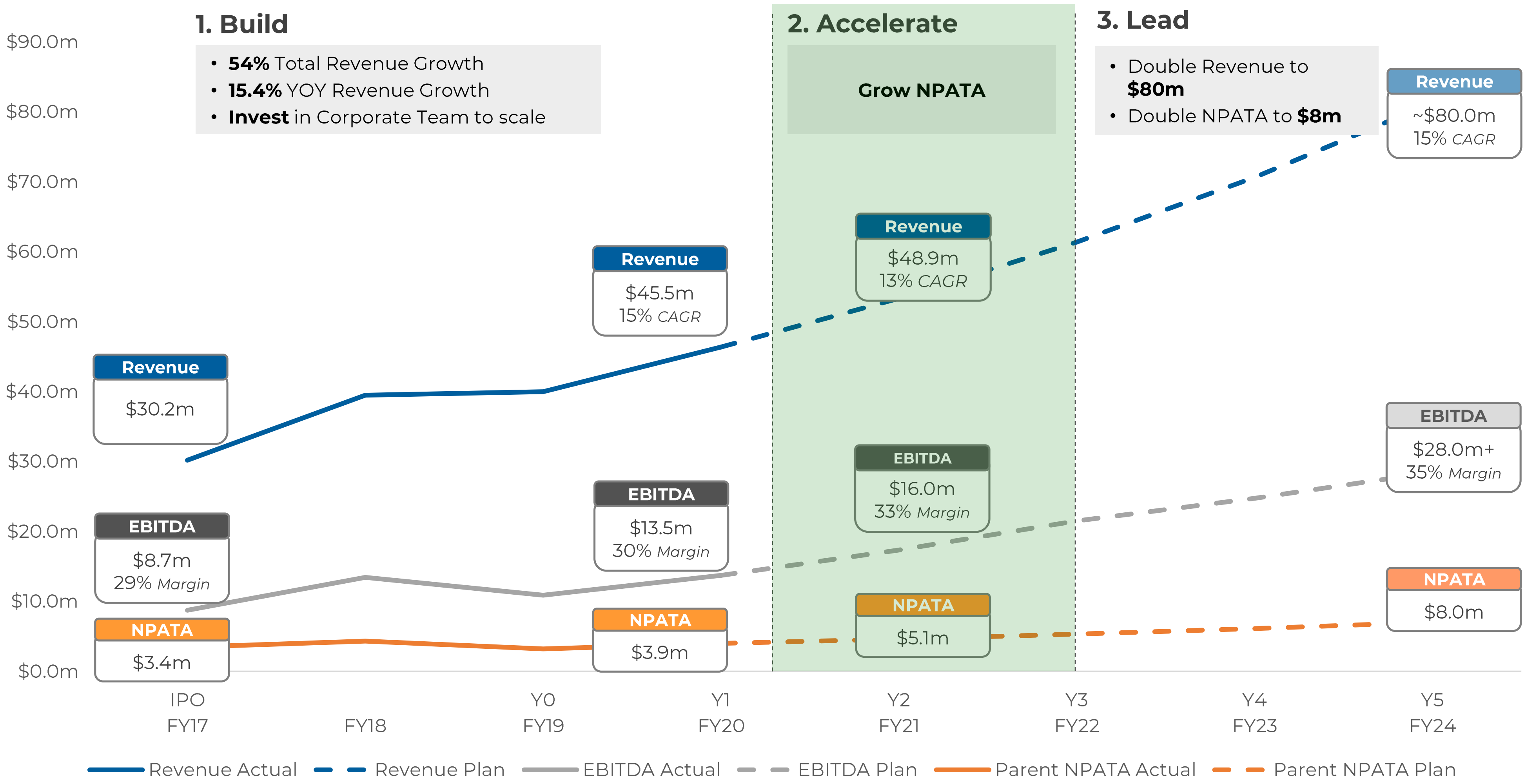
BUILD, ACCELERATE AND LEAD

Five Year Plan on track to double revenue to $80m+ by FY24



FY21 Network Expansion Update

1 Oran Park	2 Pittwater	3 Inner West4	4 Central Coast
Tuck-in to existing site	Greenfield	Tuck-in to existing site	Tuck-in to existing site
Revenue: $0.4m-$0.5m	Revenue: $0.0m-$0.5m	Revenue: $0.6m-$0.8m	Revenue: $2.1-$3.0m
Completion: Nov 2020	Completion: Jan 2021	Completion: Mar 2021	Completion: Apr 2021
• Tuck-in of acquired business in to existing team and site • Relocation occurred same day, no interruption to clients	• 16th Kelly Partners office servicing Northern Beaches area together with Kelly Partners Northern Beaches • Prime street level location in Avalon with excellent exposure and visibility	• Tuck-in of acquired business in to existing team and site in Rozelle, NSW • Relocation occurred same day, no interruption to clients	• Tuck-in of acquired business in to existing team and site • One of the largest accounting and financial services provider in the Central Coast Region

FY22 Network Expansion Update

5 Sydney CBD	6 Hunter Region (Newcastle)	7 Norwest
		
Tuck-in to existing site	Marque	Tuck-in to existing site
Revenue: $1.9m-$2.4m	Revenue: $0.8-$1.0m	Revenue: $0.3-$0.4m
Completion: Jul 2021	Completion: Jul 2021	Completion: Jul 2021
• Tuck-in of acquired business in to existing team and site • Relocated to the Group's existing office in Sydney CBD	• 10 year agreement with a senior accounting partner in Newcastle • Group's 17th office, 15th office in NSW • One of the fastest developing cities in NSW	• Tuck-in of acquired business in to existing team and site • Relocated to the Group's existing office in Norwest

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SECTION TWO:
Financials

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KPG Owners' Earnings

Owners' Earnings increasing 26.6% per annum since FY19

	FY19	FY20	FY21	CAGR
Underlying NPATA	$3,193,208	$3,937,677	$5,114,832	26.6%
Cashflow from Operating Activities / Owners Earnings	$3,128,904	$3,885,041	$5,014,894	26.6%
Cashflow Conversion to Underlying NPATA	98%	99%	98%	

- **Owners' earnings** represent the cashflow available to the parent entity. Owners' earnings is used to measure cashflow to the Group (after taxes and finance costs) after taking in to account:
  - additions or reductions in working capital investment (debtors, creditors and other accrual movements);
  - deductions required for the maintenance capital expenditure of the business to maintain ongoing operations in the long term
- Previously, owners' earnings were only disclosed for the consolidated Group. We believe owners' earnings for the Parent is much more relevant to shareholders of KPG.
- For the parent entity, Owners' earnings equates to Cashflow from Operating Activities as maintenance capex is minimal year to year
- Owners' earnings have increased 26.6% since FY19. Pre FY19 figures have not been provided as they have been impacted by cashflows relating to the IPO of the Company in June 2017
- Cashflow conversion strong at 98% and consistent across all years

FY21 Financial Highlights

Underlying Shareholder NPATA up 29.9% to $5.1m

FY21 Financial Highlights (m)	KPGHL & Controlled Entities			KPGHL Attributed (parent only)		
P&L and Cashflow	FY20	FY21	% Change	FY20	FY21	% Change
Revenue	**$45.5**	**$48.9**	**7.5%**	–	–	–
Underlying EBITDA (pre AASB 16)	**$13.5**	**$16.0**	**18.4%**	–	–	–
Margin %	**29.6%**	**32.6%**	**10.2%**	–	–	–
EBITDA (pre AASB 16)	$14.4	$16.2	12.4%	–	–	–
Underlying NPATA	**$10.1**	**$11.6**	**14.2%**	**$3.9**	**$5.1**	**29.9%**
Margin%	22.3%	23.7%	6.2%	–	–	–
NPATA	$11.0	$11.8	7.2%	$4.4	$5.2	17.6%
Dividends & Distributions Paid	$10.5	$8.4	-20.3%	$2.2	$2.4	8.9%
Cash From Operations (CfO)	**$14.3**	**$15.1**	**5.5%**	**–**	**–**	**–**
Owners' Earnings (CfO - Maint. Capex)	**$12.2**	**$12.8**	**5.2%**	**$3.9**	**$5.0**	**29.1%**
Gearing (Net Debt / Underlying EBITDA)	1.0x	0.8x	–	–	–	–
Cash Conversion (Operating Cash Flow / EBITDA)	97.3%	93.5%	–	-	-	–
Earnings per share (Underlying NPATA) (cents)	–	–	–	**8.67c**	**11.33c**	**30.7%**
Earnings per share (Stat NPAT) (cents)	–	–	–	8.36c	10.25c	22.6%
Ordinary dividend Per Share (cents)	–	–	–	4.84c	5.32c	9.9%
Equity Partners	44	53	-	-	-	–
Revenue per Equity Partner (Trailing 12 months)	$1.0	$0.9	-10.8%	-	-	–
Balance sheet	30-Jun-20	30-Jun-21	% Change	30-Jun-20	30-Jun-21	% Change
Lockup (Debtors + WIP)[1]	$6.9	$6.8	-0.5%	-	-	-
Net Debt	$15.2	$15.7	3.3%	$2.7[6]	$1.1[6]	-58.4%
Total Equity	$22.9	$25.2	9.7%	$15.9	$17.9	12.9%
Return on Equity[2]	44.2%	46.0%	4.0%	24.8%	28.5%	15.0%
Return on Invested Capital[3]	26.1%	27.6%	5.7%	21.9%	27.4%	25.0%
Days Lockup[4]	55.2	51.1	-7.4%	-	–	–
Equity Ratio (Equity / Total Assets)[5]	39.7%	37.2%	-6.3%	–	–	–

1 *Lockup – calculated as the total of trade and other receivables, accrued income less contract liabilities*
2 *Return on Equity – calculated as the Underlying NPATA / Total Equity*
3 *Return on Invested Capital – calculated as (Underlying NPATA + Interest) / (Total Equity + Debt)*
4 *Days Lockup – calculated as lockup divided by revenue multiplied by 365*
5 *Equity Ratio– calculated as Equity / Total Assets.*
6 *Net Debt for parent excludes attributable debt in subsidiary businesses.*

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Financial Highlights since IPO

Strong growth in financial metrics for 5 years since IPO

KPGHL & Controlled Entities ("Group")						
P&L and Cashflow	FY17	FY18	FY19	FY20	FY21	CAGR
Revenue	**$30.2**	**$39.5**	**$40.0**	**$45.5**	**$48.9**	**12.8%**
Underlying EBITDA (pre AASB 16)	**$8.7**	**$14.5**	**$10.9**	**$13.5**	**$16.0**	**16.3%**
Margin %	**28.9%**	**36.6%**	**27.2%**	**29.6%**	**32.6%**	
Underlying NPATA	**$7.3**	**$11.5**	**$8.8**	**$10.1**	**$11.6**	**12.2%**
Margin%	24.2%	29.2%	22.1%	22.3%	23.7%	
NPATA	$1.5	$10.6	$7.9	$11.0	$11.8	
Dividends & Distributions Paid	-$7.1	-$5.2	-$6.7	-$10.5	-$8.4	
Cash From Operations (CfO)	**$6.9**	**$6.6**	**$10.0**	**$14.3**	**$15.1**	**21.5%**
Owners' Earnings (CfO - Maint. Capex)	**$6.6**	**$6.3**	**$9.7**	**$12.2**	**$12.8**	**17.9%**
Gearing (Net Debt / Underlying EBITDA)	1.3x	0.8x	1.3x	1.0x	0.8x	-11.1%
Cash Conversion (Operating Cash Flow / Reported EBITDA)	269.6%	63.5%	116.8%	97.3%	93.5%	
Equity Partners	36	39	40	44	53	10.2%
Revenue per Equity Partner (Trailing 12 months)	$0.8	$1.0	$1.0	$1.0	$0.9	
Balance sheet	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	
Lockup (Debtors + WIP)[1]	$7.8	$10.1	$7.6	$6.9	$6.8	
Net Debt	$11.7	$11.4	$14.7	$15.2	$15.7	
Total Equity	$19.8	$24.1	$24.1	$22.9	$25.2	
Return on Equity[2]	36.9%	47.8%	36.6%	44.2%	46.0%	
Return on Invested Capital[3]	22.9%	31.2%	22.7%	26.1%	27.6%	
Days Lockup[4]	94.2	93.3	69.6	55.2	51.1	
Equity Ratio (Equity / Total Assets)[5]	46.7%	54.2%	48.7%	39.7%	37.2%	

KPGHL ("Parent")						
P&L and Cashflow	FY17	FY18	FY19	FY20	FY21	CAGR
Underlying NPATA	**$3.4**	**$4.3**	**$3.2**	**$3.9**	**$5.1**	**10.4%**
Owners' Earnings (CfO)	**-**	**-**	**$3.1**	**$3.9**	**$5.0**	**26.6%**
Earnings per share (Underlying NPATA) (cents)	**7.57**	**9.51**	**7.02**	**8.67**	**11.33**	**10.6%**
Ordinary dividend Per Share (cents)	0.00	4.00	4.40	4.84	5.32	10.0%
Balance sheet	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	
Return on Equity[2]	29.5%	29.1%	21.5%	24.8%	28.5%	
Return on Invested Capital[3]	21.3%	21.6%	16.2%	21.9%	27.4%	

[1] *Lockup – calculated as the total of trade and other receivables, accrued income less contract liabilities*
[2] *Return on Equity – calculated as the Underlying NPATA / Total Equity*
[3] *Return on Invested Capital – calculated as (Underlying NPATA + Interest) / (Total Equity + Debt)*
[4] *Days Lockup – calculated as lockup divided by revenue multiplied by 365*
[5] *Equity Ratio– calculated as Equity / Total Assets.*

FY21 Income Statement

Strong earnings growth driven by improved operating efficiencies

- ***Revenue of $48.9m (+$3.4m, up 7.5%)***, driven both by organic revenue growth (2.7%) and by acquisition revenue contributions (4.8%) from acquisitions completed in FY20 and in FY21. Organic revenue increased 2.7% compared to the prior period. The Group continues to target annual organic growth of 5%. While the Group has fallen short of this target this year due to limitations to price increases during the COVID-19 period, the Group expects organic revenue to increase post COVID-19 period with more opportunities for price and volume increases across the network
- ***EBITDA margin expansion* from 29.6% to 32.6**% demonstrating strong earnings and continuous improvements made to operating efficiencies in underlying businesses
- ***Underlying NPATA attributable to shareholders growing 29.9%* to $5.1m (FY20: $3.9m)** as a result of expanding operating margins and limiting additional investments
- Operating expenses increased 3.1% compared to revenue growth of 7.5%, reflecting efforts to reduce overheads
- Non-recurring items includes one off government incentives received for COVID-19 and non recurring costs relating to acquisitions completed during the year
- Rent expense previously classified as operating expenses are now classified under depreciation expense and finance costs as per AASB 16

Income Statement Summary ($m)*	FY20	FY21	Δ%
Professional services revenue	$45.5	$48.9	7.5%
Other income exc Non Recurring Income	$0.2	$0.2	42.4%
Total Revenue	**$45.7**	**$49.1**	**7.6%**
Operating Expenses	-$32.2	-$33.2	3.1%
Underlying EBITDA pre AASB 16	**$13.5**	**$16.0**	**18.4%**
Underlying EBITDA margin (pre AASB 16)	*29.6%*	*32.6%*	
Non Recurring Income/Expenses	$0.9	$0.2	-
Statutory EBITDA pre AASB 16	**$14.4**	**$16.2**	**12.4%**
AASB 16 implementation	$2.5	$2.7	-
Statutory EBITDA	**$16.8**	**$18.9**	**12.1%**
D&A	-$3.7	-$4.4	18.4%
Finance Costs	-$1.5	-$1.6	1.0%
Income Tax	-$1.4	-$2.0	37.3%
Statutory NPAT - Group Total	**$10.1**	**$10.9**	**7.9%**
Non controlling interest	$6.2	$6.3	-2.1%
Statutory NPAT - Parent entity	**$3.9**	**$4.6**	**17.1%**
Amortisation	$0.5	$0.6	22.3%
Non Recurring Income/Expenses**	-$0.5	-$0.1	-86.2%
Underlying NPATA to Shareholders	**$3.9**	**$5.1**	**29.9%**

* *Rounded to the nearest $100,000.*

Attributable NPAT to Underlying NPATA Reconciliation

Reconciliation of attributed NPAT/NPATA ($m)	FY20	FY21
Statutory NPAT attributable owners of Kelly Partners Group Holdings Limited	**3.9**	**4.6**
Amortisation of customer relationship intangibles	0.5	0.6
NPATA attributable to owners of Kelly Partners Group Holdings Limited	**4.4**	**5.2**
Add: non-recurring expense items		
Acquisition costs	0.4	0.4
Other non recurring expenses	0.0	0.1
Restructuring costs	0.1	0.1
Non operating business losses	0.0	0.1
Less: Non-recurring revenue items		
One-off government grants in relation to COVID-19	-0.6	-0.5
Change in fair value of contingent consideration	0.0	-0.2
Lease standard - impact on changes on extension of options	-0.3	0.0
Net proceeds received from settlement of legal dispute	0.0	0.0
Less: Tax effect of non recurring items	0.0	0.0
Net non recurring items	**-0.5**	**-0.1**
Underlying NPATA attributable to Shareholders	**3.9**	**5.1**

** totals impacted by rounding*
^ one off government grants of $0.8m were received in relation to COVID-19, of which $0.5m is attributed to the parent entity

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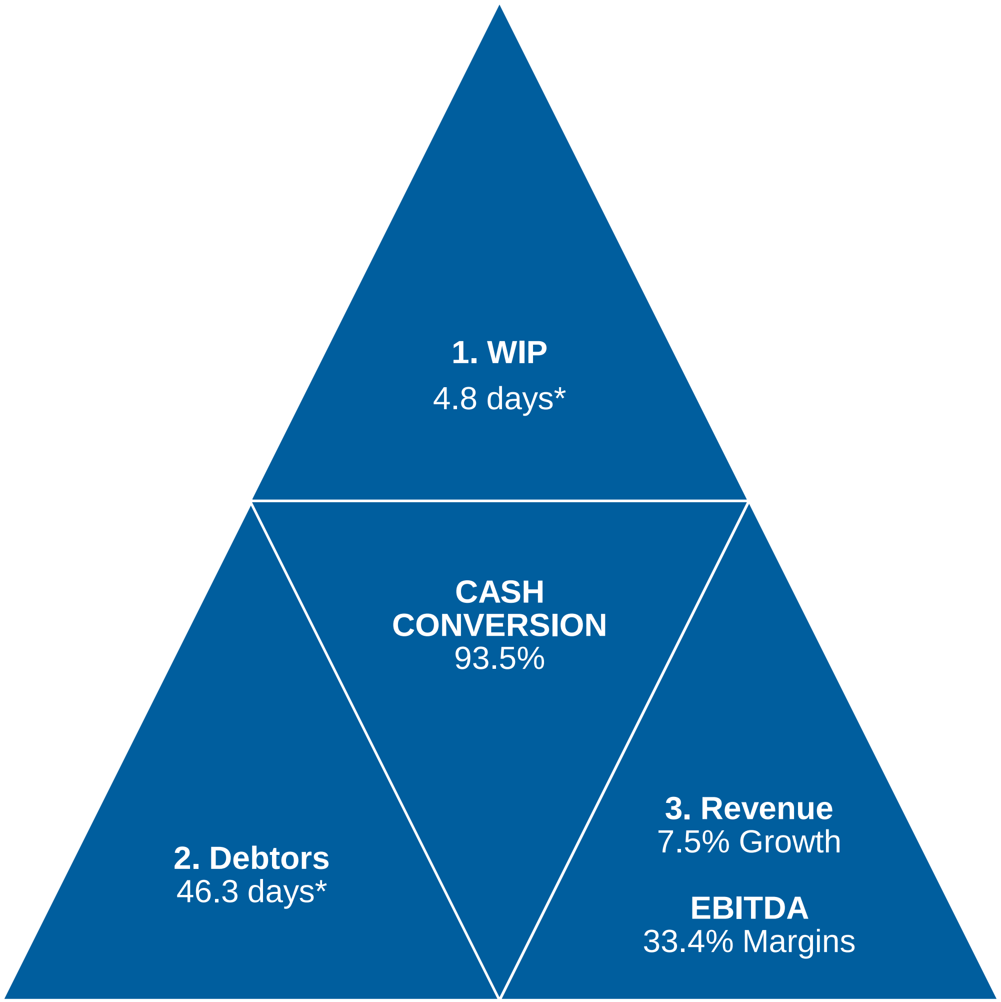
The Financial Trinity for Accounting Businesses

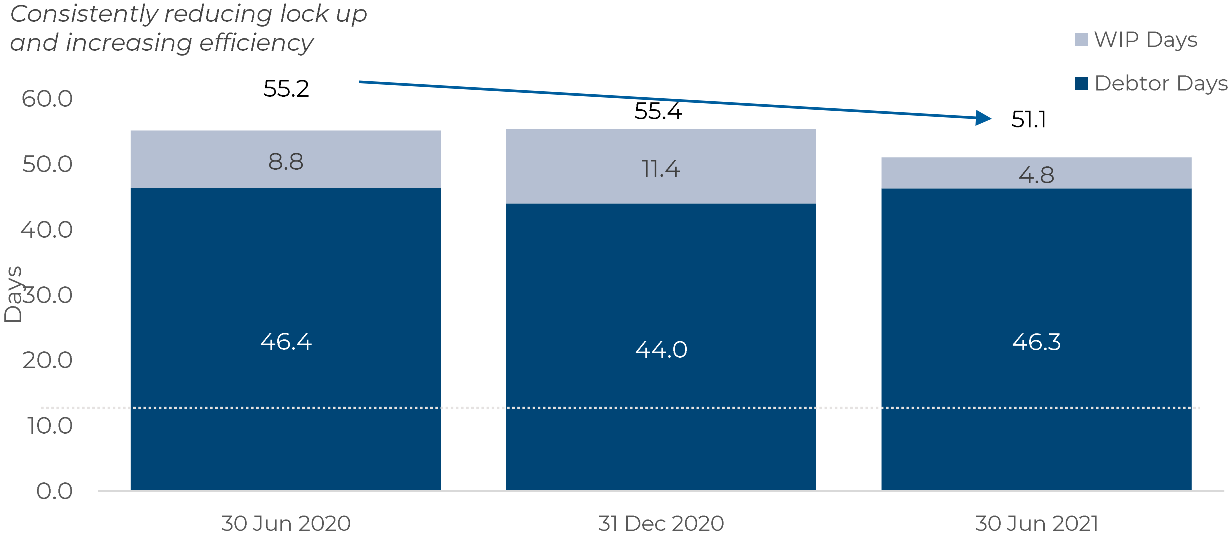


** Calculated on annual billings*

Balance Sheet as at 30 June 2021

Conservative balance sheet with gearing reducing 11.9% to 0.84x

- Conservative capital structure with 37.2% Equity / Total Assets ratio, and Net Debt / Underlying EBITDA of 0.84x (FY20: 0.96x)
- Group ROE of 46.0% (Group Underlying NPATA $11.6m / Group Equity of $25.2m) (FY20: 44.2%)
- Parent ROE of 28.5% (FY20: 24.8%)
- Lock up days reduced to 51.1 days reflecting continuous disciplined management of WIP and debtors
- Total Asset $67.6m (+$9.9m) driven mainly due to increases in right of use assets as a result of new leases entered into for a number of Kelly Partners offices, as well as intangible assets including goodwill acquired through completed acquisitions
- Intangible assets increased to $34.5m (FY20: $30.3m)
- Leases are now recognised as Right of Use Assets and lease liabilities under AASB 16



$m (consolidated)*	Balance Sheet 30 Jun 2020	31 Dec 2020	30 Jun 2021
Cash	3.8	4.3	4.0
Lock up (Debtors + WIP)	6.9	7.1	6.8
Right of use assets	5.9	7.6	9.5
Intangibles	30.3	30.4	34.5
Total Assets	**57.7**	**61.1**	**67.6**
Borrowings	19.0	17.4	19.8
Lease liabilities	7.1	9.0	11.0
Total Liabilities	**34.8**	**36.5**	**42.5**
Net Assets	**22.9**	**24.7**	**25.2**
Non-Controlling Interest	7.0	7.3	7.2
Equity attributable to KPGH shareholders	**15.9**	**17.4**	**17.9**

* *Rounded to the nearest $100,000*

FY21 Operating Business Margins

Actual Operating Business EBITDA margin of 33.4%, 14.4% above the industry average of 19.0%*

KPG delivers superior returns through high quality operations at a very low cost base.

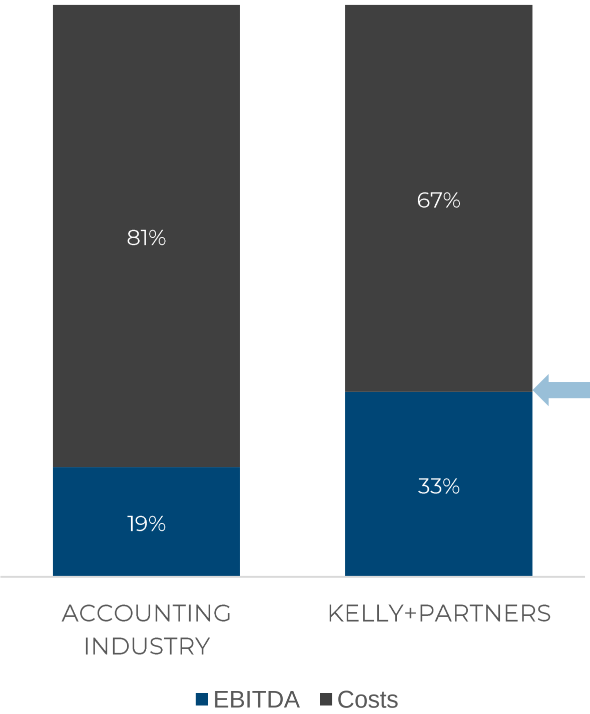
Margins by Cohort

Operating Businesses	Established	Growth	Other Services	Total	Start-ups	Total inc. Start ups
Revenue	$33.6	$10.6	$3.0	$47.2	$1.7	$48.9
EBITDA^	$11.7	$3.4	$1.2	$16.3	$0.0	$16.3
EBITDA Margin %	*35.0%*	*31.9%*	*39.3%*	*34.6%*	*0.4%*	*33.4%*

^EBITDA before head office costs and pre AASB 16

Impact Of Acquisitions On Margins

- **Integration Costs for Acquisitions:** Typically initially dilutive to margins, before achieving benchmark. Transaction costs in the first year typically represent c. 10% of the acquisition price.
- **Tuck-in:** Margin uplift on tuck-in's typically takes 6-12 months, with longer dated time frames typically due to locked in leases. Margin uplift in some instances can be substantially higher than 32.5% due to increased operating leverage.
- **Marquee:** Margin uplift to benchmark on Marquee acquisitions typically takes 12-24 months, due to the greater integration operational requirements.
- As the business grows, the initial margin drag of an acquisition to the overall group is expected to be less material to the group result.



33.4% EBITDA for FY21

14.4% higher than industry average EBITDA margin, achieved through operating efficiencies that lower our cost base

Source: *IBIS World Accounting Services in Australia Industry Report (April 2020)*

* *Kelly+Partners data based on FY21 accounts before head office costs and is after Base Distributions to Operating Business Owners*

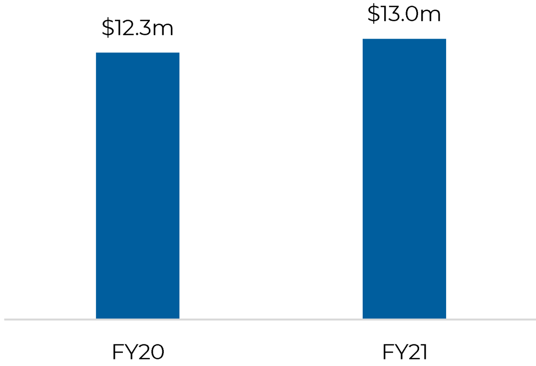
FY21 Cashflow

Operating Cashflow up 5.1% and cash conversion at 93.5% reflects high quality earnings

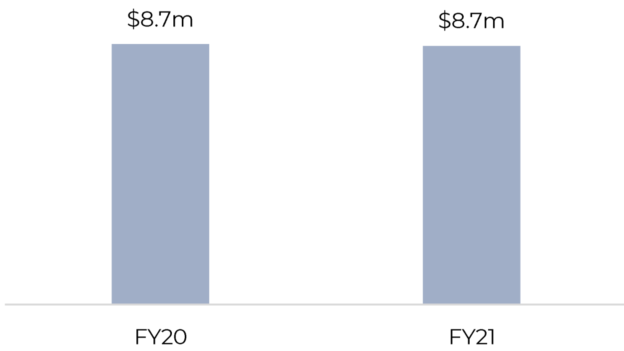
- Cash from Operations pre AASB 16 of $13.0m increased 5.1% (FY20: $12.3m). Cash from Operations in FY20 was high due to reduction in lockup by $0.8m from the preceding year (from $7.6m to $6.9m). Lockup in FY21 is consistent with FY20.
- Whilst CFO has increased, FCFF has remained consistent with prior year due to increase in scheduled debt reductions as a result of acquisitions completed this year through debt funding
- Strong cashflow supports monthly dividends that commenced in Jan-21.
- Strong Cash Conversion[1] of 93.5% (FY20: 97.3%) and is within our expected 85-100% conversion ratio
- Disciplined debt reduction supported by strong annuity style cashflows from underlying businesses
- Growth capex includes refit of Wollongong, Northern Beaches and Central Coast offices
- Drawn debt used primarily to fund acquisitions, fitout costs and new partner buy-in loans

[1] *Cash Conversion is calculated as Operating Cashflow divided by Reported EBITDA. Operating Cashflow means cash from operations but before finance and cash taxes.*

CASH FROM OPERATIONS (CFO)



FREE CASHFLOW TO FIRM (FCFF)



Cash flow ($m)*	FY20	FY21	Diff $	Diff%
Cash from Operations (CFO) pre AASB 16	**$12.3**	**$13.0**	**$0.6**	**5.1%**
- Maintenance Capex	-$0.2	-$0.2		
- Schedule Debt Reductions	-$3.4	-$4.1		
Free Cash Flow to Firm (FCFF)	**$8.7**	**$8.7**	**-$0.1**	**-0.7%**
- Acquisitions	-$2.5	-$2.8		
- Growth Capex	-$1.8	-$2.0		
- Payments in to Employee Share Scheme Trust	$0.0	-$0.2		
- Additional debt repayments	-$2.3	-$2.3		
- Net Debt Drawn	$6.0	$6.5		
- Net Partner Loans Advanced	$1.8	$0.6		
- Dividends to Shareholders	-$2.4	-$1.9		
- Distributions to minorities	-$8.1	-$6.4		
- Share buy backs	-$0.1	-$0.6		
- Discontinued operations	$0.3	$0.0		
Change in Net Cash**	**-$0.3**	**-$0.4**		

* *Rounded to nearest $100,000. Refer to Appendix for a reconciliation from Statutory NPAT to Cash from Operations*

** *As per the Statutory Cash Flow Statement*

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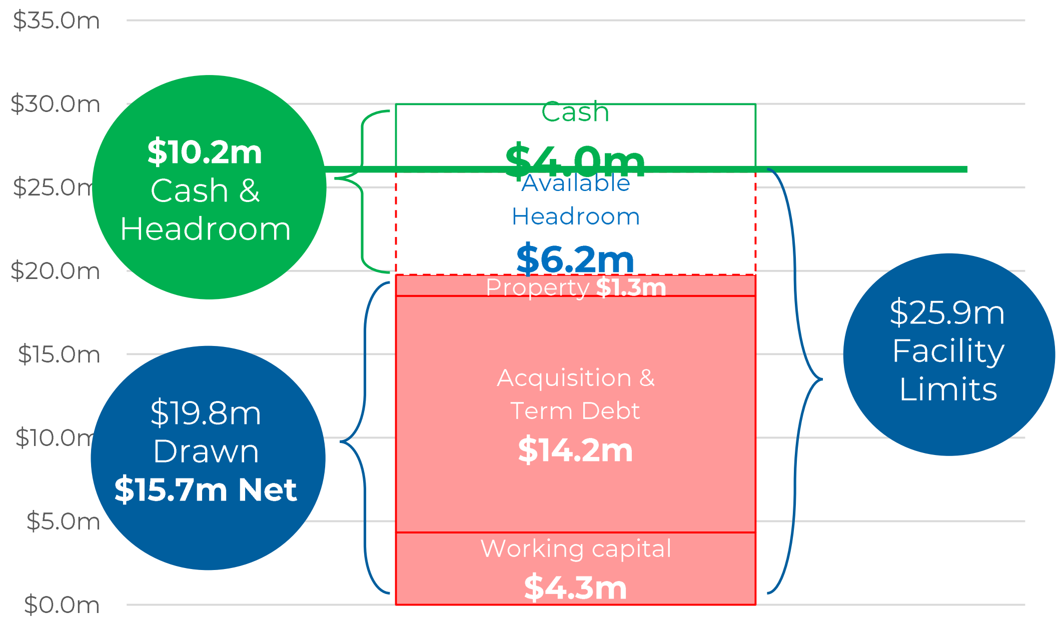
Gearing and liquidity

$10.2m in liquidity, continuous reduction in debt



Loan type (m)	Parent	Op. Bus	Total Debt
Working Capital Debt	$1.0	$3.3	$4.3
Property Debt	$0.0	$1.3	$1.3
Acquisition & other term debt	$0.3	$13.8	$14.2
Gross Debt - FY21	**$1.3**	**$18.4**	**$19.8**
Cash - FY21	-$0.2	-$3.8	-$4.0
Net Debt - FY21	**$1.1**	**$14.6**	**$15.7**

FY20			
Gross Debt - FY20	$3.5	$15.5	$19.0
Cash - FY20	-$0.8	-$3.0	-$3.8
Net Debt - FY20	$2.7	$12.5	$15.2

Movement			
Gross Debt	**-$2.2**	**$2.9**	**$0.8**
Cash	-$0.6	$0.8	$0.3
Net Debt	**-$1.6**	**$2.1**	**$0.5**

- Up to $10.2m cash and headroom in debt facility equates to acquisition capability of ~$26m in revenue and EBITDA of $9m[1]
- Liquidity cushion - Lock-up days could increase 90% without placing stress on the business[2].
- Working Capital debt of $4.3m is covered 1.58x by WIP and Debtors
- Acquisition & Term Debt of $14.2m is supported by annuity style cashflows
- Property debt of $1.3m is expected to be cleared via sale of properties

- Net debt increased slightly from prior year despite new acquisition borrowings of $3.3m reflecting repayments of debt ($6.4m repaid in FY21)
- Group Gearing reduced to 0.84x (FY20: 0.96x)
- Net Debt / Partner decreased 14.3% to $297k (FY20: $346K), mainly due to increase in number of Partners from 44 to 54

[1] *Assumes purchasing at market 100c in the dollar in fees using $10.2m liquidity as 40% equity and 60% borrowed against the asset acquired (in line with major banks credit policies), and ~33% EBITDA margin.*

[2] *Existing lock-up of $6.8m could increase by 90% ($6.1m) and still be fully funded within existing headroom of $6.2m*

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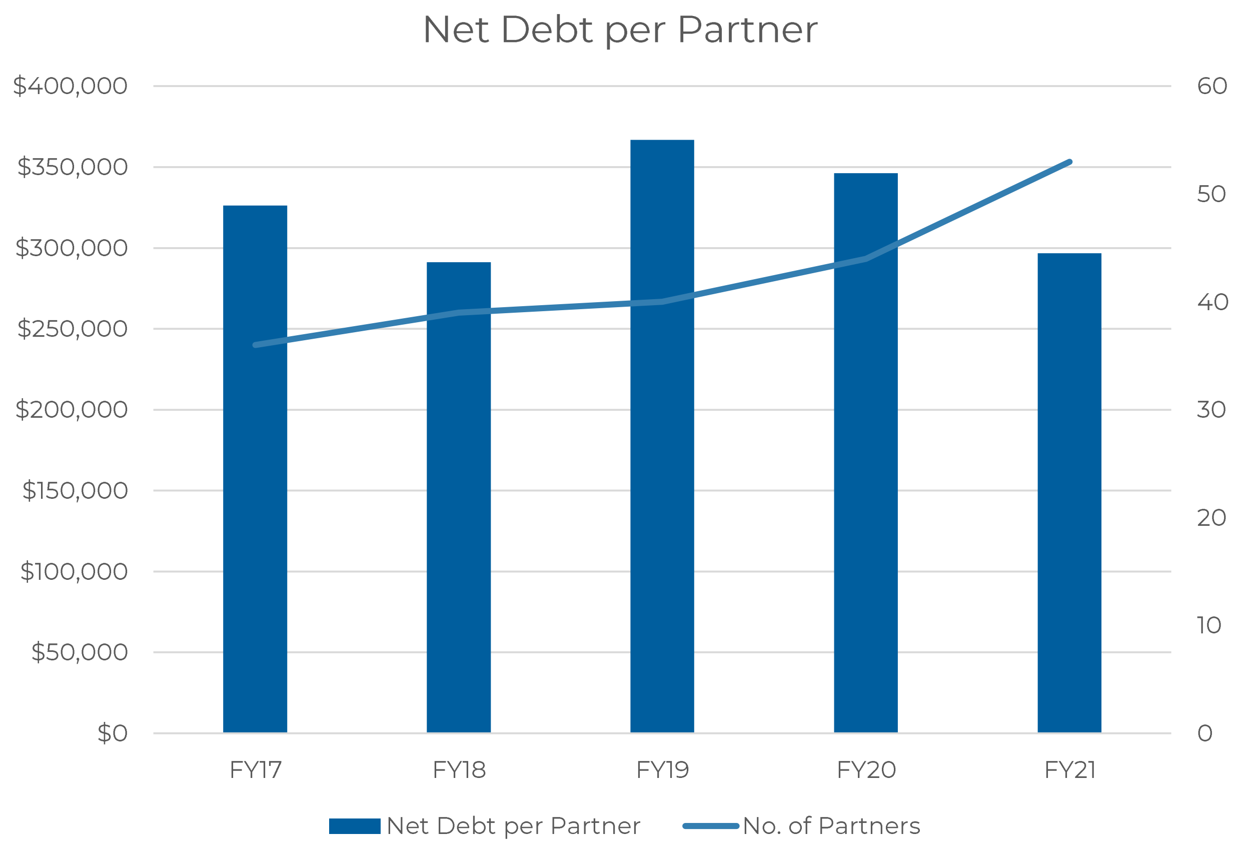
Net Debt per Partner – 5 Years

Partner-Owner-Driver™ structure delivers alignment

- Total number of equity partners increased to 53:
  - 5 new partners promoted internally
  - 4 new partners recruited externally
  - 2 new partners from completed acquisitions
- Net debt per partner decreased from $346k per partner to $297K per partner
- The group continues to focus on admitting and recruiting new partners as part of its strategy to retain and motivate key talents and to drive top line growth



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Profit attributable to Parent vs. NCI

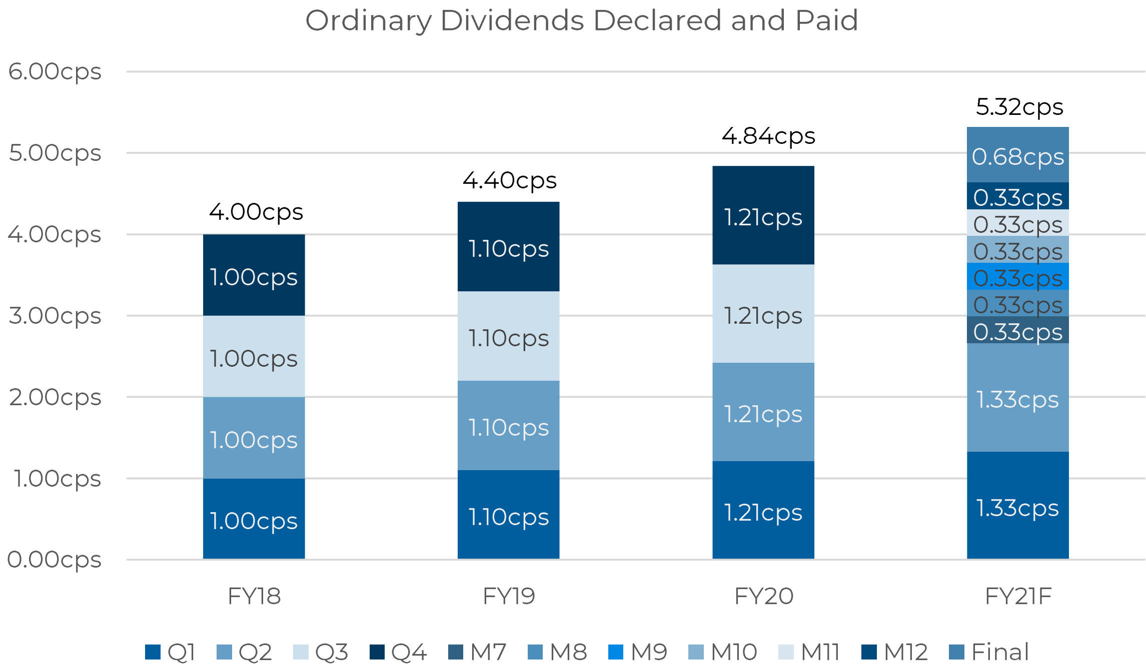
Profit attributable to the parent and non controlling interest may differ from the ownership interests due to income tax and additional investments attributed only to the parent.

- Profit after income tax expense for the year was $10.9m, with:
  - Profit attributable to shareholders of Kelly Partners Group Holdings Limited of $4.6m
  - Profit attributable to non controlling interest (NCI) of $6.3m
- The profit attributable to the parent vs. NCI represent a 50%/50% split and differs from the ownership interests of 51%/49%. This is due to the following items:
  - Income tax expense of $1.9m of the parent entity. As the majority of operating businesses are structured as partnerships, the income tax expense attributable to non controlling interests in these partnership is not included in the consolidated accounts
  - Parent entity additional investments above the Services Fee and IP License Fee income that it receives of $0.3m (tax effected) which is borne 100% by the parent entity
- Adding back the above items, the resulting split is 51%/49%. The resulting split may at times differs slightly from 51%/49% due to the ownership interests in our operating businesses varying from 50.05% to 58.25%

(m)	NCI	Parent	Total
Group NPAT - Statutory	$6.3	$4.6	$10.9
	58%	42%	
Add Back: Income Tax Expense	$0.1	$1.9	$2.0
Group NPBT	$6.4	$6.5	$12.9
	50%	50%	
Add Back: Parent Entity Additional Investment (tax effected)		$0.3	$0.3
Group NPBT before parent entity overspend	$6.4	$6.8	$13.2
	49%	51%	

Monthly Dividends growing at 10% per annum for 5 years

- Since IPO in June 2017, the Company has consistently paid out dividends growing at **+10%** per annum
- The Company has paid out monthly dividends from Jan-21, reflecting the resilience and strength of its earnings and cashflow
- The Group intends to maintain a through-the-cycle payout ratio of 50-70% of Underlying NPATA, whilst growing dividends at 10% p.a.
- The Group expects to pay total dividends of 5.32 cps for FY21, representing a 10% increase on FY20 ordinary dividends of 4.84 cps



	FY17 (IPO)	FY18	FY19	FY20	FY21
Underlying attributed NPATA	$2,262,219	$4,325,976	$3,193,208	$3,937,677	$5,114,832
Weighted average no. of shares	45,495,518	45,495,923	45,496,894	45,418,414	45,142,289
EPS (cents per share)	4.97	9.51	7.02	8.67	11.33
Ordinary dividends (cents per share)	N/A	4.00	4.40	4.84	5.32
Ordinary dividend payout ratio	N/A	42.1%	62.7%	55.8%	47.0%

SECTION THREE:
Quality Shareholders

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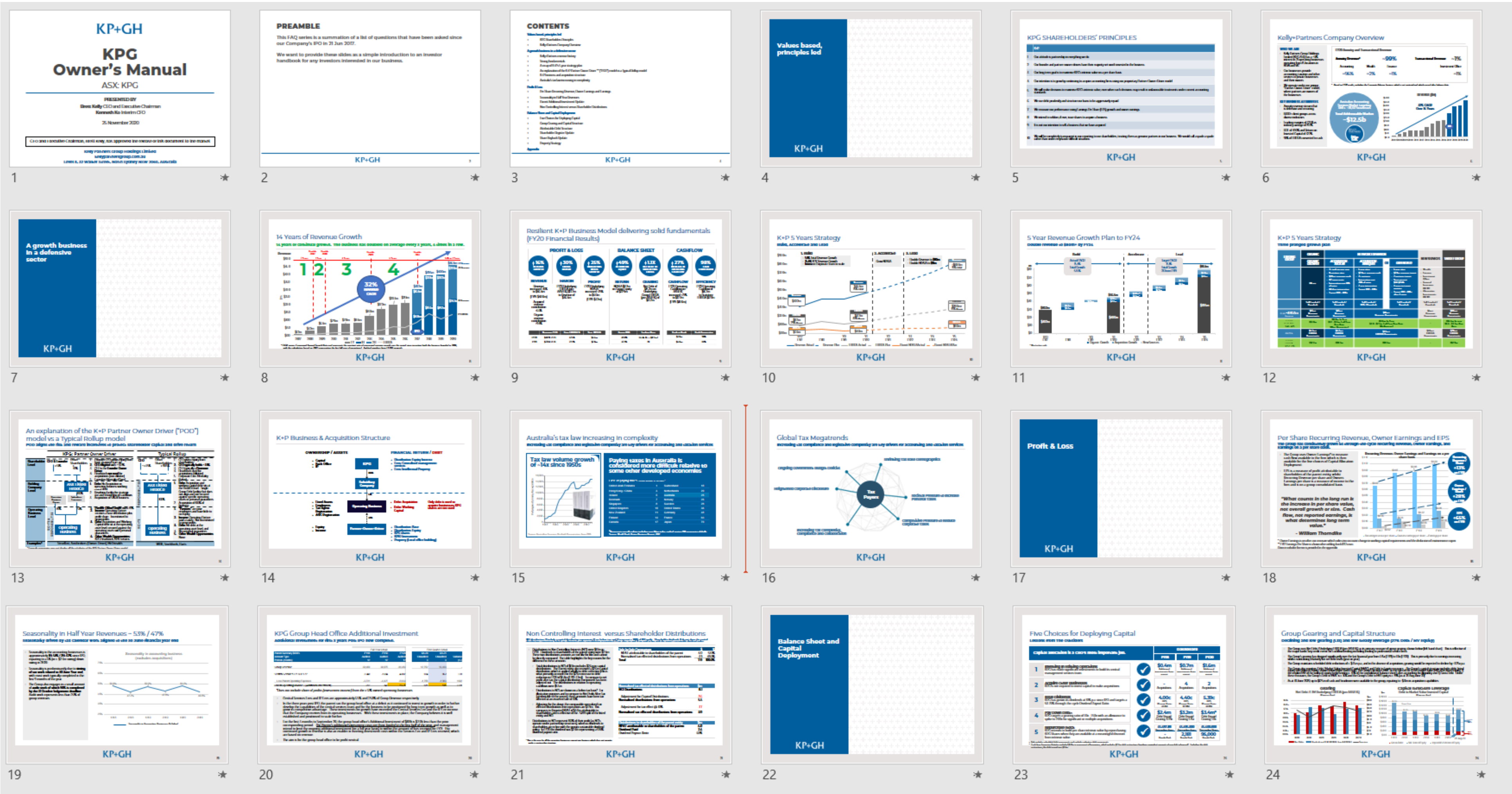
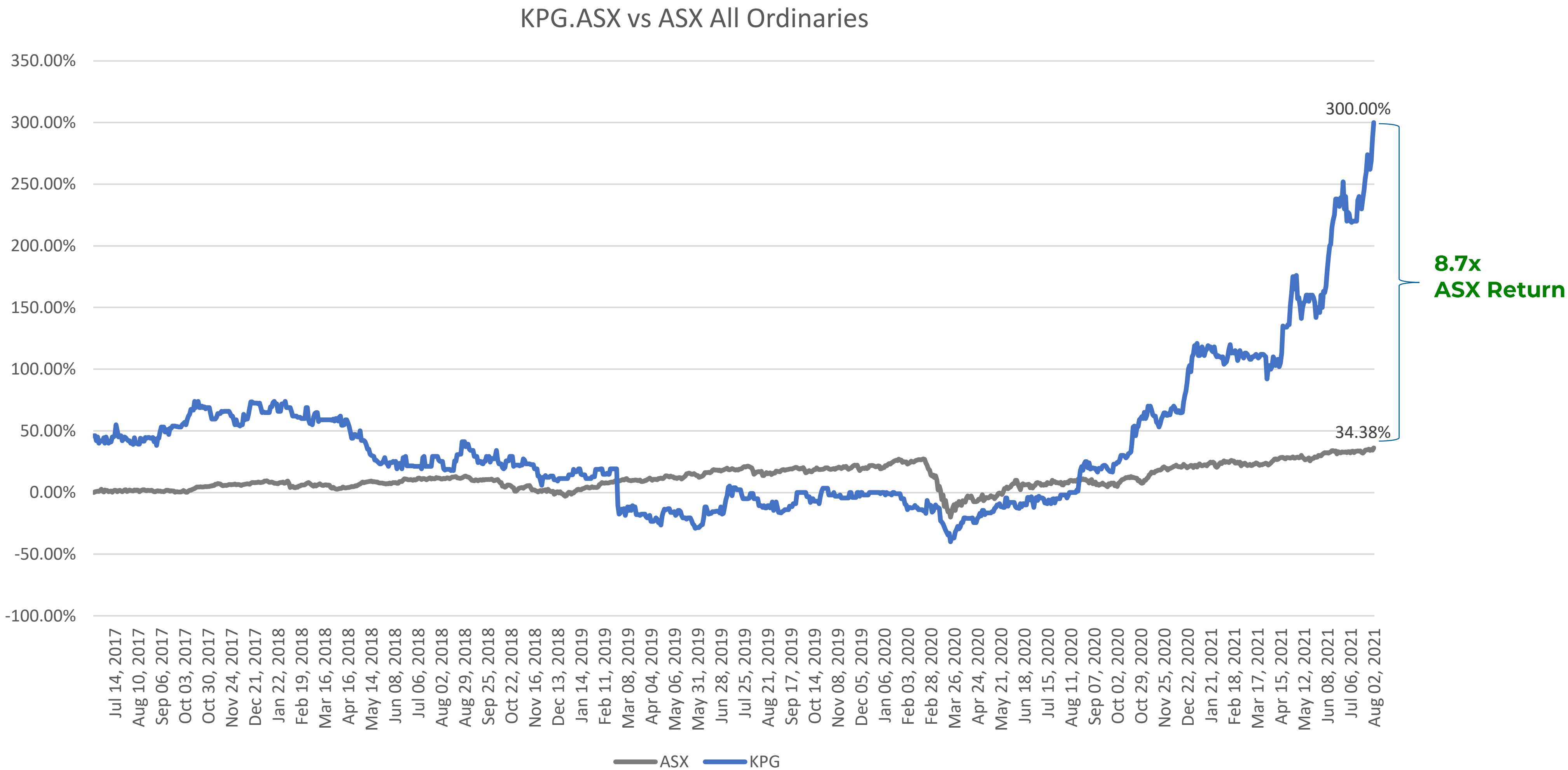
Owners' manual

We released the KPG Owners' Manual in Nov 2020 to attract likeminded shareholders



KPG.ASX vs ASX All Ordinaries (Jun-07 to Present)

$1 invested in KPG will be $4 ; $1 invested in the ASX All Ords Index will be $1.34



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41.6% compounded return to shareholders

300% increase in share price and monthly dividends growing at 10% per annum

KPG.ASX Return	Issue price at IPO	FY18	FY19	FY20	FY21	Closing Share Price 2/8/2021	Total
Share Price	$1.0000					$4.0000	$3.0000
Dividends per share - Ordinary		$0.0400	$0.0440	$0.0484	$0.0532		$0.1856
Dividends per share - Special				$0.0055			$0.0055
Total Shareholder Return ($)							$3.1911
Total Shareholder Return (%)							**319.1%**
Total Shareholder Return - Annual (%)							**41.62%**

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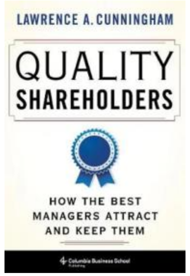

Quality Shareholders

We have been cultivating shareholders that hold large stakes and for long periods

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KELLY PARTNERS GROUP HOLDINGS LIMITED

Dear Valued Shareholder,

Quality Shareholders

Firstly thank you for investing in Kelly Partners Group Holdings Limited (KPG.ASX) and being our valued shareholder.

Through regular emails such as this, I want to ensure you are across key information on our business and share in our fundamental values.

One of my personal heroes Warren Buffett notes *"while our form is corporate, our attitude is partnership"*. Similarly, at Kelly+Partners, we see you as a partner in our business.

We want you to be interested, engaged and informed in the Kelly+Partners business; to hold our shares for long periods; trade little and to behave like owners and partners not mere shareholders. Our desire is to build an enduring relationship with you based on trust, common understanding and long term great outcomes.

Key information on Kelly+Partners
Our Owners' Manual, which can be accessed in the link below, provides you with key information on Kelly+Partners, including our ethos, values and principles that are the foundation of our business. We encourage you to read this in detail.
https://kellypartnersgroup.com.au/investor-centre/kpg-owners-manual

Quality shareholder #1

KP+GH
KELLY PARTNERS GROUP HOLDINGS LIMITED

Dear Valued Shareholder,

Quality Shareholder Communication

Since the first shareholders email sent earlier this month, we have received very positive responses from you and an increased interest from investors wishing to become owners of our business. Examples of such positive emails are listed below:

- *"Thanks for your email. Hope you have read Warren's biography The Snowball. I follow his advice too... I do subscribe to your thoughts on long term shareholders, and hope to share in your growth. We manage our own investments, and... we are well aware of your track record. Long may it continue."*
- *"Thanks Brett, great to hear from you and great initiative. I appreciate being able to get in early as a shareholder and will continue to hold my shares and be an advocate for the business where I can. Wishing you all the best."*

Quality shareholder #2

KP+GH
KELLY PARTNERS GROUP HOLDINGS LIMITED

Dear Valued Shareholder,

Quality Shareholder #3

Quality shareholder #3

KP+GH
KELLY PARTNERS GROUP HOLDINGS LIMITED

Dear Valued Shareholder,

Quality Shareholder #4

Critical to the long term success of Berkshire Hathaway has been their loyal quality shareholders. KPG knows that in order to company over the long term it is absolutely critical that we cultivate a shareholder group that shares our long term quality shar values.

New major KPG shareholder
I am pleased to share with you P&R Real Value Fund has become our new major shareholder, holding 5.9% of our outstandin
The Fund is now our second largest shareholder.

P&R Real Value Fund is located in London and has ~$130m AUD Funds Under Management. Over the past five years, the fu achieved CAGR of 20.3% (vs World Index 13.4% and Dax Index 9.9%). The mission of P&R Real Value Fund is to significant the wealth of their investors, measured by the compound annual growth rate (CAGR), over a long period of time, and to build long-term relationship with all their partners.

We are pleased to have P&R Real Value Fund as our fellow shareholder and owner in Kelly+Partners and we wish every succ Fund over the long term.

Recent P&R Semi Annual Letter
I am also pleased to share with you the semi-annual letter for the P&R Real Value Fund. Matthias Riechert, Managing Directo fund, has summarised the reasons of investing in KPG, many of which resonate with the values and vision of KPG. Through t

Quality shareholder #4

KP+GH
KELLY PARTNERS GROUP HOLDINGS LIMITED

Dear Valued Shareholder,

Quality Shareholder #5

Since listing, we have strived to attract interests from people that hold the same value investing principles and mindset as we do. Today, as per our ASX announcement, we are pleased to announce **Lawrence Cunningham**, Research Professor of Law at the George Washington University, and **William Thorndike**, Founder and Managing Director of Housatonic Partners as guest speakers at our AGM.

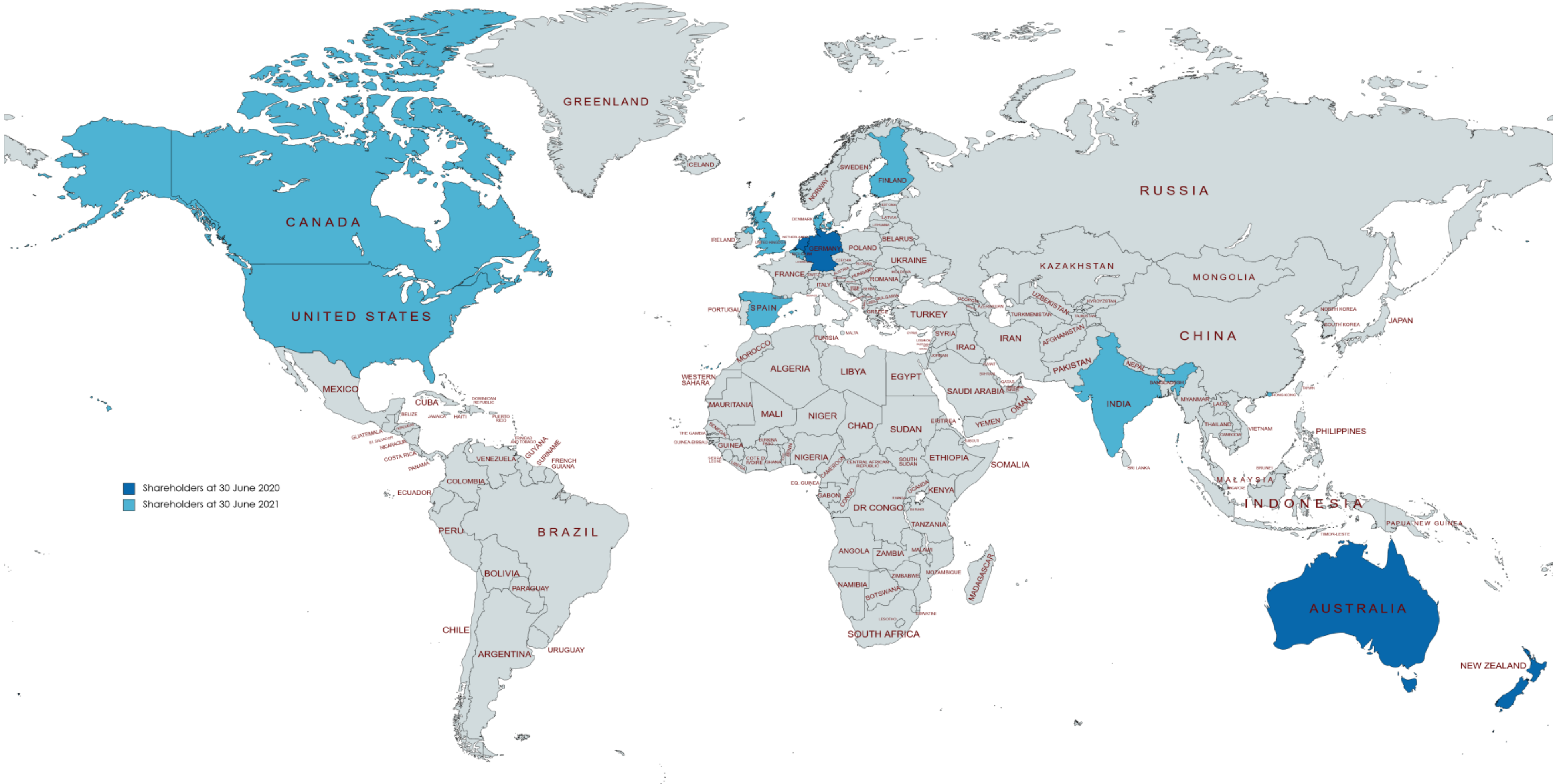
Both Lawrence and William became aware of us through our Quality Shareholders emails and we are honored to have spoken to them, and to have them speak at our AGM on 8th October 2021.

Further details on Lawrence and William can be found in our ASX release below:

Quality shareholder #5

Map of shareholders

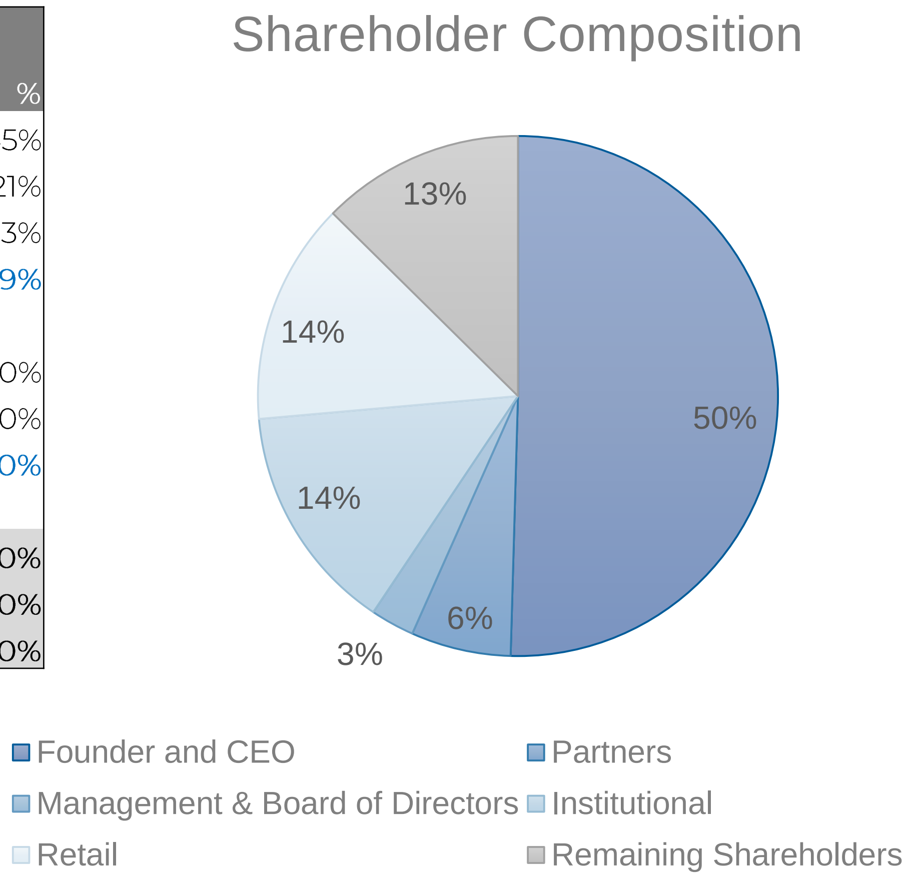
We have expanded our shareholder base internationally in FY21



Top 50 Shareholders at 30 June 2021

Strong alignment of employee, partners and owners, holding 59.39%

	as at 30 June 2021	
Holder Type	No shares	%
Founder and CEO	22,701,961	50.45%
Partners	2,796,658	6.21%
Management & Board of Directors	1,228,520	2.73%
Top 50 - Internal	26,727,139	59.39%
Institutional	6,391,017	14.20%
Retail	6,209,924	13.80%
Top 50 - External	12,600,941	28.00%
Top 50 - Total	39,328,080	87.40%
Remaining Shareholders	5,671,920	12.60%
Total Shareholders	45,000,000	100.00%



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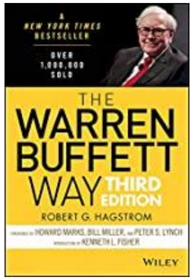
Valuing KPG

Two stage dividend discount model - Example



Assumptions		
Stage 1 Growth Rate		(Years 1 - 10)
Stage 2 Growth Rate (Terminal Value)		
Discount rate		
Base Year Earnings		

		Stage 1										Stage 2 - Term Value
	0	1	2	3	4	5	6	7	8	9	10	
Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Owners Earnings (FCF) - Nominal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!
Growth (5%+5%) (g)		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	
Discount Factor (1+WACC)^n		1	1	1	1	1	1	1	1	1	1	1
Real FCF		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!
Sum of (Real FCF) - Intrinsic Value / Market Cap implied	#DIV/0!					0.0						
Multiple	#DIV/0!											
Implied Share Price	#DIV/0!											
Number of Shares on Issue (millions)	45											

Source: *The Warren Buffett Way, Robert Hagstrom (pg 153)*

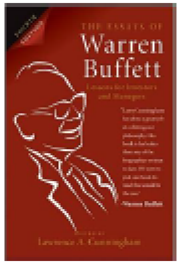
Upcoming AGM

Guest Speakers to address KPG AGM on Friday, 8 October 2021

Lawrence A. Cunningham is an expert on corporate governance, culture, and structure. Since 2007, he has been the Tucker Research Professor at The George Washington University. Cunningham has written extensively on corporate affairs in university journals and periodicals. He has published many influential books, including The Essays of Warren Buffett: Lessons for Corporate America, in collaboration with Mr. Buffett; The AIG Story, with Hank Greenberg; and Quality Shareholders: How the Best Managers Attract and Keep Them.

Cunningham is Vice Chairman of the Board of Constellation Software Inc., a Toronto Stock Exchange company, and Director and former Treasurer of Ocean Colony LLC, a private resort in East Hampton, New York. Cunningham is a Trustee of the Museum of American Finance; a Member of the Dean's Council of Lerner College of Business at the University of Delaware; and a Member of the Editorial Board of Financial History.

Cunningham has served on the Boards of Directors of Ashford Hospitality Prime, an NYSE investor in luxury hotels; Pearl West Group, a private investment company in Vancouver; and Strata, a private technology company in Silicon Valley.



Will Thorndike is the Managing Partner of The Cromwell Harbor Partnership, a private investment company with a variety of long-term holdings. Prior to Cromwell Harbor, Thorndike founded Housatonic Partners, a leading private equity firm with offices in Boston and San Francisco known for exceptionally long investment holding periods.

At Housatonic, Thorndike was the pioneering institutional investor in the search fund asset class and played a central role in refining its acquisition criteria.

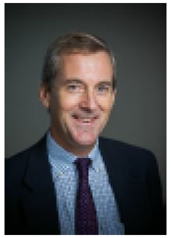
Thorndike is a Founding Principal at TTCER, a private investment partnership, a co-Founder at Compounding Lab, an investment collaboration focused on long term consolidations, and a lead investor at Banyan Software, a related platform in the vertical market software industry. He is Chairman of the Board at CNX Resources, a publicly-traded (NYSE) energy company, and the Co-Chairman of EverArc Holdings, a London-based acquisition vehicle publicly traded on the LSE.

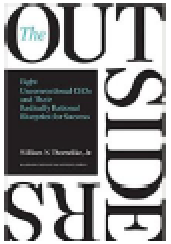
He is also a Director of several private companies, including QMC Telecom.

Finally, Thorndike is a Founder and Jury Member for The Singleton Prize for CEO Excellence, serves as a Trustee for The Cromwell Harbor Foundation, WGBH, College of the Atlantic, and the Land and Garden Preserve.

He is a frequent lecturer at the Stanford GSB and the Harvard Business School and speaks often on both capital allocation and search funds. Thorndike is the author of The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success, which has been translated into eleven languages. He is the co-host of the 50X podcast.

A graduate of Harvard College and the Stanford Graduate School of Business, he lives in Boston with his wife, Genie, and two children, Charlotte and Nick.





SECTION FIVE:
Outlook

KP+GH

Certified B Corporation

1. **The Kelly+Partners Business System powers our performance, builds our cultures & drives our competitive advantage**

2. **Kelly+Partners continues to build dominant firms & seeding network effects**

3. **Kelly+Partners has generated superior cashflow returns**

1.
The Kelly+Partners Business System powers our performance, builds our cultures & drives our competitive advantange

Kelly+Partners Business System

2.
Building dominant firms & seeding network effects

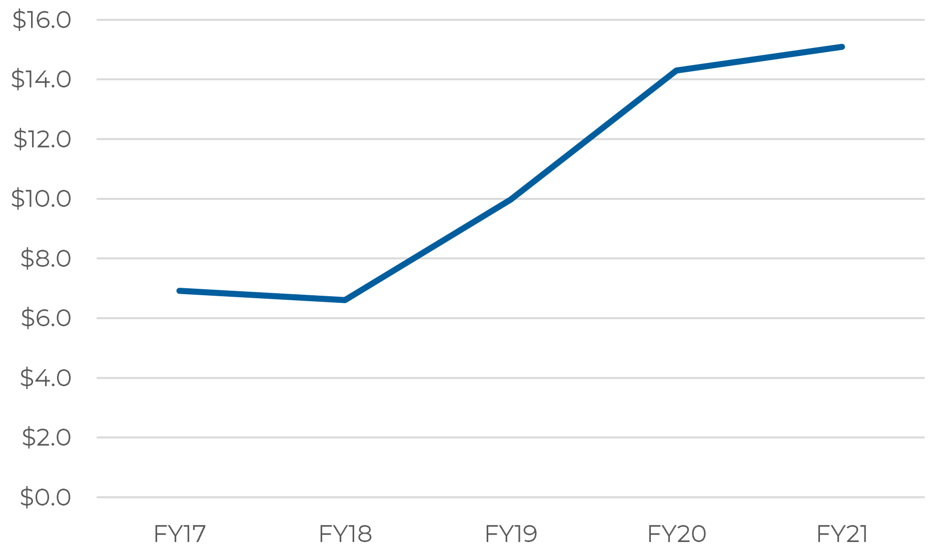
30%

of KPG Accounting Firms
would qualify in their own right as
AFR Top 100 Accounting Firms by size
out of existing 17 Locations

3.
Kelly+Partners continues to generate superior cashflow returns

5 Year Annual Free Cashflow Growth of 21.5% p.a.

KPGHL & Controlled Entities ("Group")						
P&L and Cashflow	FY17	FY18	FY19	FY20	FY21	CAGR
Cash From Operations (CfO)	**$6.9**	**$6.6**	**$10.0**	**$14.3**	**$15.1**	**21.5%**
Owners' Earnings (CfO - Maint. Capex)	**$6.6**	**$6.3**	**$9.7**	**$12.2**	**$12.8**	**17.9%**
Cash Conversion (Operating Cash Flow / Reported EBITDA)	269.6%	63.5%	116.8%	97.3%	93.5%	
Days Lockup[4]	94.2	93.3	69.6	55.2	51.1	



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Appendix

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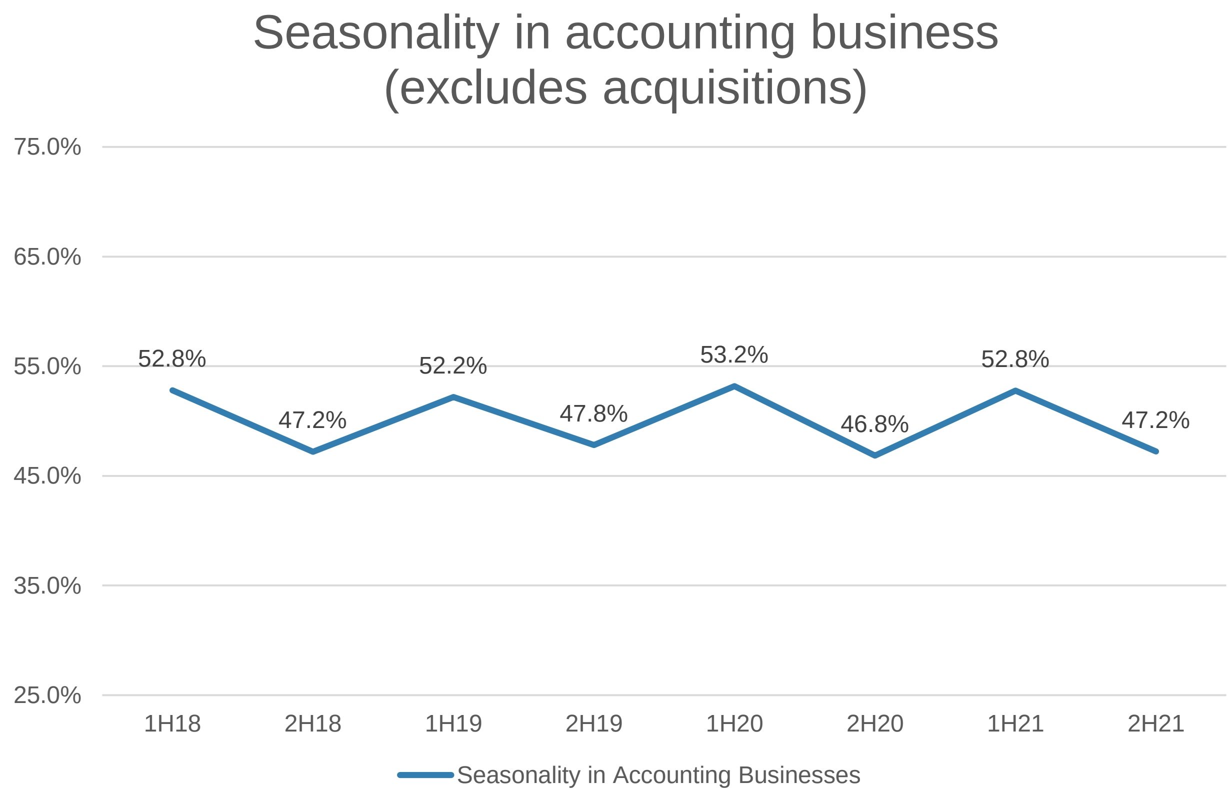
NPAT to Operating Cashflow Reconciliation

Reconciliation of NPAT to Operating Cashflow ($m)	FY20	FY21
Reported NPAT	10.4	10.9
Adjustments for:		
Depreciation and amortisation	3.7	4.4
Repayment of lease liabilities	-2.0	-2.2
Unwinding of interest on contingent consideration	0.2	0.2
Other non-cash movements	0.8	0.8
Change in operating assets and liabilities:		
Decrease / (increase) in trade and other receivables	0.8	-0.1
Decrease / (increase) in deferred tax assets	-0.1	0.3
Increase / (decrease) in trade and other payables	0.6	0.5
Increase in provision for income tax	0.3	0.2
Net cash from operating activities	**14.6**	**15.1**

Seasonality in Half Year Revenues ~ 53% / 47%

Seasonality driven by tax calendar work aligned to the 30 June financial year end

- Seasonality in the accounting businesses is approximately **1H: 53% / 2H: 47%** since IPO, equating to a 6% (or c. $2.5m swing) down swing in 2H21.
- Seasonality is predominantly due to **timing of tax work related to 30 June year end**, with most work typically completed in the first 9 months of the year.
- The Group also engages in a small amount of **audit work of which 90% is completed by the 31 October lodgement deadline**. Audit work represents less than 2.0% of group revenues.



Seasonality in Half Year Profits ~ 53% / 47%

Reconciliation of seasonality in profits to seasonality in revenues

Reconciliation of seasonality in profits	1H21	2H21	Total	Comments
Group Net Profit After Tax - Statutory	**$7,057,425**	**$3,888,051**	**$10,945,476**	
Adjustments:				
One-off income	-$1,645,636	-$188,635	-$1,834,271	*government grants received in first half; reversal of contingent considerations etc*
Business acquisitions and restructuring costs	$239,294	$930,048	$1,169,342	*acquisition costs that occur depending on acquisition completion in 1H/2H*
Amortisation expenses	$503,004	$571,746	$1,074,750	*higher amortisation in second half due to acquisitions*
Depreciation of PPE	$0	$388,134	$388,134	*higher depreciation in second half due to completion of 5x fitout at end of 1H21(Wollongong, Northern Beaches, Inner West, Central Coast, Group Holdings)*
Total Adjustments	-$903,338	$1,701,293	$797,955	
Adjusted Net Profit	$6,154,087	$5,589,344	$11,743,431	
	52.4%	**47.6%**		

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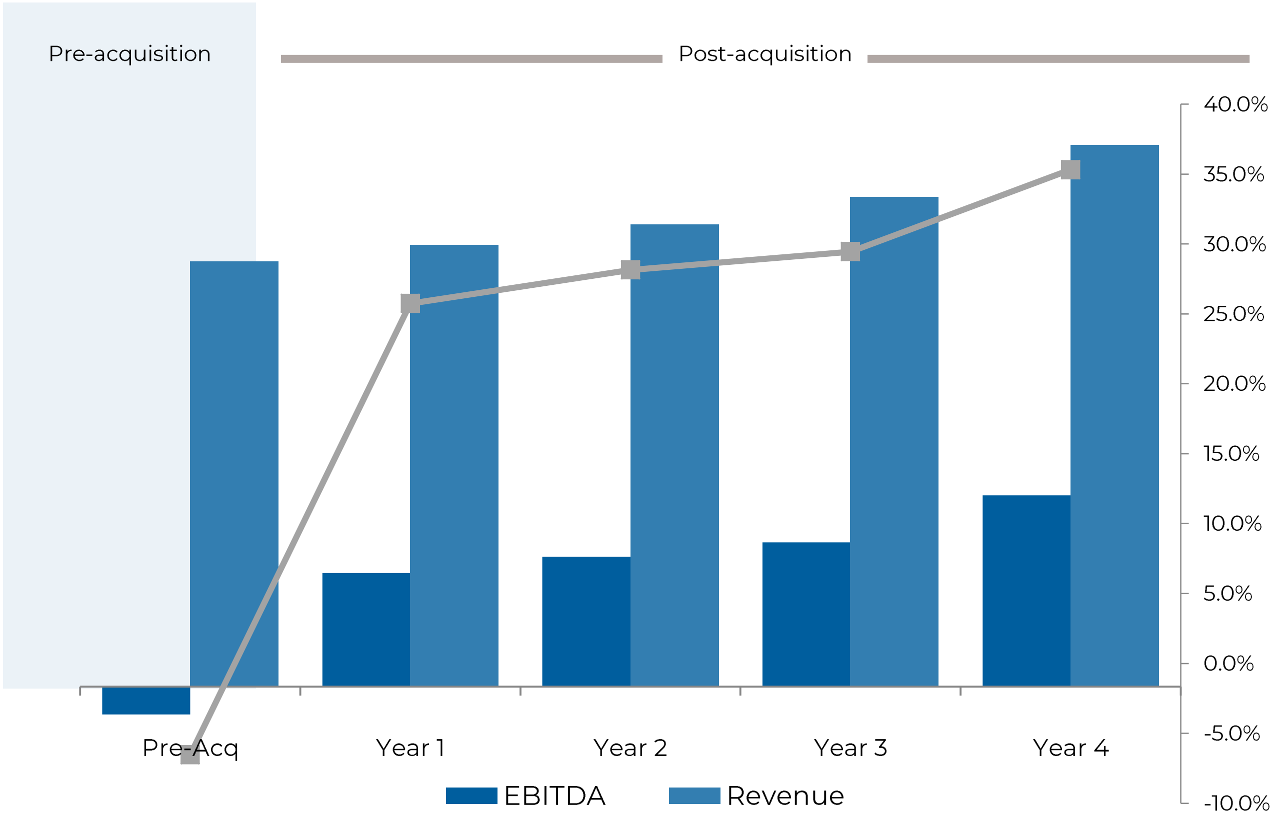
Case Study: Business Transformation

Kelly+Partners has a proven track record of delivering transformational outcomes for smaller firms

- Significant improvement in margins and revenue in the first 5 years after joining the network.
- Following an acquisition, transformation typically entails five deliverables including expense reduction, better working capital management, better client experience, better team experience, and higher revenue growth.

"After 32 years, Kelly+Partners offered us the opportunity to take our service offering to clients one step higher. We have not only seen the business grow, but our people have new opportunities and resources, and we have provided a higher level of service to our clients."

Tim Bryan
Former Senior Client Director
Kelly Partners South West Sydney



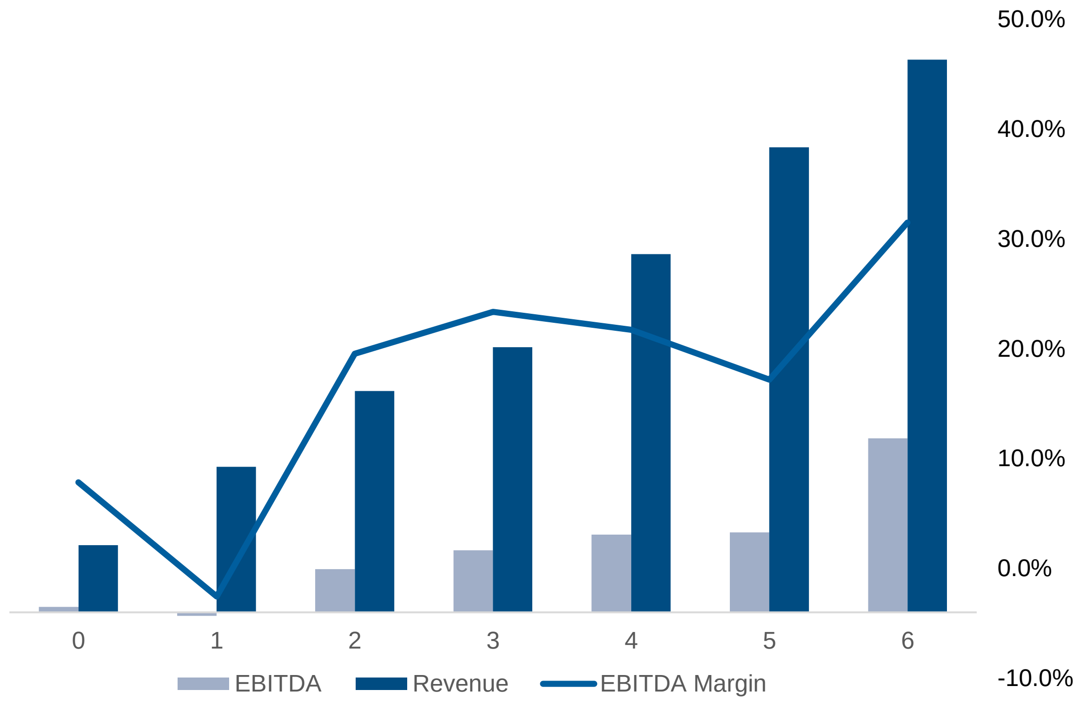
Case Study: Greenfield Expansion

Kelly+Partners has successfully launched 7 greenfield operating businesses since its inception

The Kelly Partners Norwest business has exhibited very strong growth in revenue and earnings, with a significant increase in margins. This has been achieved by targeted marketing and the roll-out of the proprietary Kelly+Partners systems and processes, leading to numerous new client acquisitions across private SMEs / families, franchisees, and other clients.

"I sat down one evening with Brett Kelly, and he showed me the Kelly+Partners systems and what the firm was doing for its people and its clients. After the first 2 years, the Kelly Partners Norwest business was performing very well, and so we started to add more people. The future is looking bright, and I'm happier in myself and my family is happier."

Paul Kuchta
Senior Client Director and
Company Director
Kelly Partners Norwest



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K+P COVID-19 RESPONSE

The Group's prior years of investment in strong infrastructure has minimized interruptions to operating businesses during the COVID-19 period. From March 2020, to further strengthen the Group's position in light of COVID we took the following proactive measures:

TEAM

- Over ~90% of the team working remotely with no notable interruption to client service
- Existing systems have been resilient to large-scale remote working, reflecting investment in technology since IPO
- Enhanced wellbeing, communications and training programs to support the team

Team working remotely

~90%

COST MANAGEMENT

- Reduced executive salaries by 20% for April, May and June 2020
- Reduced ongoing expenses and negotiated rent abatements
- Reduced team size
- Government incentives of $0.8m/$0.5m received by the Group/Parent in FY21. These are excluded when measuring the Group's underlying performance

EBITDA Margin (Pre AASB16)

~33%

CAPITAL & LIQUIDITY

- $10.2m in cash and unused facilities at 30 June 2021 for both acquisitions and COVID cushioning
- Group Gearing reduced to 0.84x (FY20: 0.96x)
- Well capitalised with 37.2% equity on total assets ratio (FY20: 39.7%)
- Continuous repayment of debt with net debt increasing by 3.3% to $15.7m from $15.2m in FY20, despite completing ~$4.0m in acquisitions during the year

Group Gearing

~0.84x

ANNUITY STYLE INCOME

- Annuity style activities represent 99% of revenue
- Resilient client base consisting of 9,500+ client groups
- No slow down in collections. Lockup reducing to 51.1 days (FY20: 55.2 days)

Annuity style revenue

~99%

Disclaimer

SUMMARY INFORMATION

This document has been prepared by Kelly Partners Group Holdings Limited ACN 124 908 363 (Company) of Level 8, 32 Walker Street, North Sydney NSW 2060. This document contains information in a summary form and general background information about the Company's activities current as at the date of the document. It is to be read in conjunction with the Company's other disclosure announcement filed with the Australian Securities Exchange (available at www.asx.com.au). This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

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Certain non-IFRS financial information has been included with this document to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. The Company uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information including Underlying, Attributed and Pro forma NPAT, NPATA, EBITDA, and EPS have not been subject to review by the auditors.

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AUTHORISATION STATEMENT

Brett Kelly, Executive Chairman of Kelly Partner Group Holdings Limited, has approved the release of this document to the market.

Thank you