1. Company details

Name of entity:	Kelsian Group Limited
ABN:	49 109 078 257
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

	2026 $'000	2025 $'000	Change $'000	Change %
Revenue from ordinary activities	**2,402,713**	**2,208,909**	**193,804**	**9%**
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)[1]	**297,984**	**277,176**	**20,808**	**8%**
Earnings Before Interest, Tax and Amortisation (EBITA)[1]	170,927	161,410	9,517	6%
Earnings Before Interest and Tax (EBIT)[1]	137,881	128,208	9,673	8%
Net Profit after Tax and before Amortisation (NPATA)[1]	96,571	87,696	8,875	10%
Underlying EBITDA[1]	**315,792**	**284,966**	**30,826**	**11%**
Underlying EBITA[1]	188,735	169,200	19,535	12%
Underlying EBIT[1]	155,689	135,998	19,691	14%
Underlying NPATA[1]	111,079	94,787	16,292	17%
Profit from ordinary activities after tax attributable to the owners of Kelsian Group Limited	63,525	54,494	9,031	17%
Underlying profit from ordinary activities after tax attributable to the owners of Kelsian Group Limited	78,033	61,585	16,448	27%

(1) Underlying EBITDA, EBITA, EBIT and NPATA are financial measures which are not prescribed by Australian Accounting Standards. These non-IFRS measures represent the Group's underlying and recurring earnings from its operations and are determined by adjusting the statutory net profit after tax for items that are non-cash or non-operating in nature. The directors consider underlying profit and underlying EBITDA to represent the core earnings of the Group.

Significant items for the period	2026 $'000	2025 $'000
Acquisition, transaction related costs and other	7,664	5,506
Group system costs	10,144	2,284
Total significant items	17,808	7,790
Tax effect of significant trading items and one off tax adjustments	(3,300)	(699)

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 $63,525,000 (30 June 2025: $54,494,000).

3. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Fully Franked Final Dividend[1]	10.0	10.0
Fully Franked Interim Dividend (paid on 20 April 2026)	8.0	8.0

(1) Record date for determining entitlements to 2026 final dividend is 15 September 2026. Payment date for the final dividend is 21 October 2026.

Previous period

	Amount per security Cents	Franked amount per security Cents
Fully Franked Final Dividend (paid on 21 October 2025)	9.5	9.5
Fully Franked Interim Dividend (paid 16 April 2025)	8.0	8.0

4. Dividend reinvestment plans

Participation in the Dividend Reinvestment Plan (DRP) is 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 18 September 2026 with no discount. Refer to the updated Eligibility Notice to be released on same date as this report including minor changes for USA shareholders reflecting regulatory changes in the USA.

The last date for receipt of election notices for the DRP	16 September 2026

5. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	42.56	33.22

Net tangible asset calculation includes right-of-use assets and lease liabilities.

6. Control gained over entities

Name of entities (or group of entities)	South Wales Transport (Neath) Ltd
Date control gained	31 October 2025

7. Loss of control over entities

Name of entities (or group of entities)

Swan Transit Canning Pty Ltd (deregistered 27 May 2026)
Swan Transit Group Pty Ltd (deregistered 24 June 2026)
Swan Transit Kalamunda Pty Ltd (deregistered 27 May 2026)
Swan Transit Marmion Pty Ltd (deregistered 27 May 2026)
Swan Transit Midland Pty Ltd (deregistered 24 June 2026)
Swan Transit South West Pty Ltd (deregistered 27 May 2026)
Swan Transit Southern River Pty Ltd (deregistered 27 May 2026)
Torrens Transit Group Pty Ltd (deregistered 27 May 2026)
Torrens Transit Services (North) Pty Ltd (deregistered 27 May 2026)
Transit (NSW) Group Pty Ltd (deregistered 24 June 2026)

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.

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11. Attachments

Details of attachments (if any):

The Annual Report of Kelsian Group Limited for the year ended 30 June 2026 is attached.

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12. Signed

Signed ____________________ Date: 26 August 2026

Fiona A Hele
Chair

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Kelsian') 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 2026.

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 2024 when she became Chair of the Board. She is currently a member of the Nominations 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 Nominations Committee, a member of the Finance and Audit Committee and 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 Apropela (formerly 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. From 1 August 2025, Ms Grady became Chair of the Safety, Risk and Sustainability Committee and continues as a member of the People, Culture and Remuneration Committee. For all of the reporting period, Ms Grady was a member of the Finance and Audit Committee and the Nominations Committee.

Jacqueline McArthur (B.Eng, 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 25 years of experience at executive and board level across strategy, supply chain and logistics, sustainability, governance, and technology, Ms McArthur's skills and experience are highly valued by the Kelsian Board. At board level she is actively engaged in the oversight of digital transformation, cyber resilience and the responsible adoption of artificial intelligence, drawing on hands-on experience leading large-scale enterprise resource planning (ERP), warehouse management (WMS) and transport management system transformations across her executive career at McDonald's and Martin Brower.

Her executive career includes serving as Managing Director of Martin Brower ANZ, a global distributor and supply chain services provider. In her time in the global McDonalds system, she was responsible for a supply chain worth $4.5bn across 38 markets. Ms McArthur was the 2016 Telstra NSW Business Woman of the Year and the overall 2016 Telstra Business Women's Awards – Corporate and Private National winner. She holds 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. She is Chair of the People, Culture and Remuneration Committee and a member of the Safety, Risk and Sustainability Committee and the Nominations Committee.

Caroline A. Elliott (B.Ec, CA, GAICD) – Independent Non-Executive Director
Ms Elliott is an experienced executive and non-executive director with more than 25 years' experience in senior leadership and governance roles across the retail, financial services, healthcare, transport and professional services sectors. She has held C-suite positions across a range of organisations, with extensive expertise in strategy, finance, governance, risk management and organisational transformation.

Ms Elliott is currently a non-executive director of Cettire Limited (ASX:CTT); 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 non-executive director and chair of the Finance, Audit and Risk Committee of St John Ambulance Australia (Vic); 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 Nominations Committee. From 1 September 2025 Ms Elliott became a member of the People, Culture and Remuneration Committee.

Terry A. Sinclair (MBA, MAICD) – Independent Non-Executive Director (appointed 1 September 2025)
Mr Sinclair is an experienced company director/chair and an advisor to institutional investors, government agencies, and private equity. His leadership experience in operations and corporate development roles has been in organisations that typically operate in highly regulated environments with extensive distributed assets and infrastructure networks across Asia Pacific, and a dependence on complex supply chains and technology platforms.

Mr Sinclair was most recently chair of Silk Logistics Holdings Limited (ASX:SLH) which was acquired by DP World in July 2025. He was also previously a non-executive director of Cleanaway Waste Management Limited (ASX:CWY), non-executive director (and inaugural chair) of Indara Digital Infrastructure and a senior advisor to Australian Super.

Other previous board roles included non-executive director Faethm.ai Pty Ltd, Ovato Limited and Zoom2U Technologies, managing director of Service Stream Limited (ASX:SSM), chairman of AUX Investments (owned by Qantas and Australia Post), chairman of Star Track Express, director of Sai Cheng Logistics (China), and director of Asia Pacific Alliance (HK).

Mr Sinclair is a Member of the Australian Institute of Company Directors and holds a Master of Business Administration (MBA), a Graduate Diploma in Management, and tertiary qualifications in Mining Surveying.

Mr Sinclair is classified by the Company as an independent director. From 1 September 2025 Mr Sinclair became a member of the People, Culture and Remuneration Committee, the Safety, Risk and Sustainability Committee, and Nominations Committee.

Neil E. Smith (MTM, BA) – Non-Executive Director (resigned 28 February 2026)
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 was a member of the Safety, Risk and Sustainability Committee, member of the Nominations Committee and 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. He also served as a director of Saudi Arabia Railways.

Mr Hockridge is currently chair and member of AVADA Group Limited, 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 Nominations Committee. Mr Hockridge was classified by the Company as an independent director.

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:	
Fiona Hele	125,387
Terry Dodd	5,806,724
Diane Grady AO	36,763
Jacqueline McArthur	72,824
Caroline Elliott	10,000
Terry Sinclair (appointed 1 September 2025)	-
Neil Smith (resigned 28 February 2026)	22,980,428
Lance Hockridge (resigned 31 July 2025)	15,664

Joint Company Secretaries

Joanne H. McDonald (LLB, B.Ec, GAICD, FGIA) (resigned effective 4 September 2026)
Ms McDonald was appointed Company Secretary on 21 August 2018. Ms McDonald has over 30 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 as being a graduate of the Australian Institute of Company Directors and Fellow of the Australian Governance Institute. Ms McDonald was also Group Chief Legal and Risk Officer for the Company until 1 December 2025.

As announced on 25 August 2026, Michelle Evans will be appointed as a joint Company Secretary effective 5 September 2026.

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.

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:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Interim fully franked dividend for the year ended 30 June 2026 paid 20 April 2026 of 8.0 cents (2025: 8.0 cents) per ordinary share	21,727	21,691
Final fully franked dividend for the year ended 30 June 2025 paid 21 October 2025 of 9.5 cents (2024: 9.5 cents) per ordinary share	25,797	25,630
	47,524	47,321

Kelsian's Directors declared a 10.0 cents per share fully franked final dividend payable on 21 October 2026 to shareholders registered on 15 September 2026. Total 2026 dividends of 18.0 cents represents a 44.0% 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 2025 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 financial position, when determining future dividends.

Participation in the Dividend Reinvestment Plan (DRP) is 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 18 September 2026 with no discount. Refer to the updated Eligibility Notice to be released on same date as this report including minor changes for USA shareholders reflecting regulatory changes in the USA. The DRP election date for determining participation is 16 September 2026.

Review of operations

The profit for the Group after providing for income tax for the 12-month period ended 30 June 2026 amounted to $63,525,000 (30 June 2025: $54,494,000).

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 35 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.

Kelsian's businesses include Transit Systems – one of Australia's largest bus operators, All Aboard America! Holdings, Inc. (AAAHI) – the second-largest motorcoach operator in the USA, Tower Transit – spearheading bus franchising in the UK and Singapore, and SeaLink Marine & Tourism providing ferry services that connect commuters and regional communities around Australia.

Kelsian delivered a record financial result in FY26 with Net Profit after Tax (NPAT) of $63.5 million, up 17% compared to FY25. This result demonstrates the resilience of the Group's business model with over 90% of revenues being contracted or non-discretionary. The defensive and resilient nature of the Group's earnings allowed a record result to be delivered notwithstanding continued inflationary pressures and the significant increase in global fuel prices during the second half of the financial year. The improved earnings margins reflected ongoing cost base and operational efficiency improvements, an increased contribution from industrial workforce transportation contracts in the USA, ongoing rail replacement bus service contracts in Australia and fuel price mitigation strategies for non-contracted operations.

Revenue and earnings growth was achieved across all operating divisions through a combination of contract indexation, contract extensions and expansions, new contract wins and an improved result in the Marine and Tourism division.

During FY26, the Group continued to streamline its operations, strengthen its balance sheet and increase exposure to long-term contracted transport services. These ongoing initiatives are expected to improve earnings quality, reduce capital intensity and enhance the Group's ability to allocate capital towards higher returning growth opportunities.

Kelsian announced that it had entered into binding sale agreements to divest the Group's Tourism Portfolio for an enterprise value of $161 million. The sale, which remains subject to conditions, including regulatory approvals, is expected to further strengthen the Group's balance sheet and enhance its strategic focus on contracted bus, motorcoach and marine operations.

FY26 Financial Results Overview

- Revenue of $2.4 billion, up 9% compared to FY25, reflecting continued growth across the Group's three operating divisions - Australian Bus, International Bus, and Marine and Tourism;
- Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) up 11% to $315.8 million, representing the highest result in the Group's history;
- Underlying Earnings Before Interest and Tax (EBIT) increased 14% to $155.7 million;
- Underlying Net Profit After Tax and before Amortisation (NPATA) of $111.1 million up 17%;
- Net operating cash flow remained strong, reflecting the high quality of earnings and continued strong cash conversion across the Group;
- Leverage reduced further and is now within the Group's target leverage range of between 2.0 and 2.5 times Underlying EBITDA;
- The Board declared a fully franked final dividend of 10 cents per share, taking the full year to 18.0 cents per share (FY25: 17.5 cents per share).

FY26 Operational Highlights

- As at 30 June 2026, Kelsian employed over 13,300 people and operated 6,317 buses, and 122 vessels that delivered more than 384 million customer journeys over the last year;
- Continued successful operation of the Bankstown Rail Replacement services;
- Signed a two-year extension for Sydney Region 6 public bus services from 1 July 2026;
- Successfully awarded and commenced operations of the Queensland Ipswich and Logan bus services contract;
- Continued growth from existing and new USA employee transportation contracts;
- Acquired South Wales Transport in the United Kingdom, strengthening Kelsian's position ahead of regional UK bus franchising opportunities;
- Awarded Liverpool City Region bus franchise contracts in the UK with operations to commence in January 2027;
- Re-awarded several key marine contracts, including the Southern Moreton Bay Islands passenger ferry and Moggill vehicle ferry services in Queensland; and
- Ongoing implementation of the Group-wide Workday finance and HR transformation program.

Review of Operations - Australian Bus Division

Kelsian is a leading Australian bus operator, delivering public transport bus services on behalf of governments in Western Australia, South Australia, New South Wales, Victoria, Queensland and the Northern Territory. The Group also operates charter, education, workforce, resources and specialist bus transport services around Australia.

The Australian Bus division delivered a solid FY26 financial result, supported by contractual revenue indexation mechanisms that continued to provide effective protection against movements in key operating cost inputs, including fuel, labour and maintenance expenses.

A significant milestone during the year was securing the contract to deliver the Ipswich and Logan transformative bus improvement package. The successful commencement of the bus services in November marked Kelsian's first competitively tendered bus contract award in Queensland and establishes a strong platform for future growth in the state. Since operations commenced, service performance has exceeded expectations, demonstrating the strength of Kelsian's contract mobilisation expertise and operational capability.

In New South Wales, Kelsian secured a two-year extension of its Sydney Region 6 contract with services under the extended contract commencing on 1 July 2026. The extension supports the next phase of the transition to a zero-emission bus fleet in Sydney.

During the year, some Sydney operations continued to experience operational challenges due to delays in depot electrification and the rollout of replacement electric buses. These delays resulted in higher repairs and maintenance costs associated with operating older diesel vehicles. Pleasingly, these additional costs were offset by successful operational improvement initiatives and network service changes implemented during the year that have improved the efficiency of the services and improved performance outcomes.

Australian State Governments continue to prioritise investment in public transport infrastructure and services and this investment continued during the period, supported by increased patronage across key markets. The Australian Bus division is well-positioned to benefit from sustained investment, expanding service networks and increasing demand for public transport across its key markets.

Review of Operations – International Bus Division

USA
Kelsian's USA operations delivered another strong result in FY26. Growth continued to be driven by industrial workforce transportation supporting LNG, energy and major industrial developments across Texas and Louisiana. To support increasing demand, AAAHI continued investing in fleet expansion, depot infrastructure and operational capability across the region.

Several corporate employee shuttle contracts were renewed and expanded during FY26, reflecting the quality of service delivered to customers and the strength of long-term client relationships.

The USA business remains well positioned to capitalise on continued investment in industrial developments, data centres and major infrastructure projects, which are expected to support ongoing demand for corporate workforce transportation services.

United Kingdom and Channel Islands
A highlight of the period was the successful award of the Liverpool City Region Combined Authority Bus Franchising Tranche 1, Category 2 contracts. These contracts are for an initial 5-year term from January 2027, with a 2-year extension option, involving 73 buses operating from two leased depot facilities and generating revenue of approximately A$80 million over the contract term.

On 31 October 2025, Kelsian, acquired Swansea based bus operator South Wales Transport, expanding its regional operating footprint and strengthening its position ahead of upcoming bus franchising across Wales.

Operations in the Channel Islands (LibertyBus) continue to deliver reliable, steady performance, and have been used as a primary case study demonstrating successful franchising in UK Government's The Bus Franchising Manual, published in January 2026 by the Department for Transport (DfT) as guidance for other Local and Regional Authorities undertaking bus franchising.

These developments further validate Kelsian's long-term strategy of establishing operating platforms in targeted regional UK markets ahead of bus franchising reform and transition. The UK market remains a significant growth opportunity, with more than 10,000 buses expected to transition to franchised operating models over the medium term.

Singapore
Singapore delivered another stable and predictable financial result in FY26.

The Sentosa Development Corporation contract commenced successfully in October 2025 and represents an important milestone as Kelsian's first major contracted service outside the traditional government route bus network in Singapore.

The Bulim contract was also expanded with additional services during the year supported by the strong operational and maintenance performance across the Singapore portfolio.

Review of operations - Marine and Tourism Division
The Marine and Tourism division delivered a resilient performance in FY26 despite continued cost pressures, particularly elevated diesel prices, and subdued consumer sentiment across certain tourism markets.

Performance benefited from strong demand across contracted ferry operations, improved utilisation of new vessels and successful implementation of fuel mitigation strategies, including fare adjustments, fuel surcharges and operational efficiency initiatives.

Kelsian continued preparations for commencement of the new 25-year Kangaroo Island ferry licence. While vessel delivery timelines resulted in revised mobilisation schedules, the project remains a strategically important long-term infrastructure-style contract for the Group.

Following the expected completion of the Tourism Portfolio divestment in FY27, the retained Marine business will comprise predominantly contracted ferry operations supporting commuters, government transport networks and industrial customers.

Review of operations - Corporate
A key milestone during the year was the announcement in February 2026 that Kelsian had entered binding agreements to sell the Tourism Portfolio to Journey Beyond (Experience Australia Group Pty Ltd ACN 614 713 003 and certain of its subsidiaries) for an enterprise value of $161 million.

Work to satisfy conditions precedent for divestment of the Tourism Portfolio continued during the period and the transaction is expected to complete in 1HFY27.

Following completion, Kelsian will emerge as a more focused global transport business centred on contracted marine, bus, and motorcoach operations. The retained marine portfolio will have lower earnings volatility, reduced capital intensity and greater exposure to long-term government and corporate-backed transport contracts.

The rollout of the new global finance and human resources platform progressed well during FY26. The finance system went live in July 2026, and the human resources system is scheduled to go live in the first half of FY28. The new system is expected to improve governance, data visibility, process efficiency and decision-making capability across the Group while replacing multiple legacy systems.

Outlook
Kelsian enters FY27 with strong operational momentum, a strengthened balance sheet and a substantial pipeline of organic and inorganic growth opportunities.

The Group remains focused on delivering operational excellence, completion of the divestment of the Tourism Portfolio, and disciplined capital allocation and organic growth guided by the Group’s Capital Management and Allocation framework.

Key opportunities include contract extensions and service expansions within Australian Bus, continued growth in industrial and employee transportation in the United States, expansion through UK bus franchising opportunities, new bus contract opportunities in Singapore and New Zealand, and further marine transport opportunities across Australia and New Zealand.

Supported by its predominantly contracted earnings base, strong market positions, disciplined capital allocation framework and operational excellence, Kelsian remains well positioned to deliver sustainable long-term earnings growth and shareholder value.

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 supports decision-making by setting the level of risk the Board is prepared to accept in pursuit of the Group’s strategic objectives and assists management in determining when matters should be escalated to the Board or relevant Committee.

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 Kelsian continually seeks to improve the quality of risk management information reported to the Board and 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 External Risks	Description	Mitigation
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. 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	Climate change presents physical and transition risks and opportunities for Kelsian. Physical risks include the potential impacts of extreme weather and changing climate conditions on our people, assets, infrastructure and service delivery. Transition risks include changes in policy, regulation, technology, market expectations and decarbonisation requirements, including the transition to low and zero-emission fleet and infrastructure. Kelsian also recognises opportunities from increased demand for sustainable transport solutions.	Kelsian manages climate-related risks and opportunities through its Risk Management Framework, Sustainability Framework, governance arrangements, operating business processes, and strategic and business planning activities. Further details, including mitigation and adaptation activities, are set out in the FY26 Sustainability Report.
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 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 Divisions 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 manages these risks by applying robust integration processes which are supported by a Mergers & Acquisition Integration Framework. This incorporates 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.
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 some of 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 stakeholders and investors.	Kelsian manages environmental risks through risk assessments, operating procedures, environmental management controls, training, incident reporting and assurance activities. Environmental risks and controls are monitored by operating businesses and reported through management and Board Committee governance processes as appropriate.
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.
Workforce & Talent Management	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. Kelsian has implemented workforce strategies, policies and remuneration frameworks to attract, retain and motivate our people, whilst ensuring succession planning is in place for critical roles. Kelsian is also experienced in industrial relations management and regularly assess labour market changes to inform financial planning and contractual arrangements.
Operational 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 Operational risks continued	Description	Mitigation
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.
Artificial Intelligence	Artificial Intelligence presents both opportunities and risks for Kelsian. Appropriate use of AI can improve productivity, operational efficiency, decision-making and innovation across the Group. However, unmanaged or inconsistent use of AI tools may expose Kelsian to data leakage, intellectual property breaches, privacy and regulatory non-compliance, vendor and cyber risk, inaccurate or biased outputs, operational disruption, industrial relations issues, financial loss and reputational damage.	Kelsian has established and is currently implementing a Group-wide AI governance framework and supporting controls to guide the responsible adoption of AI, ensuring benefits are realised while risks are effectively managed. AI governance and risk management is aligned with, and supported by the Group's cyber security, data governance, procurement and risk management frameworks.

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 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

Tourism Portfolio Divestment

On 24 February 2026, Kelsian entered into binding agreements with Journey Beyond (Experience Australia Group Pty Ltd ACN 614 713 003 and certain of its subsidiaries) for the sale of the Tourism Portfolio within the Marine and Tourism operating segment for an enterprise value of $161 million on a cash and debt free basis and subject to customary working capital adjustments, pursuant to sale agreements (subject to certain conditions precedent) for 100% of the shares in SeaLink Fraser Island Pty Ltd (and its subsidiaries KBRV Resort Operations Pty Ltd and KBRV Services Pty Ltd), Captain Cook Cruises Pty Ltd, SeaLink Marina Pty Ltd, Vyscot Pty Ltd, Avonward Pty Ltd, SeaLink Tasmania Pty Ltd, SeaLink Northern Territory Pty Ltd, and assets of the businesses operating the Adelaide Sightseeing and SeaLink Whitsundays businesses. The Transaction is subject to approval by the Australian Competition and Consumer Commission and Foreign Investment Review Board, change of control consents for key contracts and authorisations, as well as other customary conditions for a transaction of this nature. Subject to satisfaction of all conditions precedent, completion is expected to occur in the first half of FY27.

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 10.0 cents per share was declared by Kelsian's Directors on 26 August 2026, representing a total payment of $27,165,669 to be paid 21 October 2026 based on the current number of ordinary shares on issue.

On 2 July 2026, Kelsian announced a joint bid led by its Australian marine division, SeaLink, and established Auckland-based ferry operator Belaire Ferries, had been selected by Auckland Transport to operate Auckland's Western Package ferry services following a competitive tender process.

The new Auckland Transport ferry services contracts are scheduled to commence with six vessels on 1 July 2027 and have an initial term of seven years, with an option to extend for a further two years.

Kelsian will acquire Belaire Ferries and as part of the contract commitments, Kelsian has undertaken to procure five new vessels costing approximately A$31 million for the network during the contract term.

On 25 August 2026, Kelsian and Journey Beyond agreed not to proceed with the sale of Sealink Rottnest (total consideration of $15.2 million on a cash and debt free basis, subject to customary working capital adjustments).

The parties are continuing to work towards satisfying necessary regulatory conditions for divestment of the Tourism Portfolio excluding Sealink Rottnest, the transaction is expected to complete in 1HFY27.

Apart from the dividend declared and matters discussed above, no other matter or circumstance has arisen since 30 June 2026 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 2026, 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	Nominations Committee Attended
Total Number of meetings held	**8**	**8**	**3**	**4**	**5**	**1**
Fiona Hele	8	8	-	-	-	1
Terry Dodd	7	6	-	-	-	-
Diane Grady AO	8	7	3	4	5	1
Jacqueline McArthur	8	8	-	3	5	1
Caroline Elliott	8	8	3	-	4[D]	1
Terry Sinclair (appointed 1-Sep-2025)[3]	7	7	-	4	4[D]	1
Neil Smith (resigned 28-Feb-2026)[2]	5	8	-	2[C]	-	-[A]
Lance Hockridge (resigned 31-Jul-25)[1]	N/A	1	-	N/A	N/A	N/A

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.

(1) Lance Hockridge, eligible to attend 1 Special Board Meeting
(2) Neil Smith, eligible to attend 5 Board Meetings, 8 Special Board Meetings
(3) Terry Sinclair, eligible to attend 7 Board Meetings, 7 Special Board Meetings

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

(A) not eligible for any committee meetings
(B) eligible to attend 1 committee meeting
(C) eligible to attend 2 committee meetings
(D) eligible to attend 4 committee meetings

Finance and Audit Committee

Caroline Elliott (Committee Chair)
Terry Dodd
Diane Grady AO

People, Culture and Remuneration Committee

Jacqueline McArthur (appointed Committee Chair 1-Aug-25)
Diane Grady AO (Member since 1-Sep-22)
Caroline Elliott (Member since 1-Sep-25) [D]
Terry Sinclair (Member since 1-Sep-25) [D]
Lance Hockridge (former Committee Chair - ceased 31-Jul-25) [A]

Safety, Risk and Sustainability Committee

Diane Grady AO (Committee Chair and Member since 1-Aug-25)
Jacqueline McArthur (Member since 22-Aug-24, Committee Chair until 31-Jul-25)
Terry Sinclair (Member since 1-Sep-25) [D]
Neil Smith (ceased 28-Feb-26) [C]
Caroline Elliott (ceased 31-Jul-25) [A]
Lance Hockridge (ceased 31-Jul-25) [A]

Nomination Committee

Terry Dodd (Committee Chair)
All Non-Executive Directors as Members
Lance Hockridge (ceased 31-Jul-25) [A]
Neil Smith (ceased 28-Feb-26) [B]
Terry Sinclair (appointed 1-Sep-25) [B]

Shares under option
At 30 June 2026, there were no options and 2,607,377 (2025: 2,015,623) 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 options or 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 2026 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 30 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 30 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 (including Independence Standards) 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 2026/183, 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,

On behalf of the Board, it is my pleasure to present Kelsian's Remuneration Report for the financial year ended 30 June 2026 ('FY26').

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 KMP remuneration is to strengthen alignment between executive reward, the delivery of our strategic transformation and the creation of sustainable long-term shareholder value. We remain focused on remuneration that is competitive, clearly aligned to performance and strategy, underpinned by strong governance, and transparent to shareholders. In FY26, we strengthened the remuneration framework in response to shareholder feedback, with all previously announced changes now fully implemented.

FY26: Record performance and strong strategic delivery

Kelsian delivered a record result in FY26, with strong revenue and earnings growth across the Group. This performance reflects the management team’s disciplined execution of strategic priorities, effective capital management and the resilience of the Group’s operating model. Our financial measures focus executives on delivering strong earnings and making disciplined capital allocation decisions that generate strong risk-adjusted returns.

The strength and breadth of this record performance are reflected in[1]:

- Revenue up 9% to $2,402.7 million;
- EBITDA up 8% to $298.0 million;
- NPATA up 10% to $96.6 million;
- NPAT up 17% to $63.5 million;
- Underlying EBITDA (adjusted for one-off costs associated with M&A and abnormal items) up 11% to $315.8 million;
- Underlying NPATA up 17% to $111.1 million;
- Net Operating Cashflow $220.1 million; and
- Fully franked final dividend 10.0 cents per share.

(1) All comparative references are to the 12 months ended 30 June 2025 (FY25) unless otherwise stated.

This financial performance was supported by strong strategic execution across the Group, with a number of significant achievements during the year. These included:

- The award and successful transition of the Ipswich and Logan bus services, the Group's first competitively tendered franchised bus contract in Queensland;
- The acquisition of South Wales Transport in the UK, further strengthening the Group's position ahead of bus franchising in the region;
- The successful renewal of two important South East Queensland ferry contracts by the Queensland Department of Transport;
- Continued organic growth in the USA through the award and commencement of new contracts;
- The successful delivery of Bankstown rail replacement bus services;
- The successful commencement of the Sentosa Development Corporation bus service contract in Singapore;
- The award of Liverpool City Region Combined Authority bus franchising contracts; and
- The extension of the Group's largest contract, the Sydney Region 6 Bus Services Contract.

Together, these achievements demonstrate continued progress against the Group’s strategy, strengthening the quality and duration of the contract portfolio, expanding our positions in key markets and supporting sustainable long-term value creation for shareholders.

Nothing matters more than the safety of our people and the passengers who travel with us. It is the first measure against which the Board assesses executive performance, and it sits ahead of every financial and commercial outcome in this report.

In FY26 the Board held Executives to account for visible safety leadership, the identification and control of the critical risks capable of causing the greatest harm, and the continued strengthening of a culture in which every person is accountable for safety and confident to raise a concern. That focus is reflected in improved outcomes:

- Lost Time Injury Frequency Rate (LTIFR) 24% improvement on FY25.
- Total Recordable Injury Frequency Rate (TRIFR) 23% improvement on FY25.

FY26 Remuneration outcomes

FY26 Short Term Incentive (STI)

As previously disclosed, FY26 is the first year in which 50% of any STI award finally determined will be paid in cash and 50% deferred into Restricted Rights under the Kelsian Group Rights Plan. This strengthens alignment with shareholders by ensuring executives share in the longer-term value created after the performance year, while supporting retention.

The FY26 STI Plan was weighted 50% to financial objectives, 15% to safety, and 35% to other operational measures. The Group CEO’s overall STI scorecard outcome was 136.85% of target, equivalent to 91.24% of maximum and including the conditional amounts subject to further Board decision and transaction completion described below. This reflects an outstanding year of financial and strategic delivery. The Group financial component delivered 147.22% of target, only marginally below the maximum outcome of 150% and consistent with the record result.

Tragically, during the reporting period a passenger died in an incident involving our Australian bus operations. An independent external review is underway and, as at the date of this report, remains in progress and is yet to be concluded. The Board has therefore assessed the safety component of the STI as payable on a conditional basis. The Board awaits the outcome of the safety review to make a final deliberation on payment of the safety component of the STI. This will be disclosed in the FY27 Remuneration Report.

Safety remains the Group's highest priority. The Board continues to have confidence in Kelsian's safety management framework and its programme of continuous improvement. Key safety indicators improved during the year, with LTIFR 24% lower than FY25 evidencing the Group's ongoing commitment to safety.

Executive KMP were also assessed against operational objectives aligned to their specific strategic priorities and accountabilities, reinforcing accountability for strategy execution and measurable business outcomes.

During FY26, the Board assessed a combined Growth and Transformation objective, weighted at 20% for the Group CEO. It covered progressing the Tourism Portfolio divestment and preparing the marine business for its next phase of growth. At year-end, the Board recognised 50% of the assessed outcome for Growth and Transformation objectives achieved during the reporting period. Individual outcomes reflected each Executive KMP's accountability for these outcomes. The remaining 50% of the assessed outcome will become payable only upon successful completion of the main Tourism Portfolio transaction, which is subject to regulatory approval.

Overall, these outcomes reflect the Board's balanced approach to recognising performance delivered during FY26 while maintaining appropriate discretion, governance and alignment with shareholder interests.

FY24-FY26 Long Term Incentive (LTI)

The FY24 Performance Rights were tested at the end of FY26. The EPS CAGR tranche achieved maximum vesting, reflecting strong earnings growth over the three-year measurement period. The TSR tranche did not vest because the positive TSR gateway was not met. The resulting overall LTI outcome was 50% of maximum number of rights.

This outcome reinforces the Board's commitment to ensuring executive reward is directly aligned with sustainable performance and long-term shareholder value, where Executives are rewarded only where sustained performance is delivered, with unearned incentive opportunities lapsing where performance measures are not met.

Further details for both STI and LTI outcomes are set out in Section 5 of this report.

FY26 Remuneration Framework Changes

We continue to evolve our remuneration framework and practices to ensure they remain fit for purpose, aligned with our strategy and stakeholder interests, and support the attraction, retention and motivation of high-calibre executives. Our focus is on maintaining a remuneration approach that responds to the changing needs of the Group, reinforces accountability for performance and transformation, and strengthens alignment between executive reward and the delivery of sustainable long-term shareholder value.

Following the first strike against the FY24 Remuneration Report, the Board undertook a comprehensive review and engaged with shareholders. The resulting remuneration framework changes, implemented for FY26, include:

- Variable remuneration will account for a greater proportion of Total Remuneration and will be more weighted towards longer term elements;
- 50% of the FY26 STI award is deferred into Restricted Rights;
- Minimum Shareholding Requirements have been introduced;
- As presented at the 2025 AGM, the FY26 LTI includes a third performance measure, Return on Invested Capital (ROIC), equally weighted with the other two LTI measures. The EPS measure has also been revised to underlying NPATA and adjusted for acquisitions; and
- The ASX Small Ordinaries Index will be used for the FY26 TSR Benchmark when assessing LTI performance rights measures.

Looking Ahead

The People, Culture and Remuneration Committee and the Board continue to regularly engage with shareholders and proxy advisors to seek feedback. We have continued to benchmark and review our remuneration approach and practices to ensure they remain fit for purpose, align with our strategy and stakeholder interests, and enable us to attract and retain talented executives.

As the Group continues to evolve, we will review our remuneration framework to ensure it remains appropriately structured and aligned with changes to the organisation, our strategic priorities and future needs.

On behalf of the Board, I invite you to review our FY26 Remuneration Report and look forward to welcoming you to our Annual General Meeting in October 2026.

Signed

Jacqueline McArthur
Chair, People, Culture and Remuneration Committee
Kelsian Group Limited
Date: 26 August 2026

The Remuneration Report comprises of the following sections:

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 Group, for the purposes of the Corporations Act 2001 and Accounting Standards for the financial year ended 30 June 2026.

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 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 2025 to 30 June 2026. Members of the People, Culture and Remuneration Committee ('PCRC') are identified in the last column.

TABLE 1.1: KMP FROM 1 JULY 2025 TO 30 JUNE 2026

NON-EXECUTIVE DIRECTORS (NEDs)

Name	Role	Appointed	Term as KMP in FY26	PCRC
Fiona Hele	Chair, Non-Executive Director	13 September 2016 Appointed Chair on 1 July 2024	Full	
Terry Dodd	Non-Executive Director	28 March 2011	Full	
Diane Grady AO	Non-Executive Director	1 September 2022	Full	Yes
Jacqueline McArthur	Non-Executive Director	15 January 2024	Full	Committee Chair [1]
Caroline Elliott	Non-Executive Director	17 June 2024	Full	Yes [2]
Terry Sinclair	Non-Executive Director	1 September 2025	Part	Yes [3]
Neil Smith	Non-Executive Director	16 January 2020 *(Resigned 28 February 2026)*	Part	
Lance Hockridge	Non-Executive Director	1 July 2020 *(Resigned 31 July 2025)*	Part	Committee Chair [4]
Jeffrey Ellison AM	Chair, Non-Executive Director	9 July 2008 *(Retired 1 July 2024)*	N/A	

EXECUTIVE KMP

Name	Role	Appointed	Term as KMP in FY26
Graeme Legh	Group Chief Executive Officer	16 January 2020	Full
Andrew Muir	Group Chief Financial Officer and Joint Kelsian Secretary	9 January 2017	Full
Donna Gauci	Chief Executive Officer - SeaLink Marine and Tourism	11 October 2013 *(Retired 30 June 2026)*	Full
Michael McGee	Chief Executive Officer - Transit Systems	12 December 2022	Full
James (Brent) Maitland	Chief Executive Officer AAAHI	9 June 2025	Full

Donna Gauci retired from the position of Chief Executive Officer SeaLink Marine and Tourism, effective 30 June 2026, after more than 21 years with SeaLink. The Board recognises Donna's substantial contribution to the company and thanks her for her long-standing service.

NOTE: *Clinton Feuerherdt was not classified as a KMP during FY26 after he stepped down from the role of Managing Director and Group Chief Executive Officer and transitioned into a Strategic Advisor position effective 1 April 2025.*

Following the review of the personnel classified as KMP for FY26, the role of Managing Director Singapore ceased to be classified by Kelsian as a KMP for the reporting period (1 July 2025 to 30 June 2026).

(1) Appointed Committee Chair from 1 August 2025.

(2) Appointed Committee Member from 1 September 2025.

(3) Appointed Committee Member from 1 September 2025.

(4) Ceased as a Committee Chair 31 July 2025.

KELSIAN
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2. REMUNERATION GOVERNANCE

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

KELSIAN GROUP LIMITED BOARD

OVERALL REMUNERATION RELATED RESPONSIBILITIES

- Overall responsibility for the remuneration strategy and outcomes for Executive KMP and Non-Executive Directors.
- Setting the remuneration of Directors, the Group CEO and generally endorsing the same for direct reports to the Group CEO and monitoring the Company's remuneration policies and practices.
- Reviews and, as appropriate, approves recommendations from the People, Culture and Remuneration Committee.

People, Culture and Remuneration Committee

Monitors recommends and reports to the Board on:

- Equitably, consistently, and responsibly rewarding executives including incentive targets and achievement of remuneration outcomes having regard to the performance of Kelsian, the performance of executives, and the general remuneration environment.
- Alignment of remuneration policy framework and practices to Group and divisional strategic goals including financial and non-financial objectives designed to support retention of executives and directors who create value for shareholders.
- Kelsian Rights Plan (short-term and long-term equity incentive).
- Remuneration reporting.
- Non-Executive Director remuneration within the aggregate limit approved by shareholders
- Group CEO and Group Executive succession planning.
- Oversight and monitoring of strategy, implementation and effectiveness of work health and safety management.
- Organisational culture and people-related strategies.

Board Committees

- Information exchange with other Kelsian Board Committees, to ensure that all relevant matters are considered.
- Nominations Committee has responsibility for oversight and recommendations on Board succession planning, evaluation and director appointments.

External Stakeholders

- Feedback from shareholders and other external stakeholders such as proxy advisors.

Independent Advisors

- Remuneration advisors provide independent advice, information, and, if required, recommendations relevant to remuneration decisions.
- Throughout the year the People, Culture and Remuneration Committee and management received information from specialist external advisors related to remuneration market data and analysis.
- Specialist expert tax and legal advice to ensure legal and regulatory compliance of remuneration plan terms and their administration.

Group CEO and Group Chief People & Culture Officer

Provide information to the Committee to recommend on:

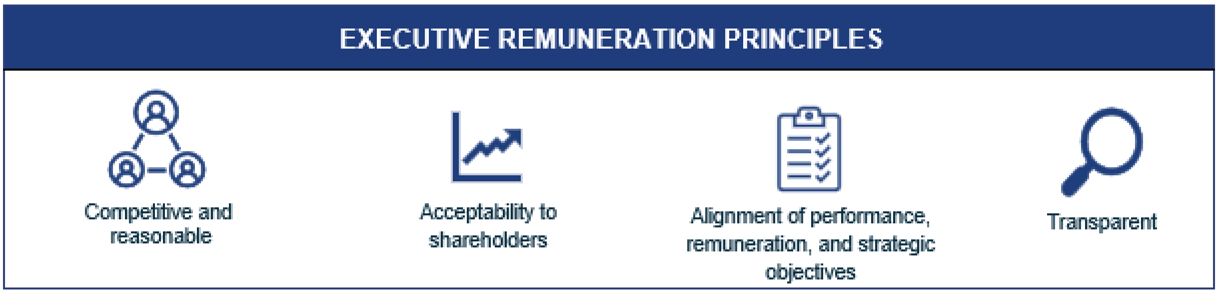
- Remuneration policy and practices.
- Individual remuneration and contractual arrangements for senior executives.
- Incentive targets and outcomes.
- Short-term and long-term incentive participations.

People & Culture Management Team

Monitor, recommend and report to the Committee and Board on:

- People and culture initiatives to continually develop culture and talent aligned to strategic objectives.
- Assessment of performance against measurable objectives.
- Talent pool for senior management succession.
- Engagement surveys.

2. REMUNERATION GOVERNANCE (continued)



The People, Culture and Remuneration Committee operates under a Charter[5] that outlines its structure and responsibilities. The Charter is available on the Kelsian corporate website (www.kelsian.com/our-governance).

Membership of the People, Culture and Remuneration Committee during the period 1 July 2025 to 30 June 2026 was comprised of the following Non-Executive Directors (NEDs) and chaired by an independent NED for the entire year:

Jacqueline McArthur	Non-Executive Director, Independent (Committee Chair) *(appointed 1 August 2025)*
Lance Hockridge	Non-Executive Director, Independent (Committee Chair) *(ceased 31 July 2025)*
Diane Grady AO	Non-Executive Director, Independent
Caroline Elliott	Non-Executive Director, Independent *(appointed to Committee on 1 September 2025)*
Terry Sinclair	Non-Executive Director, Independent *(appointed to Committee on 1 September 2025)*

The People, Culture and Remuneration Committee met regularly throughout the year. The Group Chief Executive 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 tax and legal advice was obtained during FY26 on the compliance of terms of equity incentive rights offered to participants located in Australia, the United Kingdom, Singapore and the United States, to ensure compliance with applicable regulatory requirements in all jurisdictions.

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.

(5) The Charter of the Committee was reviewed and amended on 23 June 2026 as part of the biennial review of all Committee charters.

3. OVERVIEW OF FINANCIAL PERFORMANCE

Kelsian's FY26 performance reflected revenue and earnings growth across all operating divisions, supported by contract indexation, contract extensions and expansions, new contract wins, increased contributions from industrial workforce transportation services in the USA, ongoing rail replacement services in Australia and an improved result from Marine and Tourism. The Group also continued to streamline its operations and increase its exposure to long-term contracted transport services.

During the year, Kelsian entered into binding agreements to divest its Tourism Portfolio[6], with completion of the transaction anticipated to occur during the first half of FY27 after satisfaction of conditions customary for transaction of this nature including change of control consents, and regulatory approvals from the Australian Competition and Consumer Commission (ACCC) and Foreign Investment Review Board (FIRB). At 30 June 2026 completion of the transaction remained subject to conditions.

Accordingly, the financial performance of the businesses comprising the Tourism Portfolio was included in the Group's financial results for the full year ended 30 June 2026.

Statutory NPATA for the year ended 30 June 2026 was $96.6 million, compared with $87.7 million in FY25.
The statutory NPATA result includes $17.8 million of significant items, comprising $7.7 million of acquisition, transaction-related costs and other items and $10.1 million of Group system costs, together with the associated tax effect and one-off tax adjustments.

(6) Refer Kelsian announcement of 24 February 2026 via ASX for a description of the businesses comprising the Tourism Portfolio and the transaction for sale of those businesses.

3. OVERVIEW OF FINANCIAL PERFORMANCE (continued)

Underlying Earnings Before Interest, Tax (EBIT), was $155.7 million compared to an underlying EBIT of $136.0 million for FY25, an increase of 14.5%. The reconciliation and treatment of significant items are set out in the Operating and Financial Review.

Having regard to FY26 financial performance, cash flow and the Group's capital requirements, the Board determined a fully franked final dividend of 10.0 cents per share, resulting in a full-year dividend of 18.0 cents per share and a payout of 44.0% of underlying NPATA.

Kelsian's share price performance during FY26 was a total return of 24.74% for the 12 months ending 30 June 2026, compared with the S&P ASX300 which was a total return of 7.21% for the same period.

TABLE 3.1
Kelsian's financial performance as measured by statutory Earnings Before Interest Tax Depreciation and Amortisation (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 2022 [7] $'000	30 June 2023 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2026 $'000
Revenue	1,297,400	1,417,800	2,016,811	2,208,909	2,402,713
EBITDA	157,800	130,500	265,035	277,176	297,984
EBIT	82,100	53,100	121,751	128,208	137,881
NPATA	71,500	41,400	92,149	87,696	96,571
Gross Dividend Paid	34,900	37,100	47,143	47,321	47,524
Earnings Per Share (cents)	24.20	9.10	21.50	20.10	23.40
Dividend Paid Per Share (cents)	16.50	17.00	17.50	17.50	18.00
Share Price ($ per share)	5.87	7.26	5.15	3.79	4.47
Group CEO Overall Outcomes[8]					
STI Outcomes - % of maximum	85%	55.5%	75.3%	100%	91.24%
LTI Outcomes - % of maximum	100%[9]	100%[10]	nil[11]	nil[12]	50%

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

(8) For the period of FY22 to FY25 reflects the STI outcome for the former Managing Director and Group CEO. This reflects both financial and non-financial outcomes.

(9) Vesting outcome of FY20-FY22 LTI.

(10) Vesting outcome of FY21-FY23 LTI.

(11) Vesting outcome of FY22-FY24 LTI.

(12) Vesting outcome of FY23-FY25 LTI.

4. REMUNERATION FRAMEWORK

Remuneration Framework Overview and Details for Executive KMP

(i) Objectives
Kelsian's remuneration framework is designed to attract and retain capable executives, align reward with performance and strategy, and deliver outcomes that are fair and defensible in light of shareholder experience. It is based on the following principles:

- Remuneration is at levels that are competitive with market rates to attract, motivate and retain high calibre candidates; fixed remuneration is market-competitive and reflects role scope, complexity and capability;
- 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 remuneration mix, market positioning and outcomes each year and recommends proposed Executive KMP outcomes to the Board. The Board considers performance, risk, conduct and shareholder experience before determining final awards.

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4. REMUNERATION FRAMEWORK (continued)

(ii) Components - Overview

The Remuneration Framework has three components and is summarised below:

	Fixed Elements	Variable Elements		
	Fixed Annual Remuneration (FAR)	**Short Term Incentive (STI)**		**Long Term Incentive (LTI)**
Who Participates	Executive KMP and other members of the Executive Team.	Executive KMP and other members of the Executive Team.		Executive KMP and other members of the Executive Team.
How it is delivered	Cash	Cash	Equity (Restricted Rights)	Equity (Performance Rights)
How it works	Base salary, superannuation, and non-monetary benefits (for example motor vehicle benefits)	50% paid in cash.	50% of the total STI award are paid in the form of restricted rights to Kelsian shares under the Kelsian Group Rights Plan.	The rights are in the form of Performance Rights over Kelsian ordinary shares under the Kelsian Group Rights Plan for no consideration.
When is it delivered	Annually. Whilst the Fixed Annual Remuneration is reviewed annually, increases are not guaranteed.	After the performance period, following the finalisation and release of financial results for the performance period.	Rights for the deferred element awarded are offered for the FY26 performance period following the release of financial results for FY26.	Subject to Shareholders approving the Group CEO Performance Rights will be granted on or about November, but in any event within 2 months of the AGM.
What it does	Enables Kelsian to motivate, engage and retain the calibre of executives that can execute the Company's strategy and continue to deliver value to shareholders.	Rewards execution on annual performance against a balanced scorecard of performance measures focused on financial (50%), safety outcomes (15%) and individual personal objectives aligned with the Company's strategic goals (35%). STI deferral into equity creates further alignment with shareholders.		Supports the sustainable delivery of the Group's long-term strategic objectives, aligns executive outcomes with shareholder interests, and promotes long-term value creation.
Other	Executive KMP may receive their FAR in the form of cash and other fringe benefits (for example motor vehicle benefits).	Variable 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.		

(iii) Minimum Shareholding Policy

Introduced in FY25, the Board has implemented a Minimum Shareholding Requirement Policy which requires each member of the Board and Group Executive, including Executive KMP, to accumulate a minimum shareholding of Kelsian shares within five years from the later of 1 July 2024 or the date of their appointment.

For the Board Chair, the minimum shareholding level to be achieved is 150% of the annual base board fee and for Non-Executive Directors, 100% of the annual base board fee. For the Group CEO this level is 150% of FAR and for Group Executives, 100% of FAR. The quantum was set at the time of implementation of the MSR Policy or upon appointment.

(iv) Remuneration Mix

The composition of each Executive KMP's remuneration opportunity for FY26 was designed to support the objectives of the Group's executive remuneration framework, as outlined in Section 4.1, with a focus on aligning remuneration to sustainable long-term shareholder value creation.

The charts below illustrate the weighting of fixed remuneration, STI and LTI for the Group CEO and Group CFO based on both their target and maximum remuneration opportunity. They represent the intended remuneration mix and do not reflect actual remuneration received during FY26.

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

4. REMUNERATION FRAMEWORK (continued)

CHART 4.1
EXECUTIVE REMUNERATION MIX FY26 – Group CEO

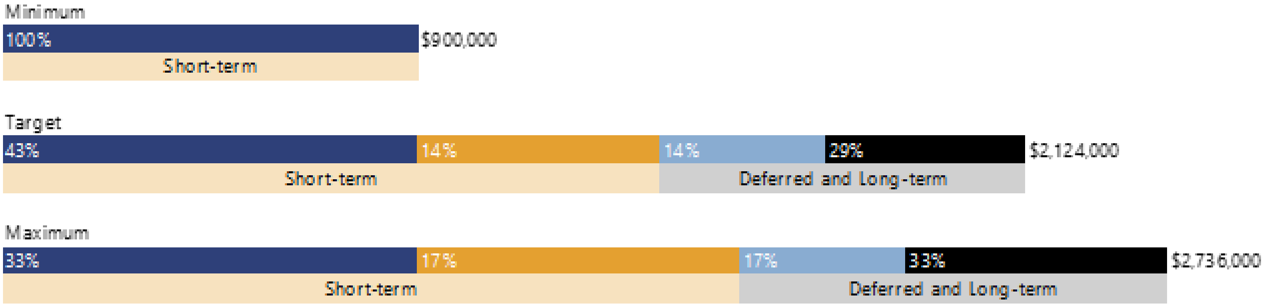
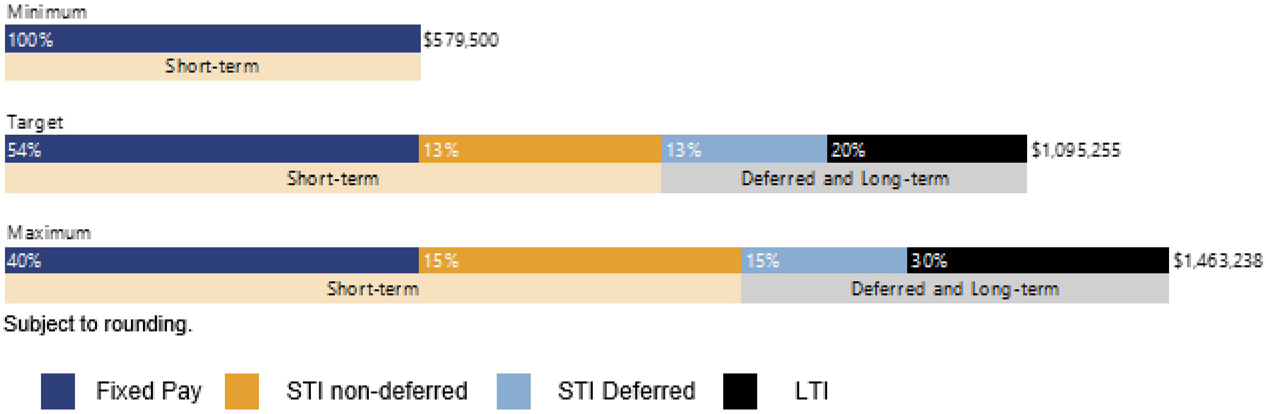
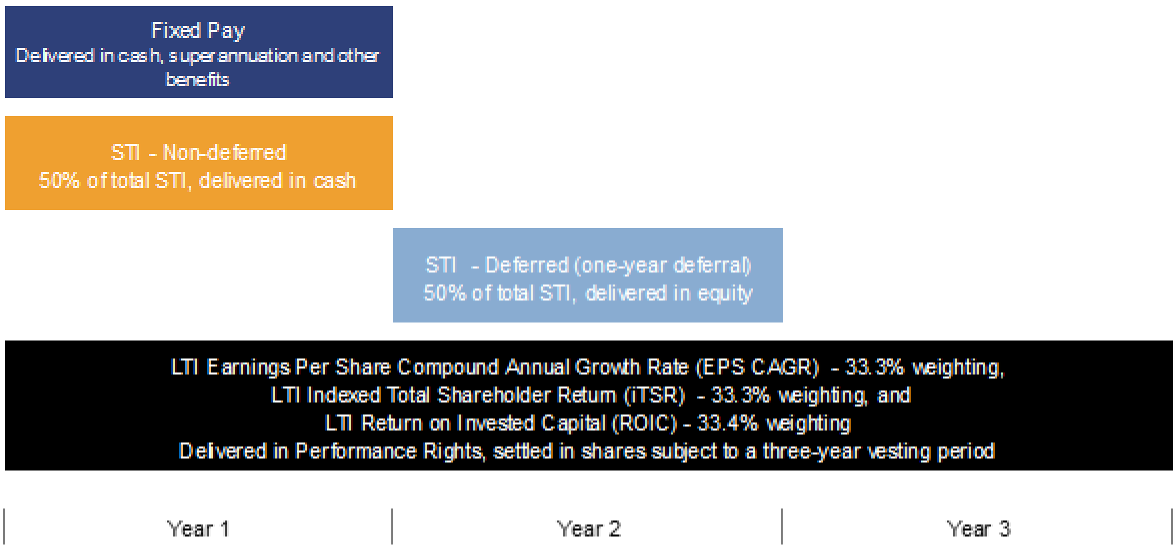


CHART 4.2
EXECUTIVE REMUNERATION MIX FY26 – Group Chief Financial Officer



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.

DIAGRAM 4.3
REMUNERATION TIME HORIZON



The three-year LTI represents the 2026-2028 LTI which applies to the Group CEO, Group CFO and other Executive KMP. Further details are provided in section 4.5.

4. REMUNERATION FRAMEWORK (continued)

Fixed Annual Remuneration (FY26)
Fixed annual remuneration comprises base salary and statutory or market-appropriate retirement benefits, including superannuation for Australian-based executives and equivalent retirement arrangements for international executives.

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 Executive KMP.

Short Term Incentive Program (FY26)
The Kelsian Group STI Plan was established to reward Executive KMP and other members of the executive team for strong performance levels and contributions to the Group over a 12-month performance period.

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. STI performance is assessed against a balanced scorecard comprised of a set of performance objectives, which drive the Group's short-term financial, strategic and operational objectives and set the platform for long-term success. Kelsian's key objectives include financial outcomes and safety, growth, and operational outcomes.

STI is at-risk remuneration and does not form part of an Executive KMP's fixed remuneration contractual entitlement. FY26 is the first year in which 50% of any STI award finally determined will be paid in cash and 50% deferred into Restricted Rights, subject to the terms of the Kelsian Group Rights Plan. This strengthens ongoing alignment between executive reward and shareholder interests.

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.

Further information about the 2026 STI Plan is set out below. Please refer to section 5.2 for STI performance outcomes for 2026.

TABLE 4.4
EXECUTIVE SHORT-TERM INCENTIVE PROGRAM FY26

Performance period	1 July 2025 to 30 June 2026.
Maximum STI opportunity (150% of Target)	The maximum stretch opportunity for each performance objective was set at 150% of Target. For each performance measure, a threshold level of performance was also set. This level had to be met to receive any STI. Group CEO: 102.0% of Fixed Annual Remuneration *(68% at Target)* Group CFO: 76.5% of Fixed Annual Remuneration *(51% at Target)* Other Executive KMP: 42.0% - 75.0% of Fixed Annual Remuneration *(28% - 50% at Target)* The actual outcome depends on the Executive KMPs actual achievement against each Performance Objective.
Non-deferred element	Subject to the Board's final determination, 50% of FY26 STI awards are paid in cash after release of the FY26 financial results. If any FY26 STI amounts awarded are conditional on events or outcomes that are not yet determined at time of release of the FY26 financial results, 50% of those amounts will be paid in cash as soon as practical after satisfaction of the relevant condition.
Deferred element	Subject to the Board's final determination, 50% of FY26 STI awards are delivered as Restricted Rights under the Kelsian Group Rights Plan after release of the FY26 financial results. If any FY26 STI amounts awarded are conditional on events or outcomes that are not yet determined at time of release of the FY26 financial results, 50% of those amounts will be paid in the form of Restricted Rights as soon as practical after satisfaction of the relevant condition. The deferred equity 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 issued during FY2026, the rights will be subject to an exercise restriction until 31 August 2027 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 applied to the deferred amount awarded.

Board discretion	Board discretion may be applied to remuneration for delivery of outstanding performance for Executive KMP that were not foreseen at the time of target formulation. Discretion can 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 for the safety components of the STI. 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 goals. Actual STI payments awarded to each Executive KMP depend on the extent to which specific measures, targets, initiatives and conditions for the FY26 (STI Targets) were met. STI Targets cover financial, operational and individual measures of performance. The Board sets and assesses the Group CEO's objectives and approves the objectives and final outcomes for other Executive KMP on recommendation from the Group CEO.

Financial Measures:	**Measures up to 50% target**
Performance Areas & Weightings	Rationale for choosing this measure.
Group Profit Incentive Group CEO & Group CFO = 50% All Other Executive KMP = 20% **Divisional or Business Unit Profit Incentive** All Other Executive KMP = 30%	Financial performance is the measure of whether the Group is being run efficiently and creating value for shareholders, which is why it carries the largest weighting in the short-term incentive. The measure is underlying EBIT assessed against the prior year, so that reward follows a demonstrable improvement in performance rather than the level of earnings in any single year. The Group Chief Executive Officer and Group Chief Financial Officer are measured entirely on Group earnings, consistent with their accountability for the whole Group. Other Executive KMP are measured on a combination of Group and divisional earnings, aligning each executive with the results they directly control while retaining a shared interest in the Group outcome. (FY26 measures: Underlying EBIT outcomes measured against prior year outcomes)
Operational and Non-Financial:	**Measures up to 50% target**
Performance Areas & Weightings	Rationale for choosing this measure.
Group Safety Group CEO = 15% All other Executive KMP 15%	Kelsian delivers services across public roads, remote regions and marine environments in multiple jurisdictions, where operating conditions vary and require active management of safety risk. The safety of employees, customers and the public is a core executive accountability. The safety measure combines outcome and leadership indicators and is subject to the Safety gate described above. The FY26 scorecard assessed safety achievements using Lost Time Injury Frequency Rate, an outcome measure, and the Safety Leadership Index, a lead indicator of the leadership and engagement required to prevent harm. (FY26 Measures: LTIFR and Safety Leadership Survey outcomes)

	Growth and Transformation Group CEO = 20% Other Executive KMP between 15% to 20%	Growth and disciplined portfolio management support sustainable shareholder returns over time. In FY26, this measure focused on executing the Tourism Portfolio transaction and establishing a stronger, transport-focused position for future organic growth. This measure holds Executive KMP accountable for the divestment outcome, focused on progressing the sale on terms aligned with strategic objectives and shareholder value; and the Future Growth outcome, focused on operational and financial benefits expected for our next phase of growth. Performance is assessed having regard to the actions and outcomes within Executive KMP's operational control. Where transaction completion depends on external conditions, the Board distinguishes management delivery achieved at year-end from the final completion outcome. The weighting varies across Executive KMP to reflect each role's accountability for the Group's growth, portfolio transformation and benefit realisation priorities.
	Operational Excellence Group CEO = 15% Other Executive KMP between 10% to 15%	Operational excellence is how Kelsian converts its scale into stronger margins and more reliable service. This measure holds Executive KMP accountable for the operational initiatives that improve performance in the business they run efficiency, asset utilisation, service reliability and cost discipline assessed against business-specific operational and financial metrics. It complements the Group financial measure by rewarding the day-to-day execution that produces sustainable earnings, rather than the earnings result itself.
	Technology and Innovation Not applicable to the Group CEO. Other Executive KMP between 5% to 10%	Investing in digital and data capabilities to enhance customer experience, drive innovation, strengthen customer attraction and retention, and safeguard the security and privacy of customer and employee information. Performance is assessed against whether the right solutions are integrated successfully to accelerate business growth and are market leading to underpin the long-term performance of Kelsian. (FY26 measures reflect achievement of selected projects and milestones)
STI assessment	The Board Chair reviews the Group CEO performance against the performance targets and objectives set for that year. The performance assessment of the Group CEO is reviewed by the People, Culture and Remuneration Committee and approved by the Board. The 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.	

4. REMUNERATION FRAMEWORK (continued)

Long-Term Incentive Program (FY26)
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.

In response to feedback calling for the inclusion of a capital efficiency measure, the Board introduced Return on Invested Capital (ROIC) as a new FY26 LTI performance measure. ROIC performance hurdles will comprise 33.4% of the potential LTI opportunity, alongside EPS growth (33.3%) and TSR growth (33.3%), reinforcing the focus on disciplined capital management and long-term shareholder value. The ASX Small Ordinaries Index will be used for the FY26 TSR Benchmark when assessing the TSR performance rights measure.

The Group CEO has a higher target LTI opportunity than Executive KMP, reflecting the broader accountability of the role for delivering the Group's long-term strategy, capital allocation and sustainable shareholder value creation. The remuneration mix will continue to be reviewed as part of the Board's regular assessment of executive remuneration.

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 changed to Pillar Custodial Services Pty Ltd ABN 37 097 300 377 from 19 December 2025, replacing the previous trustee Certane CT Pty Ltd ABN 12 106 424 088.

Shareholder approval of the Kelsian Group Rights Plan was renewed at the 2025 AGM, with a vote in favour of 97.15%. This enables Kelsian to exempt issues of securities post the 2025 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.

Further information about the 2026 LTI Plan is set out below. Please refer to section 5.3 for LTI performance outcomes for 2026.

TABLE 4.5
EXECUTIVE LONG-TERM INCENTIVE RIGHTS PLAN FY26

Maximum LTI Allocation	Group CEO	102% of Fixed Annual Remuneration
	Group CFO	76% of Fixed Annual Remuneration
	Other Executive KMP	34% - 50% 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 FY26.	
Allocation methodology	The number of rights is calculated by dividing this quantum by the face value of Kelsian shares (calculated as the 10-day volume-weighted average price (VWAP) following the release of full-year results for the financial year prior to the year of grant of rights) reduced by an estimated value in respect of dividends that may be paid on a Kelsian share during the measurement period.	
Performance conditions	There are three 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): 33.3% weighting at target performance. **Tranche 2**: Indexed Total Shareholder Return (iTSR): Total Shareholder Return (TSR) growth measured against the ASX Small Ordinaries Return Index, 33.3% weighting at target performance. **Tranche 3:** Return on Invested Capital (ROIC): 33.4% weighting at target performance. Overarching Gate for iTSR: Kelsian’s TSR must be positive. Subject to Board discretion, 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 the company's earnings per common share. EPS CAGR will be calculated based on the Normalised EPS for the last year of the measurement period compared with the Normalised EPS for the financial year immediately prior to the commencement of the measurement period. Normalised EPS will be calculated based on Underlying Net Profit After Tax before Amortisation (NPATA) and will exclude the impacts of acquisitions made in the last year of the measurement period.
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 reflecting Kelsian's listing in the ASX200 Index between September 2021 and March 2025. This growth is measured against the total return of the ASX Small Ordinaries Index over the measurement period for Performance Rights issued during FY26.
What is ROIC?	Return on Invested Capital (ROIC) measures how efficiently the company allocates capital to generate profits. Returns are expected to at least exceed the company's Weighted Average Cost of Capital (WACC) over time. Annual Group ROIC will be calculated as underlying Earnings Before Interest, Taxation and Amortisation (EBITA) divided by average Invested Capital. The average annual ROIC will be compared to the average pre-tax WACC over the measurement period.
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; and • ROIC as a measure of how efficiently the company manages capital investments to create shareholder value.

What level of performance is required for the Rights to vest?

For Performance Rights granted in FY26, 33.3% of the Performance Rights will vest where the EPS CAGR performance is:

EPS CAGR (annualised) of Kelsian	Group CEO Percentage of Performance Rights that vest	Executive KMP Percentage of Performance Rights that vest
Less than 5%	Nil	Nil
5%	66.67% of Rights vest	50% of Rights vest
Greater than 5% but less than 10%	Between 66.67% and 100% of Rights vest	Between 50% and 100% of Rights vest
10% and above	100% of Rights vest	100% of Rights vest

For Performance Rights granted in FY26, 33.3% 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 of Kelsian relative to ASX Small Ordinaries Total Return Index	Group CEO Percentage of Performance Rights that vest	Executive KMP Percentage of Performance Rights that vest
Less than Index Return	Nil	Nil
Index Return	66.67% of Rights vest	50% of Rights vest
Greater than Index Return but less than 10% CAGR above Index Return	Between 66.67% and 100% of Rights vest	Between 50% and 100% of Rights vest
Greater than or equal to Index Return + 10% CAGR above Index	100% of Rights vest	100% of Rights vest

For Performance Rights granted in FY26, 33.4% of the FY26 Performance Rights will vest where the ROIC performance is as follows:

Average annual Kelsian Group ROIC	Group CEO Percentage of Performance Rights that vest	Executive KMP Percentage of Performance Rights that vest
Less than WACC+1%	Nil	Nil
WACC+1%	33.33% of Rights vest	25% of Rights vest
Greater than WACC+1% but less than WACC+2%	Between 33.33% and 66.67% Rights vest pro-rata	Between 25% and 50% Rights vest pro-rata
WACC+2%	66.67% of Rights vest	50% of Rights vest
Greater than WACC+2% but less than WACC+4%	Between 66.67% and 100% of Rights vest pro-rata	Between 50% and 100% of Rights vest pro-rata
WACC+4% and above	100% of Rights vest	100% of Rights vest

The average WACC that applied over the measurement period for assessment of ROIC performance requirements will be disclosed by the Board retrospectively as it will not be known at the time of grant.

What happens to Performance Rights granted under the LTI Plan when an Executive ceases employment?	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. If and when the Performance Rights vest, shares will be allocated in accordance with the Plan Rules and any other condition of the grant.
Can Kelsian apply malus or clawback to LTI awards?	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 a sale to the extent this can be done in accordance with relevant laws.
What happens in the event of a change in control?	In the event of a change in control, the Board will exercise its discretion and determine the treatment of the unvested awards.

5. REMUNERATION OUTCOMES

Fixed Annual Remuneration
The Group CEO did not receive a fixed remuneration increase during FY26, having been appointed to the role in April 2025. The Board considered it appropriate to maintain the remuneration arrangements established on appointment, with remuneration to be reviewed as part of the Group's normal annual remuneration review cycle.

During the period, for the annual remuneration review, Executive KMP received increases in fixed remuneration effective from the first full pay period post 1 July 2026. Increases ranged between 3.43% to 3.51% applied to Fixed Annual Remuneration. In determining the proposed increases the following factors were taken into account: the evolving scale and complexity of Group Executive roles, including global accountability, and the individual experience, capability, performance and contribution of each executive.

During FY27, the Board will review the Executive Remuneration Framework to ensure it reflects the Group's evolving strategy following the completion of significant divestment activity. The review will consider whether performance objectives and remuneration outcomes appropriately support the next phase of the Group's strategy, including disciplined capital allocation, operational excellence, sustainable growth and long-term shareholder value creation.

STI Outcomes
Diagram 5.1 summarises the Group CEO's FY26 scorecard. Table 5.2 shows Executive KMP outcomes and separately identifies amounts not yet determined or conditional.

For the STI objectives that were met, 50% of those amounts will be offered as Restricted Rights under the Kelsian Group Rights Plan, subject to exercise restrictions until 31 August 2027.

Individual operational and non-financial STI measures for FY26 were established to drive the delivery of the Group's strategic priorities and key operational outcomes that support sustainable long-term value creation. These measures recognise that long-term shareholder value is achieved through the disciplined execution of strategic initiatives alongside strong financial performance.

Individual performance objectives were tailored to each Executive KMP's area of accountability and included measures relating to operational excellence, customer outcomes, transformation, people leadership and strategic delivery. For FY26, these individual operational and non-financial measures represented 35% of the overall STI opportunity, providing an appropriate balance between financial outcomes and the successful execution of the Group's strategy.

5. REMUNERATION OUTCOMES (continued)

DIAGRAM 5.1:
Group CEO FY26 Performance Objectives and Outcomes

FY26 Group CEO STI Performance						
PERFORMANCE MEASURE	**Weighting (at Target)**	**Min 0%**	**Target 100%**	**Max 150%**	**Weighted payout outcome**
COMPANY SCORECARD					
Financial	**50.0%**				
Underlying Group EBIT	50%				73.61%
Group Safety	**15.0%**				
LTIFR Targets	7.5%				11.25%
Safety Leadership Survey outcomes	7.5%				11.25%
INDIVIDUAL SCORECARD					
Growth and Transformation	**20.0%**				22.50%
Operational Excellence	**15.0%**				18.24%
				% of Target	**136.85%**
Overall STI Outcome				**% of Maximum**	**91.24%**

TABLE 5.1 Explanatory Notes:

- The STI for financial objective is awarded for threshold achievement of 95% of prior year underlying EBIT with a sliding scale of outperformance up to 115% of prior year underlying EBIT for a maximum award, capped at 150% of Target.
- A Safety Gate applies to the award of the Group Safety component.
- The STI for non-financial personal objectives for achievement of maximum award is capped at 150% of Target.

5. REMUNERATION OUTCOMES (continued)

Group CEO Performance Outcomes Summary

Group EBIT	FY26 EBIT performance exceeded target and was only marginally below stretch, reflecting a strong earnings result. The Board considered this outcome a key contributor to the overall STI assessment, consistent with the performance positioning illustrated in section 5.1.
Group Safety	The Group's FY26 LTIFR improved by 24% against FY25, achieving the stretch level for that metric. This result reflects the continued focus across the Group on strengthening safety leadership, embedding consistent safety practices, improving risk identification and hazard management, and reinforcing accountability at all levels of the organisation. The sustained improvement demonstrates that safety remains a core operational priority and highlights the effectiveness of initiatives implemented to reduce workplace injuries and foster a proactive safety culture across the Group. Tragically, during the reporting period, a passenger died in an incident involving our Australian bus operations. An independent external review is underway and, as at the date of this report, remains in progress and is yet to be concluded. The Board has therefore assessed the safety component of the STI as payable on a conditional basis. The Board awaits the outcome of the safety review to make a final deliberation on the payment of the safety component of the STI. This will be disclosed in the FY27 Remuneration Report.
Growth and Transformation	During FY26, management delivered against Growth and Transformation objectives spanning execution of the Tourism Portfolio divestment and the Group's continuing readiness for its next phase of growth. For the divestment component, the Board assessed progress in selling the Tourism Portfolio on terms aligned with the Group's strategic objectives and shareholder value, including the binding sale agreements entered into in February 2026. For the growth readiness component, the Board assessed management's progress in shaping a simpler, transport-focused business post-separation, and the steps taken toward realising the benefits expected to support future organic growth. Of the assessed award under the combined objectives, 50% of recognised delivery Growth and Transformation objectives achieved during the reporting period. The remaining 50% of the assessed outcome will become payable only upon completion of the main Tourism Portfolio transaction, which is currently subject to regulatory approval and other conditions. Until completion is confirmed, the amount will be retained by the Company.
Operational Excellence	Cost savings and efficiencies were achieved, with budget outperformance and margin improvement recorded. Outcomes fell short of maximum as certain integrations and system efficiencies are still being embedded across geographies, limiting delivery of full stretch expectations.

5. REMUNERATION OUTCOMES (continued)

TABLE 5.2
STI Remuneration Payable to Executive KMP for the current reporting period – STI achieved FY26
The table shows each Executive KMP's target and maximum opportunity, the assessed outcome by measure, amounts finally awarded and amounts forfeited. Amounts awarded on a conditional basis for FY26 STI safety and divestment objectives are included in the amounts reported below.

	Opportunity		Financial – Group and Divisional Financials			Operational and Non-Financial – Group Safety			Operational and Non-Financial – Individual Objectives					
Exec KMP	Target STI $	Max STI $	Target Weight %	Achieved %	Forfeited %	Target Weight %	Achieved %	Forfeited %	Target Weight %	Achieved %	Forfeited %	Board Discre-tion %	% Target STI awarded %	STI $A awarded $
Graeme Legh	612,000	918,000	50.0%	73.610%	-	15.0%	22.500%	-	35.0%	40.743%	-	-	136.8%	837,544
Andrew Muir	295,545	433,318	50.0%	73.610%	-	15.0%	22.500%	-	35.0%	39.040%	-	-	135.1%	399,422
Donna Gauci	136,220	204,330	50.0%	64.929%	-	15.0%	7.500%	7.500%	35.0%	34.000%	1.000%	-	106.4%	144,977
Michael McGee	147,700	221,550	50.0%	60.557%	-	15.0%	18.750%	-	35.0%	28.630%	6.370%	-	107.9%	159,428
Brent Maitland	327,555	491,333	50.0%	74.444%	-	15.0%	22.500%	-	35.0%	39.500%	-	-	136.4%	446,929

TABLE 5.2 Explanatory Notes:
- '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.
- Amounts are included in the 'Achieved' column of the table for FY26 STI outcomes that have been awarded subject to conditions that if not fulfilled will result in those amounts not being paid. Where applicable to objectives of a KMP, those amounts are in connection with:
  - payment of the safety objective of the FY26 STI awards remains subject to further Board deliberation of the outcome of an external safety review that is not yet available as at the date of this report; and
  - 50% of the assessed outcome under the Growth and Transformation objective will become payable only upon completion of the main Tourism Portfolio divestment transaction.
- All values are shown in Australian Dollars for the purposes of this Remuneration Report.

LTI Outcomes
The LTI performance rights granted in FY24 consisted of potential vesting of rights after testing of two performance measure tranches: EPS CAGR annualised (50% weighting) and index TSR relative to the performance of the ASX200 Total Return Index (50% weighting).

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 (annualised) of Kelsian relative to ASX200 Total Return Index (annualised)	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 overall outcome for the FY24 LTI award is 50% of maximum.
For the FY24 Performance Rights, the EPS CAGR tranche was assessed using statutory NPATA and a 5.0% threshold. The outcome exceeded the maximum hurdle level and 100% of the EPS tranche has 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 intangibles 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.

Assessment of the index TSR tranche shows that the Kelsian TSR for the period is negative. The Compound Annual Growth Rate (CAGR) of Kelsian's share price during the three-year FY24-26 period was -26.98% compared with the CAGR of the S&P ASX200 which was 35.38%. The overarching gate of a positive shareholder return required for the TSR tranche was not achieved and consequently none of the TSR tranche for FY24 Performance Rights vested.

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 FY24 Performance Rights.

Further details on the vested awards can be found in the table in Section 8.

6. 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 FY26, the Board Chair's fee increased by 3.79% to $283,942 per annum, inclusive of superannuation. The Board Chair does not receive additional fees for Committee participation. NED base and Committee fees increased by 3.96%, including the FY26 increase in the statutory Superannuation Guarantee rate for Australian Directors or the equivalent adjustment for overseas Directors.

Committee Fees have been paid in addition to the base Board Member Fee for membership of specific Committees, excluding the Nomination Committee. Further details on the Board and Committee Fees can be found in the Table 6.2 below.

TABLE 6.1:
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. No review was undertaken in FY26.
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 6.2.
Superannuation	Compulsory superannuation guarantee contributions (SGC) are paid on the Director's fee on behalf of all eligible NEDs. 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.
Minimum Shareholding Requirement	For the Board Chair this represents 150% of the annual base Board Fee. For Non-Executive Directors this represents 100% of the annual base Board Fee.

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 total Directors' fees paid for FY26 were $1,232,231 which is less than the maximum approved pool.

TABLE 6.2
BOARD AND COMMITTEE FEES FOR NEDs IN FY26

Board/Committee	Chair[13] $	Member $
Board base fee, including superannuation, per annum.	283,942	138,458
Safety, Risk and Sustainability Committee, including superannuation, per annum.	27,628	12,135
People, Culture and Remuneration Committee, including superannuation, per annum.	27,628	12,135
Finance and Audit Committee, including superannuation, per annum.	27,628	12,135
Nomination Committee[14]	nil	nil

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

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

7. CONTRACTUAL ARRANGEMENTS AND STATUTORY REMUNERATION

TABLE 7.1
GROUP CEO AND EXECUTIVE KMP EMPLOYMENT TERMINATION CONDITIONS

Executive KMP	Role	Contract Type	Fixed Annual Remuneration 30 June 2026	Notice Period by Kelsian	Notice Period by Executive KMP
Graeme Legh	Group CEO	Permanent Ongoing	$900,000	6 Months	6 Months
Andrew Muir	Group CFO	Permanent Ongoing	$575,500	6 Months	6 Months
Other Executive KMP	-	Permanent Ongoing	-	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.

7. CONTRACTUAL ARRANGEMENTS AND STATUTORY REMUNERATION (continued)

TABLE 7.2
NED REMUNERATION FOR THE YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2026

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 [15]	Short-term Incentive	Non-Monetary Benefits	Other	Super-annuation	Long-term Benefit LSL	Perfor-mance Rights	Total
Fiona Hele	2026	253,612	-	-	-	30,433	-	-	284,045
	2025	243,943	-	-	-	28,053	-	-	271,996
Terry Dodd	2026	134,283	-	-	-	16,114	-	-	150,397
	2025	129,730	-	-	-	14,919	-	-	144,649
Diane Grady AO	2026	167,115	-	-	-	20,054	-	-	187,169
	2025	140,029	-	-	-	16,103	-	-	156,132
Jacqueline McArthur	2026	158,920	-	-	-	19,070	-	-	177,990
	2025	153,330	-	-	-	17,633	-	-	170,963
Caroline Elliott	2026	158,920	-	-	-	19,070	-	-	177,990
	2025	153,023	-	-	-	17,598	-	-	170,621
Terry Sinclair[16]	2026	117,911	-	-	-	14,149	-	-	132,060
	2025	-	-	-	-	-	-	-	-
Lance Hockridge[17]	2026	16,557	-	-	-	1,987	-	-	18,544
	2025	153,532	-	-	-	17,656	-	-	171,188
Neil Smith[18]	2026	104,036	-	-	-	-	-	-	104,036
	2025	144,467	-	-	-	-	-	-	144,467
Jeffrey Ellison AM[19]	2026	-	-	-	-	-	-	-	-
	2025	4,548	-	-	-	523	-	-	5,071

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

(16) Appointed 1 September 2025.

(17) Resigned 31 July 2025.

(18) Resigned 28 February 2026.

(19) Retired 1 July 2024.

TABLE 7.3
EXECUTIVE KMP REMUNERATION FOR THE YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2026

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

Executive Director	Year	Salary	Short-term Incentive	Non-Monetary Benefits	Other	Super-annuation	Long-term Benefit LSL	Short-term Incentive - Restricted Rights	Perfor-mance Rights[20/21]	Total
Graeme Legh	2026	868,629	418,772	-	-	31,371	15,276	418,772	411,280	2,164,100
	2025	1,076,275	420,109	1,527	-	11,023	97,330	206,919	(159,096)	1,654,087
Andrew Muir	2026	548,752	199,711	-	-	30,000	16,671	199,711	216,905	1,211,750
	2025	528,014	184,317	-	-	29,932	20,813	90,783	(41,858)	812,001
Donna[22] Gauci	2026	452,262	144,977	-	-	30,000	11,409	-	19,701	658,349
	2025	455,452	72,209	-	-	29,932	14,180	35,565	(14,078)	593,260
Michael McGee	2026	496,830	79,714	-	-	30,000	4,556	79,714	88,873	779,687
	2025	478,804	88,041	-	-	29,932	3,187	43,363	(37,197)	606,130
James (Brent) Maitland[23]	2026	655,110	288,976	14,849	-	-	-	157,953	-	1,116,888
	2025	26,952	-	76	-	-	-	-	-	27,028
Winston Toh[24/25]	2026	-	-	-	-	-	-	-	-	-
	2025	637,911	100,564	-	11,989	19,116	-	49,531	(11,148)	807,963
Clinton[26/27] Feuerherdt	2026	-	-	-	-	-	-	-	-	-
	2025	1,280,285	341,501	15,408	-	29,932	3,600	168,202	(147,980)	1,690,948

TABLE 7.3 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.
- The balance of STI finally awarded is delivered as deferred STI. For FY26, this is 50% of the final financial and non-financial award. Amounts awarded on a conditional basis are included in the amounts reported above.
- Brent Maitland commenced employment in June 2025 on terms reflecting remuneration arrangements typical for his local jurisdiction, USA. Throughout FY26, the term of variable remuneration are being transitioned to STI deferral arrangement reflecting equity deferral applicable to all Kelsian KMP (50% of STI amounts paid). As a result of that transition period, deferral of equity for Mr Maitland's STI is at 35% of amounts paid for FY26.

(20) The FY24 LTI PR grant did not fully meet the required hurdles and 50% of Performance Rights in connection with the measurement period FY24-FY26 are forfeited. As a result, the fair value previously expensed has been reversed.

(21) 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 expensed has been reversed.

(22) Donna Gauci retired 30 June 2026. As Ms Gauci is no longer an employee of Kelsian Group at the time of the proposed offer of restricted rights as part of her FY26 STI award, the Board determined that the FY26 STI payment would be settled wholly in cash.

(23) James (Brent) Maitland is remunerated in US Dollars.

(24) Winston Toh is remunerated in Singapore Dollars. Following the review of the personnel classified as KMP for FY26, the role of Managing Director Singapore ceased to be classified as KMP.

(25) 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.

(26) Clinton Feuerherdt was not classified as a KMP during FY26 after he stepped down from the role of Managing Director and Group Chief Executive Officer and transitioned into a Strategic Advisor position effective 1 April 2025.

(27) Salary earnings noted in FY25 for Mr Feuerherdt also relate to long service leave entitlements paid out as at 31 March 2025.

8. EQUITY HOLDINGS OF KMP

Options
There were no options granted, awarded/forfeited, or exercised by KMP in FY25 or FY26.

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 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 147,004 Restricted Rights issued in the 12-month period to 30 June 2026 with 75,333 of those being issued to Executive KMP.

As of 30 June 2026, 155,012 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 909,476 Performance Rights issued in the 12-month period to 30 June 2026 with 420,601 of those being issued to Executive KMP.

As of 30 June 2026, 2,607,377 Performance Rights in total remained outstanding.

There were no loans to Directors or Executive KMP during the 2026 financial year.

8. EQUITY HOLDINGS OF KMP (continued)

TABLE 8.1:
EQUITY RIGHTS HELD BY KMP FOR THE YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2026

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025 (number)	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights on issue 30 June 2026	Vesting date
Graeme Legh								
FY23 LTI Performance Rights	27/09/2022	$3.1095	52,577	-	(52,577)	-	-	31/08/2025
FY24 LTI Performance Rights	02/11/2023	$4.8080	102,525	-	-	-	102,525	31/08/2026
STI Restricted Rights	10/10/2023	$6.1273	7,273	-	-	(7,273)	-	10/10/2023
FY25 LTI Performance Rights	30/10/2024	$2.3255	178,482	-	-	-	178,482	31/08/2027
STI Restricted Rights	08/10/2024	$3.7014	42,768	-	-	(42,768)	-	08/10/2024
FY26 LTI Performance Rights	11/11/2025	$5.0373	-	205,163	-	-	205,163	31/08/2028
STI Restricted Rights	12/11/2025	$4.9995	-	41,388	-	-	41,388	12/11/2025
Total			**383,625**	**246,551**	**(52,577)**	**(50,041)**	**527,558**	
Total $				**1,240,387**				

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights on issue 30 June 2026	Vesting date
Andrew Muir								
FY23 LTI Performance Rights	27/09/2022	$3.1095	28,894	-	(28,894)	-	-	31/08/2025
FY24 LTI Performance Rights	02/11/2023	$4.1880	27,455	-	-	-	27,455	31/08/2026
STI Restricted Rights	10/10/2023	$6.1273	6,931	-	-	(6,931)	-	10/10/2023
FY25 LTI Performance Rights	30/10/2024	$2.3255	91,318	-	-	-	91,318	31/08/2027
STI Restricted Rights	08/10/2024	$3.7014	20,142	-	-	(20,142)	-	08/10/2024
FY26 LTI Performance Rights	11/11/2025	$5.0376	-	98,429	-	-	98,429	31/08/2028
STI Restricted Rights	29/09/2025	$4.9995	-	18,158	-	-	18,158	01/09/2026
Total			**174,740**	**116,587**	**(28,894)**	**(27,073)**	**235,360**	
Total $				**586,627**				

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights on issue 30 June 2026	Vesting date
Donna Gauci[28]								
FY23 LTI Performance Rights	27/09/2022	$3.1095	14,852	-	(14,852)	-	-	31/08/2025
FY24 LTI Performance Rights	02/11/2023	$4.8080	13,823	-	-	-	13,823	31/08/2026
STI Restricted Rights	10/10/2023	$6.1273	3,744	-	-	(3,744)	-	10/10/2023
FY25 LTI Performance Rights	30/10/2024	$2.3255	37,865	-	-	-	37,865	31/08/2027
STI Restricted Rights	08/10/2024	$3.7014	4,648	-	-	(4,648)	-	08/10/2024
STI Restricted Rights	29/09/2025	$4.9995	-	7,114	-	-	7,114	01/09/2026
Total			**74,932**	**7,114**	**(14,852)**	**(8,392)**	**58,802**	
Total $				**35,566**				

8. EQUITY HOLDINGS OF KMP (continued)

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025 (number)	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights on issue 30 June 2026	Vesting date
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
STI Restricted Rights	10/10/2023	$6.1273	589	-	-	(589)	-	10/10/2023
FY25 LTI Performance Rights	30/10/2024	$2.3255	48,696	-	-	-	48,696	31/08/2027
STI Restricted Rights	08/10/2024	$3.7014	8,008	-	-	-	8,008	08/10/2024
FY26 LTI Performance Rights	11/11/2025	$5.0376	-	40,083	-	-	40,083	31/08/2028
STI Restricted Rights	29/09/2025	$4.9995	-	8,673	-	-	8,673	01/09/2026
Total			**94,613**	**48,756**	(14,139)	**(589)**	**128,641**	
Total $				**245,283**				

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025 (number)	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights on issue 30 June 2026	Vesting date
James (Brent) Maitland								
FY26 LTI Performance Rights	11/11/2025	$5.0376	-	76,926	-	-	76,926	31/08/2028
Total			**-**	**76,926**	-	**-**	**76,926**	
Total $				**387,522**				

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025 (number)	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights issued to KMP as at 30 June 2025 and remaining on issue as at 30 June 2026 (number)	Vesting date
Winston Toh[29]								
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
STI Restricted Rights	10/10/2023	$6.1273	1,312	-	-	(1,312)	-	10/10/2023
FY25 LTI Performance Rights	30/10/2024	$2.3255	23,107	-	-	-	23,107	31/08/2027
STI Restricted Rights	08/10/2024	$3.7014	9,155	-	-	-	9,155	08/10/2024
Total			**45,536**	**-**	**(6,301)**	**(1,312)**	**37,923**	
Total $				**-**				

8. EQUITY HOLDINGS OF KMP (continued)

KMP	Grant date	Fair Value per right $	Rights on issue 30 June 2025 (number)	Granted (number)	Lapsed/ cancelled (number)	Vested and exercised (number)	Rights issued to KMP as at 30 June 2025 and remaining on issue as at 30 June 2026 (number)	Vesting date
Clinton Feuerherdt[30]								
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
STI Restricted Rights	23/11/2023	$6.1273	18,031	-	-	(18,031)	-	23/11/2023
FY25 LTI Performance Rights	19/11/2024	$2.4120	259,088	-	-	-	259,088	31/08/2027
STI Restricted Rights	19/11/2024	$3.7014	48,005	-	-	-	48,005	19/11/2024
Total			**538,908**	**-**	**(109,622)**	**(18,031)**	**411,255**	
Total $				**-**				

TABLE 8.1 Explanatory Notes:

- FY23 LTI Performance Rights Lapsed on 28 August 2024.
- 50% (TSR Tranche) of FY24 LTI Performance Rights to be cancelled following release of audited financial results for FY26.
- Where a person was a KMP in FY25 but is no longer a KMP for FY26 the table shows changes to their equity rights on issue whilst they were a KMP but does not include any new rights issued during FY26.
- A fair value cannot be assigned to Restricted Rights until after the applicable VWAP period prior to their issue.

(28) Retired 30 June 2026.

(29) Following the review of the personnel classified as KMP for FY26, the role of Managing Director Singapore ceased to be classified as KMP.

(30) Clinton Feuerherdt stepped down from the role of Managing Director and Group Chief Executive Officer and transitioned into a Strategic Advisor position effective 1 April 2025.

Shareholdings

TABLE 8.2:
SHAREHOLDINGS HELD BY KMP FOR THE YEARS ENDED 30 JUNE 2025 AND 30 JUNE 2026

	Balance 30 June 2025 ^	Rights exercised	Acquired / (Sold)	Balance 30 June 2026 #
Non-Executive Directors				
Fiona Hele	125,387	-	-	125,387
Terry Dodd	5,846,439	-	(39,715)	5,806,724
Diane Grady AO	35,337	-	1,426	36,763
Jacqueline McArthur	70,000	-	2,824	72,824
Caroline Elliott	10,000	-	-	10,000
Terry Sinclair	-	-	-	-
Lance Hockridge[31]	111,765	-	(96,101)	15,664
Neil Smith[32]	24,305,622	-	(1,325,194)	22,980,428
Jeffrey Ellison AM[33]	5,429,583			-
Executive KMP	-	-	-	-
Graeme Legh[34]	415,974	42,768	(1,306)	457,436
Andrew Muir	217,855	20,142	-	237,997
Donna Gauci[35]	70,184	4,648	465	75,297
Michael McGee	589	-	23	612
James (Brent) Maitland	93,000	-	-	93,000
Winston Toh[36]	37,348	-	-	-
Clinton Feuerherdt[37]	6,352,997	-	-	-
TOTAL	**43,122,080**	**67,558**	**(1,457,578)**	**29,912,132**

^ The balance reflects the number of shares held as of 1 July 2025.
# The balance reflects the number of shares held as of 30 June 2026.

(31) Resigned 31 July 2025.

(32) Retired 28 February 2026.

(33) Retired 1 July 2024. This was the balance as at the end of 30 June 2025 while KMP.

(34) 11,178 shares sold on conversion for remittance of tax payable on conversion in relevant foreign jurisdiction.

(35) Retired 30 June 2026.

(36) Following the review of the personnel classified as KMP for FY26, the role of Managing Director Singapore ceased to be classified as KMP. This was the balance as at the end of 30 June 2025 while KMP.

(37) Clinton Feuerherdt stepped down from the role of Managing Director and Group Chief Executive Officer and transitioned into a Strategic Advisor position effective 1 April 2025. This was the balance as at the end of 30 June 2025 while KMP.

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

____
Jacqueline McArthur
Chair, People, Culture and Remuneration Committee
Kelsian Group Limited
Date: 26 August 2026

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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 and for the review of the selective sustainability information in the sustainability report for the financial year ended 30 June 2026, 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 and review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

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 2026

General information

The financial statements cover Kelsian Group Limited as the consolidated entity (referred to hereafter as 'Group' or 'Kelsian') 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's functional and presentation currency.

Kelsian 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 2026. The Directors have the power to amend and reissue the financial statements.

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue from contracts with customers	4	2,402,713	2,208,909
Other income	5	17,248	15,965
Interest income		4,111	4,209
Expenses			
Direct operating expenses:			
Direct wages		(1,237,068)	(1,138,521)
Repairs and maintenance		(164,128)	(149,413)
Fuel		(180,245)	(168,371)
Subcontractor services		(32,318)	(36,547)
Commission		(14,044)	(12,708)
Meals and beverage		(18,990)	(18,163)
Tour costs		(10,718)	(12,007)
Depreciation		(92,244)	(89,933)
Depreciation - ROUA		(34,813)	(25,833)
Other direct expenses		(152,311)	(125,178)
Administration expenses:			
Indirect wages		(174,725)	(166,764)
General and administration		(106,730)	(106,319)
Marketing		(11,342)	(8,559)
Financing charges		(62,097)	(63,986)
Amortisation		(33,046)	(33,202)
Acquisition and transaction costs		(19,358)	(5,148)
Total expenses		(2,344,177)	(2,160,652)
Profit before income tax expense		79,895	68,431
Income tax expense	6	(16,370)	(13,937)
Profit after income tax expense from continuing operations		63,525	54,494
Profit after income tax expense for the year attributable to the owners of Kelsian Group Limited		63,525	54,494
		Cents	Cents
Earnings per share for profit attributable to the owners of Kelsian Group Limited			
Basic earnings per share	40	23.4	20.1
Diluted earnings per share	40	23.2	20.0

The above statement of profit or loss should be read in conjunction with the accompanying notes

	Consolidated	
	2026	2025
	$'000	$'000
Profit after income tax expense for the year attributable to the owners of Kelsian Group Limited	63,525	54,494
Other comprehensive (loss)/profit		
Items that may be reclassified subsequently to profit or loss		
Net change in the fair value of cash flow hedges taken to equity, net of tax	5,232	(5,206)
Foreign currency translation of foreign operations, net of tax	(30,033)	21,214
Other comprehensive (loss)/profit for the year, net of tax	(24,801)	16,008
Total comprehensive income for the year attributable to the owners of Kelsian Group Limited	38,724	70,502

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	7	176,330	182,784
Trade and other receivables	8	256,938	232,869
Inventories	9	35,134	34,340
Derivative financial assets		157	-
Current tax asset		76	-
Other assets	10	34,206	30,266
		502,841	480,259
Non-current assets classified as held for sale	11	5,751	-
Total current assets		508,592	480,259
Non-current assets			
Property, plant and equipment	12	890,166	876,185
Right-of-use assets	13	178,960	170,863
Intangibles	14	915,493	958,863
Other assets	10	13,891	13,303
Total non-current assets		1,998,510	2,019,214
Total assets		2,507,102	2,499,473
Liabilities			
Current liabilities			
Trade and other payables	15	88,153	95,576
Contract liabilities	16	15,137	15,576
Borrowings - ringfenced finance facilities	18	9,838	10,232
Lease liabilities	19	42,313	22,925
Derivative financial liabilities	20	262	2,149
Current tax liabilities		-	3,158
Employee benefits	21	127,731	120,981
Provisions	22	46,763	49,291
Other liabilities	23	112,655	90,643
Total current liabilities		442,852	410,531
Non-current liabilities			
Borrowings	17	801,903	806,321
Borrowings - ringfenced finance facilities	18	68,873	78,718
Lease liabilities	19	132,694	143,712
Derivative financial liabilities	20	277	5,707
Deferred tax liabilities	6	87,412	83,115
Employee benefits	21	9,025	7,871
Provisions	22	10,341	4,608
Other liabilities	23	1,111	975
Total non-current liabilities		1,111,636	1,131,027
Total liabilities		1,554,488	1,541,558

The above statement of financial position should be read in conjunction with the accompanying notes

		Consolidated	
	Note	2026 $'000	2025 $'000
Net assets		952,614	957,915
Equity			
Issued capital	24	860,118	859,620
Reserves	25	12,055	33,855
Retained profits		80,438	64,437
Equity attributable to the owners of Kelsian Group Limited		952,611	957,912
Non-controlling interest	26	3	3
Total equity		952,614	957,915

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 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 for the year, net of tax	-	16,008	-	-	16,008
Total comprehensive income for the year	-	16,008	54,494	-	70,502
Transactions with owners in their capacity as owners:					
Share-based payments - non cash (note 41)	-	1,098	-	-	1,098
Employee rights converted (note 41)	25	(178)	-	-	(153)
Dividend reinvestment plan	6,416	-	-	-	6,416
Dividends paid (note 27)	-	-	(47,321)	-	(47,321)
Balance at 30 June 2025	859,620	33,855	64,437	3	957,915

Consolidated	Issued capital $'000	Reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2025	859,620	33,855	64,437	3	957,915
Profit after income tax expense for the year	-	-	63,525	-	63,525
Other comprehensive loss for the year, net of tax	-	(24,801)	-	-	(24,801)
Total comprehensive (loss)/profit for the year	-	(24,801)	63,525	-	38,724
Transactions with owners in their capacity as owners:					
Share-based payments - non cash (note 41)	-	3,001	-	-	3,001
Dividend reinvestment plan	498	-	-	-	498
Dividends paid (note 27)	-	-	(47,524)	-	(47,524)
Balance at 30 June 2026	860,118	12,055	80,438	3	952,614

		Consolidated	
	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers		2,372,345	2,224,754
Payments to suppliers and employees (inclusive of net GST)		(2,097,019)	(1,953,565)
Interest received		4,111	4,209
Other income		15,710	14,581
Interest and other finance costs paid		(62,097)	(63,985)
Income taxes paid		(12,988)	(20,822)
Net cash from operating activities	39	220,062	205,172
Cash flows from investing activities			
Payments for purchase of business, net of cash acquired	34	(3,594)	(2,957)
Payments for property, plant and equipment	12	(130,164)	(164,502)
Payments for intangibles	14	(10,844)	(578)
Proceeds from disposal of property, plant and equipment		7,954	27,566
Net cash used in investing activities		(136,648)	(140,471)
Cash flows from financing activities			
Drawdown of facilities		5,720	57,548
Payments for leases		(31,930)	(24,453)
(Repayment)/drawdown of special purpose vehicle financing		(14,816)	(11,725)
Dividends paid	27	(47,026)	(40,905)
Net cash used in financing activities		(88,052)	(19,535)
Net (decrease)/increase in cash and cash equivalents		(4,638)	45,166
Cash and cash equivalents at the beginning of the financial year		182,784	134,470
Effects of exchange rate changes on cash and cash equivalents		(1,816)	3,148
Cash and cash equivalents at the end of the financial year	7	176,330	182,784

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 2026, the Consolidated Statement of Financial Position reflected net current assets of $65,740,000 (2025: $69,728,000).

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 33.

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 2026 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.

Note 1. Material accounting policy information (continued)

Revenue recognition
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.

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

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.

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.

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. These are held with the purpose of meeting short term cash commitments.

Note 1. Material accounting policy information (continued)

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 Group 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.

Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

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 cash flow 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 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.

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.

Note 1. Material accounting policy information (continued)

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

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 Group 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.

Brands and trademarks
Significant costs associated with brands 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.

Brands acquired in a business combination are not amortised on the basis that it has an indefinite life. Management considers that the useful life of brands is indefinite because there is no foreseeable limit to the cash flows this asset can generate. This is reassessed every year. Instead, it 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.

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.

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.

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.

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

Trade and other payables 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. 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.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, 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.

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.

Sustainability-related disclosures
The operations of the Group are exposed to climate-related risks and opportunities. Judgement has been exercised in considering the impacts that climate-related risks and opportunities have had, or may have, on the Group based on known information. The Group discloses estimates of the anticipated financial effects of these risks and opportunities in the sustainability report, which is not part of the financial statements. Other than as addressed in the sustainability report, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of climate-related risks and opportunities.

Carrying value of property, plant and 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.

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 2026 (refer note 14).

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.

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

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.

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.

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 underlying 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.

Note 3. Operating segments (continued)

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 2026, approximately 62.8% (2025: 64.5%) of the Group's external revenue was derived from sales to governments.

Operating segment information

Consolidated - 2026	Marine and Tourism $'000	Australian Bus $'000	International Bus $'000	Corporate $'000	Total $'000
Revenue					
Sales to external customers	391,392	1,201,613	809,708	-	2,402,713
Interest received	29	260	619	3,203	4,111
Total revenue	391,421	1,201,873	810,327	3,203	2,406,824
Underlying EBITDA	75,591	134,425	144,974	(39,198)	315,792
Depreciation	(18,768)	(26,702)	(45,728)	(1,046)	(92,244)
Depreciation ROUA	(1,907)	(11,898)	(20,404)	(604)	(34,813)
Amortisation of customer contracts	(1,005)	(15,470)	(16,571)	-	(33,046)
Net finance costs	(606)	(8,978)	(16,835)	(31,567)	(57,986)
Acquisition and transaction expenses	-	-	(336)	(19,022)	(19,358)
Net foreign exchange gain	-	-	-	1,550	1,550
Profit/(loss) before income tax expense	53,305	71,377	45,100	(89,887)	79,895
Income tax expense					(16,370)
Profit after income tax expense					63,525
Material items include:					
Direct labour	(130,294)	(732,862)	(373,912)	-	(1,237,068)
Assets					
Segment assets	413,931	901,269	1,097,909	93,993	2,507,102
Total assets					2,507,102
Liabilities					
Segment liabilities	74,005	314,646	237,352	841,073	1,467,076
Unallocated liabilities:					
Deferred tax liability					87,412
Total liabilities					1,554,488

Note 3. Operating segments (continued)

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
Underlying 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 expenses	-	(22)	(748)	(4,378)	(5,148)
Net foreign exchange 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
Material items include:					
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
Unallocated liabilities:					
Deferred tax liability					83,115
Total liabilities					1,541,558

Geographical information

	Sales to external customers		Geographical non-current assets	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Australia	1,593,006	1,519,386	1,140,929	1,191,145
Singapore	245,483	229,976	131,605	139,562
United Kingdom	47,067	42,864	89,057	80,408
United States of America	517,157	416,683	636,919	608,099
	2,402,713	2,208,909	1,998,510	2,019,214

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	
	2026 $'000	2025 $'000
Goods transferred at a point in time	528,323	522,786
Services rendered over time	1,874,390	1,686,123
Revenue from contracts with customers	2,402,713	2,208,909

Note 5. Other income

	Consolidated 2026 $'000	Consolidated 2025 $'000
Net foreign exchange gain/(loss)	1,441	(926)
Gain on disposal of property, plant and equipment	1,538	1,384
Other income	14,269	15,507
Other income	17,248	15,965

Other income earned includes grants, rebates and other sundry items.

Note 6. Income tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
Income tax expense		
Current tax	13,343	26,018
Deferred tax - origination and reversal of temporary differences	4,306	(10,945)
Adjustment recognised for prior periods	(1,279)	(1,136)
Aggregate income tax expense	16,370	13,937
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	4,306	(10,945)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	79,895	68,431
Tax at the statutory tax rate of 30%	23,969	20,529
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based expenses	900	276
Non-taxable income	(5,113)	(4,949)
Tax effect of other non-assessable foreign expenses	(22)	(193)
Other (non-assessable income)/non-deductible expenses	3,335	2,863
	23,069	18,526
Difference in overseas tax rates	(4,922)	(2,287)
Adjustment recognised for prior periods	(1,279)	(1,136)
Tax loss de-recognition/(recognition)	354	530
Adjustment recognised for prior periods - deferred tax	(770)	3,131
Other	(82)	(4,827)
Income tax expense	16,370	13,937

	Consolidated 2026 $'000	Consolidated 2025 $'000
Amounts credited directly to equity		
Deferred tax assets	(1,699)	(988)

Note 6. Income tax (continued)

	Consolidated	
	2026	2025
	$'000	$'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	2,425	1,342
Allowance for expected credit losses	129	144
Employee benefits	41,734	41,102
Leases	18,330	27,427
Provisions	3,213	3,410
Property, plant and equipment	(106,939)	(106,397)
Customer contracts and other intangible assets	(46,785)	(56,020)
Other	367	3,520
	(87,526)	(85,472)
Amounts recognised in equity:		
Derivative financial instruments	114	2,357
Deferred tax liability	(87,412)	(83,115)
Movements:		
Opening balance	(83,115)	(93,929)
Credited/(charged) to profit or loss	(4,306)	10,945
Credited to equity	1,699	988
Additions through business combinations (note 34)	(1,690)	(1,119)
Closing balance	(87,412)	(83,115)

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. The Group applies the temporary mandatory exemption from recognising or disclosing deferred tax in relation to Pillar two taxes.

Note 7. Cash and cash equivalents

	Consolidated	
	2026	2025
	$'000	$'000
Current assets		
Cash on hand	341	1,599
Cash at bank	175,989	174,429
Cash on deposit	-	6,756
	176,330	182,784

Note 8. Trade and other receivables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Trade receivables	225,867	200,296
Less: Allowance for expected credit losses	(524)	(569)
	225,343	199,727
Other receivables	31,595	33,142
	256,938	232,869

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	
	2026	2025	2026	2025	2026	2025
Consolidated	%	%	$'000	$'000	$'000	$'000
Not overdue	-	-	220,532	208,113	-	-
0 to 1 month overdue	-	-	22,585	17,905	-	-
1 to 2 months overdue	-	-	6,416	4,300	-	-
2 to 3 months overdue	0.59%	7.51%	5,921	1,985	35	149
Over 3 months overdue	24.35%	37.02%	2,008	1,135	489	420
			257,462	233,438	524	569

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Opening balance	569	903
Additional provisions recognised	35	213
Exchange differences	(17)	-
Receivables written off during the year as uncollectable	(56)	(547)
Unused amounts reversed	(7)	-
Closing balance	524	569

Note 9. Inventories

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Goods held for resale - at cost	6,176	5,346
Less: Provision for impairment	(31)	(31)
	6,145	5,315
Fuel at cost	5,092	3,884
Spare parts at cost	26,981	27,487
Less: Provision for impairment	(3,084)	(2,346)
	35,134	34,340

Note 10. Other assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Prepayments	30,157	25,243
Deferred expenses	229	1,380
Other deposits	1,528	1,275
Deferred consideration receivable	1,542	1,618
Other current assets	750	750
	34,206	30,266
Non-current assets		
Prepayments	2,450	2,233
Deferred consideration receivable	8,628	11,070
Contract assets	2,813	-
	13,891	13,303
	48,097	43,569

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 six years and is shown at present value converted to Australian dollars.

Note 11. Non-current assets classified as held for sale

	Consolidated 2026 $'000	Consolidated 2025 $'000
Vessel	5,751	-

A vessel with net book value of $5,751,000 currently operating on services to Kangaroo Island in South Australia has been reclassified as held for sale (refer note 12).

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Note 12. Property, plant and equipment

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Land and buildings - at cost	152,680	155,243
Less: Accumulated depreciation	(12,660)	(11,654)
	140,020	143,589
Leasehold improvements - at cost	22,663	18,078
Less: Accumulated depreciation	(12,598)	(9,142)
	10,065	8,936
Plant and equipment - at cost	77,523	71,642
Less: Accumulated depreciation	(46,945)	(40,869)
	30,578	30,773
Motor vehicles - at cost	702,260	640,253
Less: Accumulated depreciation	(232,493)	(179,140)
	469,767	461,113
Vessels - at cost	259,776	255,557
Less: Accumulated depreciation	(115,135)	(104,533)
Less: Accumulated impairment	(2,086)	(2,086)
	142,555	148,938
Capital works in progress - at cost	97,181	82,836
	890,166	876,185

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 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 34)	-	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
Additions	117	1,678	8,660	81,797	476	37,828	130,556
Additions through business combinations (note 34)	-	81	286	1,082	-	-	1,449
Classified as held for sale (note 11)	-	-	-	-	(5,751)	-	(5,751)
Disposals	(1,475)	(40)	(458)	(4,016)	(161)	(11)	(6,161)
Exchange differences	(3,189)	(271)	(410)	(9,273)	-	(35)	(13,178)
Transfers in/(out)	2,808	3,003	1,142	4,451	11,641	(23,437)	(392)
Depreciation expense	(1,830)	(3,322)	(9,415)	(65,387)	(12,588)	-	(92,542)
Balance at 30 June 2026	140,020	10,065	30,578	469,767	142,555	97,181	890,166

At 30 June 2026, 2 vessels were under construction and 54 conventional buses (US), 1 conventional bus (UK and Singapore) and a further 39 conventional buses are on order under contract for delivery in FY27.

Note 12. Property, plant and equipment (continued)

At 30 June 2025, 4 vessels are 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.

Refer to note 17 for further information on assets pledged as security for financing arrangements.

Note 13. Right-of-use assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Land and buildings - right-of-use	171,471	142,849
Less: Accumulated depreciation	(61,573)	(40,586)
	109,898	102,263
Motor vehicles - right-of-use	93,527	89,358
Less: Accumulated depreciation	(24,465)	(20,758)
	69,062	68,600
	178,960	170,863

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 2024	141,064	46,645	187,709
Additions	20,864	28,919	49,783
Additions through business combinations (note 34)	-	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
Additions	30,896	32,642	63,538
Additions through business combinations (note 34)	564	3,648	4,212
Disposals	(482)	(19,680)	(20,162)
Revaluation increments	34	-	34
Exchange differences	(3,147)	(1,566)	(4,713)
Transfers in/(out)	-	-	-
Depreciation expense	(20,230)	(14,582)	(34,812)
Balance at 30 June 2026	109,898	69,062	178,960

Current year acquired rights included $30,000,000 relating to coaches and $26,000,000 for property leases for All Aboard America!. Prior 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

Right of use assets relinquished by the Group included $20,000,000 transferred to Transport for NSW in Region 6. In the prior year, 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.

For other AASB 16 lease disclosures refer to:
- note 19 for lease liabilities at the reporting date;
- note 28 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Goodwill - at cost	717,187	733,485
Less: Accumulated impairment	(7,983)	(7,983)
	709,204	725,502
Brands and trademarks - at cost	49,585	51,882
Customer contracts - at cost	171,915	176,962
Less: Accumulated amortisation	(136,430)	(127,902)
	35,485	49,060
Software - at cost	1,180	1,164
Less: Accumulated amortisation	(395)	(264)
	785	900
Other intangible assets - at cost	34,231	24,744
Less: Accumulated amortisation	(14,486)	(13,395)
	19,745	11,349
Customer relationships - at cost	147,990	154,165
Less: Accumulated amortisation	(47,301)	(33,995)
	100,689	120,170
	915,493	958,863

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 2024	713,488	51,329	61,538	913	12,778	133,338	973,384
Additions	-	-	-	95	123	-	218
Additions through business combinations (note 34)	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
Additions	-	-	-	16	10,828	-	10,844
Additions through business combinations (note 34)	730	-	2,920	-	-	-	3,650
Exchange differences	(17,028)	(2,297)	(494)	-	(271)	(4,728)	(24,818)
Amortisation expense	-	-	(16,001)	(131)	(2,161)	(14,753)	(33,046)
Balance at 30 June 2026	709,204	49,585	35,485	785	19,745	100,689	915,493

There was no impairment of assets made in 2026 (2025: $Nil). See commentary below.

Note 14. Intangibles (continued)

Impairment Testing
Goodwill and brands acquired through business combinations have been allocated to the following cash-generating units (CGUs):

	Brands 2026 '000	Brands 2025 '000	Goodwill 2026 '000	Goodwill 2025 '000
All Aboard America! Holdings - USA	47,169	49,466	194,076	203,531
Transit - WA & NT	-	-	162,030	162,030
Tower Transit - Singapore	-	-	112,308	119,771
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 - UK	-	-	1,606	986
	49,585	51,882	709,204	725,502

The recoverable amount of the Group's goodwill has been determined by value-in-use calculations using a discounted cash flow model. The cash flow 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, Australia and International Public Bus CGUs (2025: 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 Group'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 2026	12.4%	10.8%	7.1%-10.4%
Discount rate used in impairment calculations for 2025	11.8%	10.7%	7.8%-11.5%

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

Marine and Tourism CGUs
Marine and Tourism CGUs have had growth rates applied of 3.0% (2025: 3.0%), this is based on historical experience and current operating trends within these CGUs.

Australian Bus CGUs
Contracted increases in revenue – all CGUs within the Australian Bus Segment have had contracted revenue grow by at least 1.5% (2025: 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 CGUs
International CGUs have had growth rates applied of 1.5% (2025: 1.5%), this is based on historical experience and current operating trends within these CGUs.

Note 14. Intangibles (continued)

Sensitivity
As disclosed in note 2, management has 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 has 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 CGUs (2025: $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 CGUs 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 $2,700,000 in customer contract intangible was recognised as well as $900,000 in relation to the new school bus contracts acquired in WA.

During the period the Group recorded amortisation of $33,046,000 (2025: $33,202,000) associated with customer contracts and permits with an associated reduction in the Deferred Tax Liability of $9,913,800 (2025: $9,946,800).

Note 15. Trade and other payables

	Consolidated	
	2026	2025
	$'000	$'000
Current liabilities		
Trade payables	49,903	48,637
BAS payable	13,742	16,038
Other payables	24,508	30,901
	88,153	95,576

Refer to note 28 for further information on financial instruments.

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

Note 16. Contract liabilities

	Consolidated	
	2026	2025
	$'000	$'000
Current liabilities		
Contract liabilities	15,137	15,576

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

Opening balance	15,576	14,288
Deferred during the year	131,859	148,959
Recognised during the year	(132,298)	(147,671)
Closing balance	15,137	15,576

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 $6,506,374,000 as at 30 June 2026 ($7,109,971,000 as at 30 June 2025) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2026	2025
	$'000	$'000
Within one year	1,778,698	1,719,752
More than one year	4,727,676	5,390,219
	6,506,374	7,109,971

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

Note 17. Borrowings

	Consolidated	
	2026	2025
	$'000	$'000
Non-current liabilities		
Commercial bills payable	801,903	806,321

Refer to note 28 for further information on financial instruments.

Total unsecured liabilities
Total facilities available decreased by $10,000,000 (2025: decreased $126,800,000) during the year releasing excess secured revolving credit not required. Total available facilities as at June 2026 were $970,660,000 (2025: $997,300,000) and is combined with letter of credit facilities of $180,000,000 (2025: $180,000,000).

Interest bearing loans and borrowings have a fair value and carrying value of $801,903,000 (2025: $806,321,000). During the year $5,720,000 funds (2025: $66,400,000) 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 $630,000,000 (2025: AUD $640,000,000) 3, 4 and 5 year revolving credit facilities;
- Facility B: an unsecured USD facility with a limit of USD $234,000,000 (2025: USD $234,000,000) 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 (2025: $180,000,000) 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 17. Borrowings (continued)

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

	Consolidated	
	2026 $'000	2025 $'000
Total facilities		
Facility A - multi currency revolving credit	630,000	640,000
Facility B - USD revolving credit	340,661	357,252
Facility C - revolving letter of credit	180,000	180,000
	1,150,661	1,177,252
Used at the reporting date		
Facility A - multi currency revolving credit	601,000	588,000
Facility B - USD revolving credit	200,903	218,321
Facility C - revolving letter of credit	129,907	119,919
	931,810	926,240
Unused at the reporting date		
Facility A - multi currency revolving credit	29,000	52,000
Facility B - USD revolving credit	139,758	138,931
Facility C - revolving letter of credit	50,093	60,081
	218,851	251,012

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) $601,000,000 (2025: $588,000,000) had an average rate of 5.75% (2025: 5.22%) and Facility B (USD) $138,000,000 (2025: $143,000,000) had an average rate of 4.88% (2025: 5.75%) with the weighted average rate for combined facilities A and B (AUD and USD) 5.31% (2025: 5.36%). All current facilities are at floating rates. Committed financing facilities A and B total $970,661,000 (2025: $997,252,000) and were available to the Group at the end of the financial year. As at that date, $801,903,000 (2025: $806,321,000) of these facilities were in use.

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

Financing cash flows
During the period $5,720,000 (2025: $66,400,000) of borrowings were drawn down together with $9,988,000 increase (2025: $8,700,000 increase) in letters of credit drawn, the latter having no cash flow 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 $129,907,000 (2025: $119,919,000), the net increase relates to indexation of existing guarantees on the anniversary of the contract and increases required by actuarial assessment in relation to self insured workers compensation.

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 Group will have difficulty complying with these covenants.

Note 18. 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 18. Borrowings - ringfenced finance facilities (continued)

Government backed contracted assets with a vehicle termination payment obligation not in a ring-fenced finance facility total $32,260,000 as at 30 June 2026 (30 June 2025: $36,200,000). Excluding this contractual commitment, leverage (net debt to EBITDA) reduces to 2.37 times (30 June 2025: 2.56 times).

	Consolidated	
	2026 $'000	2025 $'000
Current liabilities		
Borrowings - ringfenced finance facilities	9,838	10,232
Non-current liabilities		
Borrowings - ringfenced finance facilities	68,873	78,718
	78,711	88,950

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 $78,711,000 (30 June 2025: $88,950,000) and had an average rate of 5.48% (30 June 2025: 5.48%).

During the period $Nil,000 (2025: $Nil) of borrowings were drawn.

Note 19. Lease liabilities

	Consolidated	
	2026 $'000	2025 $'000
Opening balance	166,637	179,124
Additions	61,031	43,867
Additions through business combinations (note 34)	4,212	1,847
Exchange differences	(3,936)	1,389
Lease payments (principal)	(41,567)	(31,624)
Lease related interest	9,637	7,170
Lease relinquishment (non-cash)	(21,028)	(35,136)
Lease remeasurement	19	-
Transfers	2	-
	175,007	166,637

Short term lease payments of $4,036,000 were made during the period (2025: $1,032,000).

Note 20. Derivative financial liabilities

	Consolidated	
	2026 $'000	2025 $'000
Current liabilities		
Interest rate swap contracts - cash flow hedges	-	2,008
Fuel price swap contracts - cash flow hedges	262	141
	262	2,149
Non-current liabilities		
Interest rate swap contracts - cash flow hedges	277	5,707
	539	7,856

Refer to note 28 for further information on financial instruments.

Note 21. Employee benefits

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Annual leave	77,659	71,818
Long service leave	48,540	47,918
Sick leave	324	346
Employee benefits	1,208	899
	127,731	120,981
Non-current liabilities		
Long service leave	9,025	7,871
	136,756	128,852

Note 22. Provisions

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Deferred consideration	26,913	29,294
Other provisions	19,850	19,997
	46,763	49,291
Non-current liabilities		
Other provisions	10,341	4,608
	57,104	53,899

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

Consolidated - 2026	Motor claims $'000	Deferred consideration $'000	Other $'000	Workers compensation $'000	Total $'000
Carrying amount at the start of the year	12,645	29,294	341	11,619	53,899
Additional provisions recognised	7,006	-	-	3,020	10,026
Additions through business combinations (note 34)	-	-	59	-	59
Amounts used	(2,528)	-	-	-	(2,528)
Payments	(103)	-	-	(1,043)	(1,146)
Exchange differences	(414)	(2,381)	(232)	(179)	(3,206)
Carrying amount at the end of the year	16,606	26,913	168	13,417	57,104

Note 23. Other liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Deferred consideration	712	497
Accrued expenses	103,009	77,371
Deferred revenue	3,164	7,288
Revenue received in advance	3,975	3,746
Other current liabilities	1,795	1,741
	112,655	90,643
Non-current liabilities		
Deferred consideration	1,111	964
Subsidies and grants received in advance	-	11
	1,111	975
	113,766	91,618

Note 24. Issued capital

	Consolidated 2026 Shares	Consolidated 2025 Shares	Consolidated 2026 $'000	Consolidated 2025 $'000
Ordinary shares - fully paid	271,656,692	271,542,854	860,118	859,620

Movements in ordinary share capital

Details	Date	Shares		$'000
Balance	1 July 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
Dividend reinvestment	22 October 2025	52,052	$4.93	258
Dividend reinvestment	20 April 2026	61,786	$3.87	240
Balance	30 June 2026	271,656,692		860,118

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 24. 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 2025.

The gearing ratio at the reporting date was as follows:

	Consolidated	
	2026 $'000	2025 $'000
Current liabilities - trade and other payables (note 15)	88,153	95,576
Non-current liabilities - borrowings (note 17)	801,903	806,321
Total borrowings	890,056	901,897
Current assets - cash and cash equivalents (note 7)	(176,330)	(182,784)
Net debt	713,726	719,113
Total equity	952,614	957,915
Total capital	1,666,340	1,677,028
Gearing ratio	43%	43%

Note 25. 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 25. 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 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
Revaluation - gross	-	7,474	-	7,474
Deferred tax	-	(2,242)	-	(2,242)
Share based payment expense	3,001	-	-	3,001
Foreign currency translation	-	-	(30,033)	(30,033)
Balance at 30 June 2026	5,434	(267)	6,888	12,055

Note 26. Non-controlling interest

The non-controlling interest $3,000 (30 June 2025: $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 27. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Interim fully franked dividend for the year ended 30 June 2026 paid 20 April 2026 of 8.0 cents (2025: 8.0 cents) per ordinary share	21,727	21,691
Final fully franked dividend for the year ended 30 June 2025 paid 21 October 2025 of 9.5 cents (2024: 9.5 cents) per ordinary share	25,797	25,630
	47,524	47,321

Participation in the Dividend Reinvestment Plan (DRP) is offered to shareholders in Australia, New Zealand, the United Kingdom, Jersey, Canada and Qualified Institutional Buyers in the United States. Refer to the current Eligibility Notice to be released on same date as this report including minor changes for USA shareholders reflecting regulatory changes in the USA. 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 18 September 2026 with no discount. The DRP election date for determining participation is 16 September 2026.

The non-cash dividend reinvestment component of the dividend paid was $498,000 (FY25: $6,416,000).

Franking credits

	Consolidated 2026 $'000	Consolidated 2025 $'000
Franking credits available at the reporting date based on a tax rate of 30%	103,057	111,214
Franking credits available for subsequent financial years based on a tax rate of 30%	103,057	111,214

Note 28. 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 Group 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.

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

	Assets		Liabilities	
	2026	2025	2026	2025
Consolidated	$'000	$'000	$'000	$'000
US dollars	202,173	218,753	200,903	218,321
Pound Sterling	1,928	2,096	26,913	29,294
Singapore dollars	1	612	-	-
	204,102	221,461	227,816	247,615

The Group had net current liabilities denominated in foreign currencies of $23,714,000 (assets of $204,102,000 less liabilities of $227,816,000) as at 30 June 2026 (2025: net current liabilities of $26,154,000, assets of $221,461,000 less liabilities of $247,615,000). Based on this exposure, had the Australian dollar weakened by 5%/strengthened by 5% (2025: 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 $1,345,000 higher/lower (2025: $1,500,000 lower/higher) and equity would have been $941,500 higher/lower (2025: $1,000,000 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 gain for the year ended 30 June 2026 was a non-cash unrealised gain of $1,441,000 (2025: loss of $926,000). 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 Group 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 28. Financial instruments (continued)

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

	2026		2025	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Consolidated	%	$'000	%	$'000
Commercial bills - floating	5.31%	801,903	5.36%	806,321
Ringfenced finance facilities	5.48%	78,711	5.48%	88,950
Interest rate swap contracts - cash flow hedges	4.25%	(399,056)	3.22%	(406,342)
Net exposure to cash flow interest rate risk		481,558		488,929

The Group has entered into interest rate swap contracts of $399,056,000 (2025: $406,342,000) that effectively hedges approximately 46% (2025: 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 $801,903,000 (2025: $806,321,000) are interest only payment loans. Monthly cash outlays of approximately $3,550,000 (2025: $3,400,000) per month are required to service the interest payments. An official increase in interest rates of 0.5% and decrease of 1% (2025: increase of 0.5% and decrease of 1.0%) basis points would have an adverse effect on profit before tax of $4,009,000 and positive effect of $8,019,000 respectively (2025: adverse effect on profit before tax $4,000,000 and positive effect of $8,000,000 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 (2025: nil).

For the ringfenced facilities of $78,711,000 (2025: $88,950,000) repayments are principal and interest. Monthly cash outlays of approximately $1,186,000 per month (2025: $1,245,000) are required to service the repayments. An official increase in interest rates of 0.5% and decrease of 1% (2025: increase of 0.5% and decrease of 1.0%) basis points would have an adverse effect on profit before tax of $393,000 and positive effect of $787,000 respectively (2025: adverse effect on profit before tax of $71,000 and positive effect of $142,000 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 $13,446,000 (2025: $14,200,000).

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 Safety, 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 Group 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 28. 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:

	Consolidated	
	2026 $'000	2025 $'000
Facility A - multi currency revolving credit	29,000	52,000
Facility B - USD revolving credit	139,758	138,931
Facility C - revolving letter of credit	50,093	60,081
	218,851	251,012

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of 3 years with an evergreen option to extend the term of the facility (2025: 1.7 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.

Consolidated - 2026	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					
Non-interest bearing					
Trade payables		49,903	-	-	49,903
Other payables		24,508	-	-	24,508
BAS payables		13,742	-	-	13,742
Financial guarantee contracts (on demand)		129,907	-	-	129,907
Insurance bonds (on demand)		47,900	-	-	47,900
Interest-bearing variable					
Commercial bills	5.31%	44,532	980,031	-	1,024,563
Ringfenced finance facility	5.48%	14,236	73,006	-	87,242
Interest-bearing - fixed rate					
Hire purchase	2.66%	3,733	6,082	2,442	12,257
Lease liability	6.32%	41,082	118,399	30,791	190,272
Total non-derivatives		369,543	1,177,518	33,233	1,580,294

Note 28. Financial instruments (continued)

Consolidated - 2025	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					
Non-interest bearing					
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
Interest-bearing variable					
Commercial bills	5.36%	43,247	836,876	-	880,123
Ringfenced finance facility	5.48%	14,945	77,004	10,245	102,194
Interest-bearing - fixed rate					
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

Details about the financial guarantee contracts are provided in note 17. 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 28. 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:

	2026		2025	
Consolidated	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Assets				
Cash on hand	341	341	1,599	1,599
Cash at bank	175,989	175,989	174,429	174,429
Cash on deposit	-	-	6,756	6,756
	176,330	176,330	182,784	182,784
Liabilities				
Commercial bills	801,903	801,903	806,321	806,321
Ringfenced finance facilities	78,711	78,711	88,950	88,950
	880,614	880,614	895,271	895,271

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 29. Key management personnel disclosures

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

Directors

Fiona Hele	Non-Executive Director and Chair	
Terry Dodd	Non-Executive Director	
Diane Grady AO	Non-Executive Director	
Jacqueline McArthur	Non-Executive Director	
Caroline Elliott	Non-Executive Director	
Terry Sinclair	Non-Executive Director	Appointed 1 September 2025
Neil Smith	Non-Executive Director	Resigned 28 February 2026
Lance Hockridge	Non-Executive Director	Resigned 31 July 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

Andrew Muir	Group Chief Financial Officer and Joint Kelsian Secretary
Graeme Legh	Group Chief Executive Officer
Donna Gauci	Chief Executive Officer - SeaLink Marine and Tourism (retired 30 June 2026)
Michael McGee	Chief Executive Officer - Transit Systems
James (Brent) Maitland	Chief Executive Officer - AAAHI

Note 29. 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:

	Consolidated	
	2026	2025
	$'000	$'000
Short-term employee benefits	6,378	7,699
Long-term benefits	48	139
Share-based payments	737	(411)
	7,163	7,427

Note 30. 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:

	Consolidated	
	2026	2025
	$'000	$'000
Audit services - Ernst & Young		
Audit or review of the financial statements	725	629
Other services - Ernst & Young		
Preparation of the tax return	51	55
Fuel tax credit assurance review	-	13
Other tax related	141	9
CbC Reporting obligations	18	17
Tax residency review	-	10
	210	104
	935	733
Audit services - network firms		
Audit or review of the financial statements	349	374
Other services - network firms		
Other	-	119
Tax residency review	-	40
	-	159
	349	533
Other services - unrelated firms		
Preparation of the tax return	334	357
Other	66	52
	400	409

Note 31. Commitments

	Consolidated	
	2026	2025
	$'000	$'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Vessels	8,010	19,887
Buses and motor vehicles	35,777	41,926
Land	-	1,672
Other	8,400	10,104
	52,187	73,589

Note 32. Related party transactions

Parent entity
Kelsian Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 29 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:

	Consolidated	
	2026	2025
	$	$
Payment for goods and services:		
Pacific Marine Group Pty Ltd (associated with Terry Dodd) - Provision of marine piling services	-	519,071
ST Property Trust No. 2 (associated with Neil Smith) - Rental for Hoxton Park bus depot operated by Transit Systems Group in Australia	-	8,849
ST Property Trust - Balance paid for purchase of strategic land and buildings Hoxton Park which settled in July 2024[(1)]	-	28,260,000

(1) 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 33. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $'000	2025 $'000
Profit after income tax	55,804	52,319
Total comprehensive income	55,804	52,319

Statement of financial position

	Parent	
	2026 $'000	2025 $'000
Total current assets	18,641	12,167
Total assets	1,219,881	1,166,841
Total current liabilities	39,002	23,566
Total liabilities	345,655	318,568
Equity		
Issued capital	860,118	859,620
Hedging reserve - cash flow hedges	(267)	(5,499)
Other capital reserves	5,434	2,433
Retained profits/(accumulated losses)	8,941	(8,281)
Total equity	874,226	848,273

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 37 for further details.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 (2025: Nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 (2025: 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 34. Business combinations

Current period acquisition of South Wales Transport (Neath) (SWT)
On 31 October 2025, Tower Transit Limited acquired 100% of the voting shares in South Wales Transport (Neath) Limited, a small-family owned bus operator in Swansea, Wales, for approximately £1.6 million that provides strategic contracts and assets in the regional bus contract market in the UK. SWT operates a fleet of approximately 49 vehicles (buses and coaches) throughout South Wales and beyond from a leasehold depot, with the majority of existing services under contract from Swansea Council, which will shortly be operating under the umbrella of Transport for Wales ahead of the upcoming Bus Franchise tenders, as well as local universities and schools. The acquired business would have contributed revenues of $11,306,000 and profit after tax of $270,000 for the 12-month period 1 July 2025 to 30 June 2026.

Details of the acquisition are as follows:

	Fair value $'000
Trade and other receivables	914
Income tax refund due	26
Inventories	181
Prepayments	34
Plant and equipment	286
Leasehold improvements	81
Motor vehicles	1,082
Right-of-use assets	4,212
Customer contracts	2,920
Trade and other payables	(743)
Deferred tax liability	(1,763)
Employee benefits	(95)
Other provisions	(59)
Lease liability	(4,212)
Net assets acquired	2,864
Goodwill	730
Acquisition-date fair value of the total consideration transferred	3,594

The amounts disclosed above are provisional as at 26 August 2026.

Prior 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 North West 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 final as at 30 June 2026.

Note 35. 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 2026 %	Ownership interest 2025 %
AAAHI Acquisition Corporation	United States of America	100.00%	100.00%
AAAHI Intermediate Holdings LLC	United States of America	100.00%	100.00%
AAAHI Tempco, LLC	United States of America	100.00%	100.00%
AAAHI 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%	100.00%
Industrial Bus Lines, Inc	United States of America	100.00%	100.00%
Jersey Public Bus Assets Limited(2)	Channel Islands	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 Marine NZ Limited(2)	New Zealand	100.00%	-
Kelsian NZ Holdings Limited(2)	New Zealand	100.00%	-
Kelsian SG Pte Ltd(2)	Singapore	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%

Note 35. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
SeaLink Tasmania Pty Ltd	Australia	100.00%	100.00%
SeaLink Vessels Pty Ltd	Australia	100.00%	100.00%
Sita Coaches Pty Ltd	Australia	100.00%	100.00%
Sita Tours Pty Ltd	Australia	100.00%	100.00%
South Wales Transport (Neath) Ltd(3)	United Kingdom	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(4)	Australia	-	100.00%
Swan Transit Group Pty Ltd(4)	Australia	-	100.00%
Swan Transit Kalamunda Pty Ltd(4)	Australia	-	100.00%
Swan Transit Marmion Pty Ltd(4)	Australia	-	100.00%
Swan Transit Midland Pty Ltd(4)	Australia	-	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(4)	Australia	-	100.00%
Swan Transit Southern River Pty Ltd(4)	Australia	-	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(1)	Australia	55.00%	55.00%
Torrens Transit Group Pty Ltd(4)	Australia	-	100.00%
Torrens Transit Pty Ltd	Australia	100.00%	100.00%
Torrens Transit Services (North) Pty Ltd(4)	Australia	-	100.00%
Torrens Transit Services Pty Ltd	Australia	100.00%	100.00%
Tower Transit Asset Holdings Limited(5)	United Kingdom	100.00%	-
Tower Transit Europe Pty Ltd	Australia	100.00%	100.00%
Tower Transit Limited	United Kingdom	100.00%	100.00%
Tower Transit Operations Ltd	United Kingdom	100.00%	100.00%
Tower Transit Services Pte Ltd(2)	Singapore	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(4)	Australia	-	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 Pty Ltd	Australia	100.00%	100.00%
Transit Systems NSW GSBC2 Assets Pty Ltd	Australia	100.00%	100.00%

Note 35. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Transit Systems NSW GSBC3 Assets 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%
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%

(1) Torrens Connect Pty Ltd is a subsidiary member of the consolidated group for accounting purposes but operationally functions as a joint venture. Refer note 26.
(2) Incorporated during the year.
(3) Acquired on 31 October 2025. Refer to note 34.
(4) Deregistered during the year.
(5) Restored to the UK register during the financial year for administrative purposes and currently pending voluntary dissolution.

Note 36. Interests in joint ventures

Kelsian has a 50% joint controlling interest in International Travel Technology Pty Ltd which was not trading at 30 June 2026 (2025: Not trading).

Note 37. 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.

Note 37. Deed of cross guarantee (continued)

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 38. Events after the reporting period

A fully franked dividend of 10.0 cents per share was declared by Kelsian's Directors on 26 August 2026, representing a total payment of $27,165,669 to be paid 21 October 2026 based on the current number of ordinary shares on issue.

Auckland ferry services contract win and acquisition of Belaire Ferries
On 2 July 2026, Kelsian announced a joint bid led by its Australian marine division, SeaLink, and established Auckland-based ferry operator Belaire Ferries, had been selected by Auckland Transport to operate Auckland's Western Package ferry services following a competitive tender process.

The new Auckland Transport ferry services contracts are scheduled to commence with six vessels on 1 July 2027 and have an initial term of seven years, with an option to extend for a further two years.

Kelsian will acquire Belaire Ferries and as part of the contract commitments, Kelsian has undertaken to procure five new vessels costing approximately A$31 million for the network during the contract term.

Tourism Portfolio Divestment
On 25 August 2026, Kelsian and Journey Beyond agreed not to proceed with the sale of Sealink Rottnest (total consideration of $15.2 million on a cash and debt free basis, subject to customary working capital adjustments).

The parties are continuing to work towards satisfying necessary regulatory conditions for divestment of the Tourism Portfolio excluding Sealink Rottnest, the transaction is expected to complete in 1HFY27.

Apart from the above and the dividend declared as disclosed in note 27, no other matter or circumstance has arisen since 30 June 2026 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 39. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Profit after income tax expense for the year	63,525	54,494
Adjustments for:		
Depreciation and amortisation	160,400	148,968
Share-based payments	3,001	917
Write off of assets	-	245
Net loss/(gain) on disposal of non-current assets	(1,538)	44,703
Foreign currency differences	12,595	(4,119)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(23,155)	(27,394)
Increase in inventories	(613)	(2,391)
Decrease in income tax refund due	4,093	-
Increase in deferred tax assets	(2,242)	-
Increase in derivative assets	-	(2,024)
Increase in prepayments	(5,097)	(2,211)
Increase in other operating assets	(5,148)	(380)
Decrease in trade and other payables	(16,926)	(26,339)
(Decrease)/increase in contract liabilities	(439)	1,288
Increase in derivative liabilities	157	2,025
(Decrease)/increase in provision for income tax	(3,158)	1,947
Increase/(decrease) in deferred tax liabilities	3,062	(9,654)
Increase in employee benefits	7,904	8,973
Increase in other provisions	3,051	13,669
Increase in other operating liabilities	20,590	2,455
Net cash from operating activities	220,062	205,172

Note 40. Earnings per share

	Consolidated 2026 $'000	Consolidated 2025 $'000
Profit after income tax attributable to the owners of Kelsian Group Limited	63,525	54,494

Earnings per share	**Cents**	**Cents**
Basic earnings per share	23.4	20.1
Diluted earnings per share	23.2	20.0

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	271,590,667	270,793,480
Adjustments for calculation of diluted earnings per share:		
Performance rights	2,331,731	1,756,303
Restricted rights	141,569	61,929
Weighted average number of ordinary shares used in calculating diluted earnings per share	274,063,967	272,611,712

Note 41. Share-based payments

	Consolidated	
	2026	2025
	$'000	$'000
Recognised share-based payment expenses		
Expense arising from performance rights issued in 2023	-	312
Expense arising from performance rights issued in 2024	755	737
Expense arising from performance rights issued in 2025	999	993
Expense arising from performance rights issued in 2026	1,527	-
Forfeited performance rights	(280)	(944)
	3,001	1,098

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 2026 EPRP issue, there are three tranches of Performance Rights with the following weighting of performance conditions:
(a) Tranche 1: Earnings Per Share Compound Annual Growth Rate (EPS CAGR): 33.3% weighting at target performance;
(b) Tranche 2: Indexed Total Shareholder Return (iTSR): Total Shareholder Return (TSR) growth measured against the ASX Small Ordinaries Return Index: 33.3% weighting at target performance; and
(c) Tranche 3: Return on Invested Capital (ROIC): 33.4 % weighting at target performance.

For the 2026 Performance Rights to vest, 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 2025 (2026 issue). For the 2026 issue a target threshold CAGR over that three-year period of 5% will result in 50% of the Performance Rights in Tranche 1 vesting, with pro rata vesting for the 2026 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 ASX Small Ordinaries Total Return Index for the period from 1 July 2025 to 30 June 2028 (2026 issue). A threshold annualised Kelsian TSR over that three year period meeting the Index will result in 50% of the Performance Rights in Tranche 2 vesting, with pro rata vesting of the remainder of the tranche for achievement a CAGR of up to 10% above the Index TSR for the three-year measurement period.

Tranche 3 - Annual Group ROIC will be calculated as underlying Earnings Before Interest, Taxation and Amortisation (EBITA) divided by average Invested Capital. The average annual ROIC will be compared to the average pre-tax Weighted Average Cost of Capital (WACC) over the measurement period. Performance hurdles for vesting will be achieved where ROIC performance is as follows:

Average annual Kelsian Group ROIC	Group CEO - Percentage of Performance Rights that vest	Other participants - Percentage of Performance Rights that vest
Less than WACC+1%	Nil	Nil
WACC+1%	33.33% of Rights vest	25% of Rights vest
Greater than WACC+1% but less than WACC+2%	Between 33.33% and 66.67% Rights vest pro rata	Between 25% and 50% Rights vest pro rata
WACC+2%	66.67% of Rights vest	50% of Rights vest
Greater than WACC+2% but less than WACC+4%	Between 66.67% and 100% Rights vest pro rata	Between 50% and 100% Rights vest pro rata
WACC+4% and above	100% of Rights vest	100% of Rights vest

For the 2024 and 2025 EPRP issue there are two tranches of Performance Rights with the following weighting:
(a) 50% for earnings per share growth (Tranche 1).
(b) 50% for Total Shareholder Return (TSR) growth measured against companies in the ASX 200 Total Return Index (Tranche 2).

For the 2024 and 2025 Performance Rights to vest, 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 2023 (2024 issue) and 1 July 2024 (2025 issue). For the 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 2024 and 2025 issue for achievement for between 5% and 10% of CAGR for the three-year measurement period.

Note 41. Share-based payments (continued)

Tranche 2 - an Annualised Indexed TSR measured against the ASX200 Total Index Return for 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 of CAGR of 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	2026 Issue	2025 Issue	2024 Issue
Number of Performance Rights issued	909,476	1,278,178	552,610
Minimum hurdle share price	Nil	Nil	Nil
Dividend yield	3.5%	4.40%-4.50%	2.60%-2.80%
Expected volatility (as per valuation)	40%	35%	35%
Risk free interest rate	3.4%	4.4%-4.5%	4.1%-4.3%
Expected life (years)	2.7	2.7	2.6-2.7
Valuation per performance right (Tranche 1 - KMP)	$6.054	$1.162	$2.627
Valuation per performance right (Tranche 1 - CEO)	$6.054	$1.236	$2.472
Valuation per performance right (Tranche 2 - KMP)	$4.529	$3.489	$5.749
Valuation per performance right (Tranche 2 - CEO)	$4.529	$3.588	$5.586

Performance rights	Number (000's) 2026	Weighted average exercise price	Number (000's) 2025	Weighted average exercise price
Outstanding at the beginning of the year	2,015	n/a	974	n/a
Granted (under the Employee Performance Rights Plan)	910	$Nil	1,278	$Nil
Forfeited	(318)	$Nil	(237)	$Nil
Exercised	-	n/a	-	n/a
	2,607		2,015	

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Kelsian Group Limited	Body corporate	Australia	-	Australia
AAAHI Acquisition Corporation	Body corporate	United States of America	100.00%	United States of America
AAAHI Intermediate Holdings LLC	Body corporate	United States of America	100.00%	United States of America
AAAHI Tempco, LLC	Body corporate	United States of America	100.00%	United States of America
AAAHI 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
Jersey Public Bus Assets Limited(2)	Body corporate	Channel Islands	100.00%	United Kingdom
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 Marine NZ Limited(2)	Body corporate	New Zealand	100.00%	New Zealand
Kelsian NZ Holdings Limited(2)	Body corporate	New Zealand	100.00%	New Zealand
Kelsian SG Pte Ltd(2)	Body corporate	Singapore	100.00%	Singapore
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

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Sita Coaches Pty Ltd	Body corporate	Australia	100.00%	Australia
Sita Tours Pty Ltd	Body corporate	Australia	100.00%	Australia
South Wales Transport (Neath) Ltd(3)	Body corporate	United Kingdom	100.00%	United Kingdom
STG Properties Pty Ltd	Body corporate	Australia	100.00%	Australia
Stradbroke Assets Pty Ltd	Body corporate	Australia	100.00%	Australia
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(4)	Body corporate	Australia	-	Australia
Swan Transit Group Pty Ltd(4)	Body corporate	Australia	-	Australia
Swan Transit Kalamunda Pty Ltd(4)	Body corporate	Australia	-	Australia
Swan Transit Marmion Pty Ltd(4)	Body corporate	Australia	-	Australia
Swan Transit Midland Pty Ltd(4)	Body corporate	Australia	-	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(4)	Body corporate	Australia	-	Australia
Swan Transit Southern River Pty Ltd(4)	Body corporate	Australia	-	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(1)	Body corporate	Australia	55.00%	Australia
Torrens Transit Group Pty Ltd(4)	Body corporate	Australia	-	Australia
Torrens Transit Pty Ltd	Body corporate	Australia	100.00%	Australia
Torrens Transit Services (North) Pty Ltd(4)	Body corporate	Australia	-	Australia
Torrens Transit Services Pty Ltd	Body corporate	Australia	100.00%	Australia
Tower Transit Asset Holdings Limited(5)	Body corporate	United Kingdom	100.00%	United Kingdom
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 Services Pte Ltd(2)	Body corporate	Singapore	100.00%	Singapore
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(4)	Body corporate	Australia	-	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

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
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
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

(1) Torrens Connect Pty Ltd is a subsidiary member of the consolidated group for accounting purposes but operationally functions as a joint venture. Refer note 26.
(2) Incorporated during the year.
(3) Acquired on 31 October 2025. Refer to note 34.
(4) Deregistered during the year.
(5) Reinstated during the year.

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 accounting 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 2026 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 37 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 2026

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Independent auditor's report to the members of Kelsian Group Limited

Report on the audit of the financial report

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 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, 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 2026 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 audits of the financial report of public interest entities 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 14 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 Key assumptions relating to the impairment test are disclosed in Note 14 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 impairment of intangibles be a key audit matter and draw attention to the information in Note 14 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 2027 financial year. ▪ We tested the mathematical accuracy of the cash flow models, including the terminal value calculations used to estimate value in use for the Group's CGU's for impairment assessment purposes and the models compliance with the requirements of Australian Accounting Standards. ▪ We evaluated the Group's key input assumptions used in the impairment model, 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 evaluate the reasonableness of the discount rate and the short and long-term growth rates used in the Group's impairment models for its CGUs. ▪ We considered external market data and assessed the historical accuracy of the Group's forecasting and tested that the forecast revenue and margins were consistent with the most recent board-approved cash flow forecasts. ▪ We compared the recoverable amount calculated within the value in use models to the carrying value recorded at 30 June 2026. ▪ We assessed the adequacy of the disclosures in Note 14 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 2026 Annual Report other than the financial report and our auditor's report thereon and the Company's Sustainability 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 in this auditor's report, with the exception of the Remuneration Report and our related assurance opinion. We have issued a separate auditor's report on selective sustainability information included in the Sustainability Report.

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, 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.

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 39 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Kelsian Group Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001.*

Shape the future
with confidence

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Nigel Stevenson
Partner
Adelaide
26 August 2026

1. Basis of preparation

This Report represents a complete set of climate-related disclosures for Kelsian Group Limited and its subsidiaries ('Kelsian' or 'the Group') for the financial year ended 30 June 2026. It has been prepared in accordance with the Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures and the requirements of the Corporations Act 2001.

This Report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements and should be read in conjunction with the Group's Consolidated Financial Statements.

Given this is the first year of reporting under AASB S2, Kelsian has applied available transition reliefs permitted under Appendix C of AASB S2 and has not disclosed (1) comparative information and (2) Scope 3 greenhouse gas (GHG) emissions.

This Report contains forward-looking statements, including statements made throughout this document regarding the Group's current intentions, expectations, assessments and assumptions in relation to climate-related risks and opportunities, future operating conditions, policy and regulatory developments, and the resilience of the Group's strategy and business model under different climate-related scenarios.

Forward-looking statements are based on information available to Kelsian as at the date of this Report and involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual outcomes to differ materially from those expressed or implied. These factors include, but are not limited to, changes in government policy and regulation, funding arrangements under service contracts, technology development and availability, economic conditions, and the inherent uncertainty associated with climate projections and scenario analysis.

Statements relating to scenario analysis, climate resilience and future pathways are not predictions or forecasts and should not be relied upon as indications of future performance. They reflect assessments made for the purpose of complying with AASB S2 requirements and to inform stakeholders of how climate-related considerations are integrated into the Group's strategy and risk management processes.

2. Judgements and uncertainties

2.1 Judgements

The preparation and presentation of this Report involves applying judgements to determine what information is relevant, reliable and useful for disclosure. This includes interpreting reporting requirements and making informed decisions in areas where the standard allows flexibility. Key judgements applied are summarised below:

TOPIC	DESCRIPTION
Materiality assessment	To identify relevant climate related risks and opportunities and material information, Kelsian exercised judgement in assessing potential impacts and likelihood of occurrence of risks and opportunities that could reasonably be expected to affect the Group's prospects. These judgements are informed by the previous work it has undertaken under Task Force on Climate-related Financial Disclosures (TCFD), external views and publications on industry-relevant risks and opportunities, and the scenario analysis undertaken.
Greenhouse gas (GHG) emissions	Kelsian exercised judgement in determining the organisational and operational boundaries for GHG emissions reporting and selecting appropriate emissions factors. These judgements were made to provide a reasonable and supportable basis for emissions reporting in the Group's first year of reporting under AASB S2. See 'Emissions calculation methodology' for more detail.
Scenario selection	Kelsian undertook climate-related scenario analysis during the reporting period as part of its assessment of climate resilience. The analysis was conducted using externally developed climate-related assumptions, selected to capture a range of plausible future transition and physical risk outcomes relevant to the Group's operations and value chain. Management exercised judgement in selecting scenarios that were globally recognised, methodologically credible and appropriate to the Group's operating footprint, contractual arrangements and exposure to both physical and transition risks. See 'Climate resilience and scenario analysis' in section 6.5 for more detail.

2.2 Measurement uncertainty

Measurement uncertainty in this Report arises from data gaps, external factors and forward-looking information. This relates to:

TOPIC	DESCRIPTION
GHG emission factors	GHG quantification is unavoidably subject to significant inherent limitations because of incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining emissions factors and data. The selection by management of different but acceptable emissions factors or measurement techniques may result in materially different GHG emissions reported.
Resilience assessment	Kelsian's assessment of climate resilience is subject to significant uncertainty, reflecting the inherent limitations of climate scenario analysis, the long-term nature of the risks considered, and the complex interplay between global scenario assumptions, domestic regulation and energy transition policies. Importantly, the scenarios considered do not represent forecast outcomes. For physical climate-related risk assessments, these rely on external climate models and internal assumptions about asset vulnerability. Kelsian engaged an external service provider to generate location specific climate hazard projections derived from multiple credible climate information sources. These inputs involve significant levels of measurement uncertainty due to variability in climate projections and assumptions about adaptation measures. The resilience assessment is also subject to uncertainty arising from assumptions regarding future asset configuration, technology availability, policy implementation, energy market developments and adaptation responses. The analysis assumes a broadly static portfolio and does not seek to predict future acquisitions, divestments, contract renewals or changes in customer demand. Actual outcomes may differ materially from those reflected in the scenarios considered.
Financial effects uncertainty	Measurement uncertainty also arises in assessing anticipated financial effects of climate-related risks and opportunities. This reflects uncertainty in the timing and severity of physical climate events, the pace and design of regulatory and policy change, future technology costs, customer and government responses, and the extent to which contractual protections, funding support or other mitigations remain available. As a result, qualitative disclosures have been provided where the financial effect could not be estimated reliably.

3. Introduction

Kelsian is Australia's largest integrated multi-modal transport provider and tourism operator, dedicated to delivering journeys through safe and intelligent transport solutions that enhance the sustainability and liveability of the communities we serve.

Headquartered in Adelaide since 1989, Kelsian has consistently demonstrated agility in uncertain times and is uniquely positioned for future growth. Our Group is comprised of:

- Transit Systems Group: Operating domestic public transport contracts and charter services across six Australian states and territories;
- All Aboard America! Holdings ('AAAHI'): Providing motorcoach services in seven states in the southwestern United States;
- SeaLink Marine & Tourism: Connecting travellers with some of Australia's most iconic holiday destinations and experiences; and
- Tower Transit: Operating international public transport contracts in Singapore, the Channel Islands, and the United Kingdom.

As at 30 June 2026, Kelsian directly employed over 13,300 people and operates 6,317 buses, and 122 vessels that delivered more than 384 million customer journeys over the last year.

4. Governance

4.1 Board oversight

The Kelsian Board has oversight of the Group's enterprise risks and opportunities including climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. These risks and opportunities are considered as part of strategic planning, acquisitions, divestments and capital allocation decisions. Where trade-offs arise between climate-related considerations and other business objectives, the Board considers the associated risks, opportunities, costs, benefits and alignment with the Group's strategy and risk appetite before determining the most appropriate course of action.

Oversight of climate-related matters is embedded within the Board's formal governance arrangements, including relevant Board and committee charters. The Board is supported by the Safety, Risk and Sustainability Committee, which is a committee of the Board and has delegated responsibility for detailed oversight of the Group's sustainability and climate-related risk profile.

The Safety, Risk and Sustainability Committee oversees the adequacy of the Group's risk management framework as it relates to climate-related risks and opportunities, including the processes used to identify, assess, manage and monitor those risks. The Committee provides guidance on the Group's sustainability positioning and ESG risk treatment strategies, and reports to the Board on climate-related matters. Sustainability is a standard agenda item at quarterly Safety, Risk & Sustainability Committee meetings. The Committee receives updates from Management (via paper) at each Committee meeting, which includes information on climate-related risks and opportunities, and progress against climate-related targets. The Committee also reviews climate-related targets and transition actions proposed by Management prior to recommendation to the Board for approval.

All Directors have access to the papers of all Board Committees and are invited to attend Committee meetings and engage directly with matters under consideration. At the Board meeting following each Safety, Risk and Sustainability Committee meeting, the Chair of the Committee provides a verbal update to the Board on key matters considered by the Committee. Through access to Committee papers, attendance rights and updates provided by the Committee Chair at Board meetings, all Directors are informed of climate-related risks and opportunities and progress against climate-related targets. During FY26, all Directors were informed of the Group's climate-related risks and opportunities on two occasions through this governance process.

The Board undertakes an annual review of its collective skills, experience and diversity to assess whether it is appropriately positioned to lead and oversee the Group’s strategy and performance. This review is supported by a Boards skills matrix, with each Director undertaking a self-assessment against defined competency areas, which includes corporate sustainability and climate-related risk management. As at 25 September 2025, two Directors are assessed as having advanced capability, four as having intermediate, and two as having basic experience in and understanding of corporate sustainability practices to manage the impact of the business on the environment and community, and managing potential business impacts of climate change/transition.

4.2 Executive management oversight

Executive management is responsible for the day-to-day management of climate-related risks and opportunities, and for implementing the strategic direction and oversight set by the Board. Management’s responsibilities include identifying, assessing, managing and monitoring climate-related risks and opportunities, and integrating these considerations into operational decision-making and business planning.

Overall executive accountability for climate-related matters sits with the Group Chief Legal and Risk Officer, supported by the Head of Risk, Assurance and ESG, with additional financial oversight provided by the Group Chief Financial Officer. Operating business leadership teams are responsible for overseeing climate-related risks and opportunities within their areas of control, supported by central risk, sustainability and assurance functions. This includes an annual review of climate-related risks and opportunities.

These activities are supported by internal controls and procedures embedded within the Group’s risk management, assurance and reporting processes.

Management oversight is further supported by governance and assurance mechanisms, including the Executive Risk Committee, the Group Chief Legal and Risk Officer and the Internal Audit function. Management monitors performance against climate-related metrics and targets on an ongoing basis. This includes annual greenhouse gas emissions reporting and periodic reporting on progress against emissions reduction targets, as applicable to specific business units.

To coordinate the delivery of climate-related initiatives, a Climate Change Steering Committee has been established to provide oversight over outcomes of climate risk and opportunity assessments and other climate-related reports prior to their submission to Board Committees, and considers actions required to support compliance with climate-related disclosure requirements. The Climate Change Steering Committee meets quarterly, with progress updates provided to the Safety, Risk and Sustainability Committee. Refer to the table below for further detail.

SUMMARY OF BOARD AND MANAGEMENT GOVERNANCE COMMITTEES	No. of CRROs* updates in FY26
Climate Change Steering Committee • Approved approach and work program to comply with requirements of AASB S2. • Reviewed all climate related reports prior to being provided to Board Committees for oversight.	2
Executive Risk Committee • Reviewed preliminary outcomes of climate risks and opportunities workshops and modelling. • Reviewed risk and resilience assessments of CRROs identified and approach adopted.	4
Board Safety, Risk and Sustainability Committee • Reviewed progress against climate related targets. • Received progress updates on approach to complying with requirements of AASB S2 and agreed work program. • Reviewed preliminary outcomes of climate risks and opportunities workshops and modelling. • Reviewed risk and resilience assessments of CRROs identified and approach adopted.	2
Board Finance and Audit Committee • Received progress updates on approach to complying with requirements of AASB S2 and agreed work program.	2

* Climate-related risks and opportunities.

5. Risk management

5.1 Process overview

Kelsian manages its climate-related risks and opportunities pursuant to the Group's Risk Management Policy and Risk Management Framework, which aligns with the principles of ISO 31000:2018 risk management – Guidelines. The approach to identifying, assessing, prioritising, managing, monitoring and communicating climate-related risks and opportunities is consistent with all other types of business-related risks and the Group's enterprise risk management processes, rather than through standalone or parallel systems. Climate-related risk and opportunity registers are reviewed and updated at least annually through structured workshops with operating business leadership teams and Group executives. These reviews consider changes in risk exposure, emerging climate-related trends and developments, and the effectiveness of existing risk treatment actions. Outcomes are used to refresh risk assessments and support ongoing management and Board Committee oversight of climate-related risks and opportunities.

For the purposes of identifying climate related risks and opportunities, Kelsian assumed that global GHG emissions and the physical impacts of climate change will be consistent with the Intergovernmental Panel on Climate Change (IPCC)'s SSP2-4.5. This scenario reflects a 'middle-of-the-road' pathway with moderate policy action and emissions stabilising over time, resulting in warming of approximately 2.1 to 3.5°C by 2100.

5.2 Physical climate-related risks and opportunities

The physical climate exposure assessment focused on Kelsian's 114 operating locations globally. With assistance from an external subject matter expert, downscaled climate projections from the Munich Re Climate Change suite and climate scenario analysis aligned with Shared Socioeconomic Pathways (SSP1-2.6, SSP2-4.5, and SSP5-8.5) were used to identify potential inherent exposures to a range of physical climate hazards including heat stress, heat-humidity stress, water scarcity, drought, river flooding, storm surge, tropical cyclones, subsidence, fire weather, precipitation stress, and cold stress across multiple climate scenarios and time horizons.

The modelling approach incorporated comprehensive geocoding and climate hazard scoring across operating locations and screened exposures across multiple future conditions to identify physical climate hazards that may affect the Group's operations and assets.

Following identification, the outputs of the modelling were assessed to determine whether the identified physical climate hazards could reasonably be expected to affect the Group's prospects over the short, medium and long term. This assessment drew on insights and disclosures from previously undertaken climate-related risk assessments under the TCFD framework and considered a range of qualitative and quantitative factors consistent with the Group's Risk Management Framework, including the potential severity and frequency of climate hazards and the number of operating locations potentially impacted. As part of this assessment, Kelsian also considered whether changing physical climate conditions could give rise to climate-related opportunities. No physical climate-related opportunities were identified that could reasonably be expected to affect the Group's prospects.

5.3 Transition climate-related risks and opportunities

Transition climate risks and opportunities were identified through a structured and collaborative process involving facilitated workshops with each operating business. Workshops involved senior executives across Operations, People and Culture, HSEQ, Finance and Legal functions.

In advance of the workshops, research was undertaken to establish the transition context relevant to each operating business, drawing on insights and disclosures from previous risk assessments under the TCFD framework and external references. Workshops were used to identify potential transition risks and opportunities and to assess them in a structured manner. This was supplemented by benchmarking risks and opportunities identified against externally published industry reports such as the BIC Policy Position Paper Driving Towards Zero Emissions 2024, UNEP Climate Risks in the Transport Sector and maritime industry research journals. Following the workshops, climate-related transition risks and opportunities were documented within risk registers.

Transition risks and opportunities were assessed at a divisional level to inform an enterprise view and assessment of potential impact (financial and non-financial consequences such as operational, regulatory and reputational) on the Group's prospects. This included consideration of their likelihood, potential impacts and inherent risk ratings, as per the Group's risk criteria (risk rating scale of 'Low', 'Medium', 'High' and 'Very High) and Risk Management Framework.

6. Strategy

6.1 Strategic context and time horizons

For the purposes of assessing climate-related risks and opportunities, the Group applies the following time horizons which broadly aligns with the Group's strategic and business planning processes:

- **Short term:** 1 – 5 years;
- **Medium term:** 5 – 15 years; and
- **Long term:** greater than 15 years.

The **short-term horizon** aligns with Kelsian's strategic planning, operating contract and capital allocation cycles, including fleet and vessel renewal, maintenance programs, depot and infrastructure upgrades, contract mobilisations and operational efficiency initiatives. It also reflects the period over which climate-related risks, regulatory developments and decarbonisation requirements can be reasonably assessed and incorporated into business planning and investment decisions.

The **medium-term horizon** captures the period over which more significant changes in transport technology, climate policy, customer expectations and government procurement requirements are expected to emerge. This timeframe supports assessment of fleet transition pathways, infrastructure requirements, changing demand patterns and climate-related risks and opportunities that may influence the Group's strategic position.

The **long-term horizon** aligns with global decarbonisation pathways and net-zero objectives commonly used in climate-related scenario analysis. It supports assessment of longer-term transition risks and opportunities, asset resilience, evolving stakeholder expectations and the long-term sustainability of Kelsian's business model under different climate scenarios.

6.2 Climate-related risks and opportunities

Kelsian has assessed a range of climate-related risks and opportunities (identified on an inherent basis) across our operating businesses and geographies to determine those that could be reasonably expected to affect our prospects. The assessment considered both:

- **Climate-related physical risks**, including acute and chronic climate hazards that may affect assets, operations or service continuity; and
- **Climate-related transition risks**, including policy and regulatory change, technology transition, market expectations and reputational considerations.

Kelsian also assessed climate-related opportunities, particularly those arising from the global transition to lower-emission transport systems, increasing government and customer focus on decarbonisation.

The following table contains information about our climate-related risks and opportunities identified that could reasonably be expected to affect our prospects, the time horizon in which Kelsian considers the effects of each climate-related risk and opportunity could reasonably occur, and the amount of Kelsian's assets that are vulnerable to or aligned to the climate-related risk or opportunity disclosed.

TYPE	CLIMATE-RELATED RISKS OR OPPORTUNITIES	TIME HORIZON	ASSETS VULNERABLE TO RISKS/ALIGNED TO OPPORTUNITIES
Physical Risk (Acute)	**Extreme Weather Events** Extreme weather events impact Kelsian's vessels, terminals, depots, fleet and operations, resulting in service disruptions, asset damage, increased recovery costs and financial losses.	Short (S), medium (M) and long-term (L)	**Fire Weather Stress** # / % of global locations affected – 55 / 48% **Precipitation Stress** # / % of global locations affected – 28 / 25% **Other (Tropical Cyclone, River Flood, Storm Surge, Subsidence)** # / % of global locations affected – 25 / 21%
Physical Risk (Chronic)	**Extreme Heat Impacts on our Workforce, Assets and Infrastructure** Prolonged extreme heat affects Kelsian's workforce, fleet and infrastructure, resulting in reduced productivity, increased maintenance costs, safety impacts and operational disruption.	S, M and L impacts increasing over time	**Heat Stress** # / % of global locations affected – 50 / 44% **Heat Humidity Stress** # / % of global locations affected – 65 / 57%
Transition Risk	**Government Policy and Decarbonisation Requirements** Changes in climate-related regulation and government decarbonisation requirements to transition to lower-emission transport solutions may increase compliance obligations and result in additional operating and capital expenditure associated with fleet replacement and supporting infrastructure across Kelsian's transport operations.	S, M and L with increasing impacts over time	# / % of global locations affected – 61 / 54% (Tower Transit Singapore, Tower Transit UK and Transit Systems)

6.3 Effects on business model and value chain and strategy and decision-making responses

Kelsian does not expect our identified climate-related risks and opportunities to fundamentally alter its business model or strategy given existing mitigations in place as noted in the table below. The Group manages these risks through established governance arrangements, with roles, responsibilities and resourcing embedded across relevant functions, supporting ongoing monitoring and response without the need for material changes to current organisational structures.

In our Australian public bus operations, we have set a target to reduce Scope 1 carbon intensity by at least 50% by 2035 from a FY22 baseline, with a pathway to net zero by 2050. This is supported by an established decarbonisation approach and glidepath, primarily driven through investment in zero-emission buses and supporting infrastructure under government-funded service contracts, and is embedded within operational and capital planning processes.

The following table contains information about the current and anticipated effects of our identified climate-related risks and opportunities on the Group's business model and value chain, and how the Group has and/or plans to respond to climate-related risks and opportunities in our strategy and decision-making.

RISK/ OPPORTUNITY	CURRENT AND ANTICIPATED EFFECTS ON BUSINESS MODEL AND VALUE CHAIN	MITIGATION OR ADAPTATION EFFORTS (DIRECT AND INDIRECT)
Extreme Weather Events	Extreme weather events may disrupt Kelsian's transport and tourism operations, damage assets, and reduce customer demand, leading to potential financial losses and service delivery impacts. Extreme weather events have not had a significant impact on Kelsian's business model or value chain during the reporting period. Many mobile assets on our balance sheet may be relocated where operationally feasible in advance of or during an extreme weather event to minimise potential losses. With over 100 operating locations globally, our diversified geographic footprint reduces concentration of exposure to extreme weather events, helping to limit the potential for a single event to disrupt a significant proportion of the Group's operations or financial performance.	• Weather monitoring • Response and recovery plans & annual exercises • Contracts include force majeure clauses which would be triggered and prevent potential contractual penalties • Insurance Program Additional Mitigations • Divestment of our tourism portfolio
Extreme Heat Impacts on our Workforce, Assets and Infrastructure	Increasing temperatures and prolonged extreme heat conditions may expose Kelsian's transport network, assets, and workforce to sustained environmental stress, potentially leading to higher operating costs, reduced asset efficiency, reduced productivity, workforce injuries, and potential disruption to service delivery and long-term financial performance. Extreme heat impacts have not had a significant impact on our workforce, assets and infrastructure during the reporting period.	• Assets maintained through preventative maintenance programs • Maintain climate-controlled fleet and facilities to manage heat stress and support safe and reliable operations • Global HSEQ Frameworks and Standards to manage workforce risks • Delivery of ongoing safety training and workforce wellbeing programs • Ability to recover costs through contractual mechanisms and pricing structures
Government Policy and Decarbonisation Requirements	Potential for increasingly stringent climate-related regulations and government decarbonisation requirements in some operating markets which could increase operating and capital costs and require investment in lower-emission fleet and supporting infrastructure, impacting Kelsian's financial performance. Kelsian's public bus transport operations (Transit Systems Australia, Tower Transit UK and Singapore) are primarily exposed to this risk as governments in these jurisdictions are driving decarbonisation through mandated fleet transitions and net zero targets, supported by funding and long-term service contracts. In Kelsian's Australian and United Kingdom public transport operations (Transit Systems Australia and Tower Transit UK), transition to low and zero-emission fleets and supporting infrastructure is largely driven by government mandates under long-term service contracts. These contracts incorporate the cost recovery of fleet electrification and depot upgrades into pricing and funding arrangements, reducing Kelsian's direct financial exposure. Kelsian has established capability and experience in delivering electrification programs, supported by an existing ZEB fleet and operational electrified depots. In Tower Transit Singapore, the Singapore government's Bus Contracting Model further limits exposure, with government ownership of fleet and infrastructure removing the requirement for capital investment in electrification, while Kelsian is only contracted to operate services. Government policy and decarbonisation requirements have not significantly impacted Kelsian's business model or value chain during the reporting period.	• Investments in zero-emission buses (ZEBs) and depot electrification under government contracts • Staged fleet transition aligned to the government mandates, funding availability and contract requirement • Established contractual mechanisms and indexation arrangements that enable recovery of decarbonisation-related costs • Active engagement with government clients to align decarbonisation pathways, funding and infrastructure requirements • Ongoing monitoring of climate policy and regulatory developments across jurisdictions

6.4 Financial position, financial performance and cash flows

The following table contains information about the current and anticipated effects of our identified climate-related risks and opportunities on the Group's financial position, financial performance and cash flows for the reporting period (current financial effects) and over the short, medium and long term (anticipated financial effects).

RISK/OPPORTUNITY	FINANCIAL EFFECT
Extreme Weather Events	**Current Financial Effects** • No material financial effects have occurred from extreme weather events in FY26. **Significant Risk of a Material Adjustment in FY27** • No significant risk of material adjustment to the carrying amounts of assets and liabilities in the next reporting period. **Anticipated Financial Effects** • Whilst we factor in potential disruptions which are inherent in our operations, there remains significant uncertainty regarding the timing, frequency and severity of such events. As a result, the level of measurement uncertainty remains sufficiently high that any estimate would not provide decision-useful information to users of the report.
Extreme Heat Impacts on Workforce, Assets and Infrastructure	**Current Financial Effects** • No material financial effects have occurred from extreme heat impacts on our assets and infrastructure or workforce in FY26. **Significant Risk of a Material Adjustment in FY27** • No significant risk of material adjustment to the carrying amounts of assets and liabilities in the next reporting period. **Anticipated Financial Effects** • While potential increases in maintenance and capital expenditure may arise, these are generally recoverable through our service contracts. However, there remains significant uncertainty regarding the timing, severity and extent of future extreme heat impacts. As a result, the level of measurement uncertainty remains sufficiently high that any estimate would not provide decision-useful information to users of the report.
Government Policy and Decarbonisation Requirements	**Current Financial Effects** • No material financial effects have occurred due to climate policy changes and mandated decarbonisation requirements in FY26. **Significant Risk of a Material Adjustment in FY27** • No significant risk of material adjustment to the carrying amounts of assets and liabilities in the next reporting period. **Anticipated Financial Effects** • Climate policy changes and government decarbonisation requirements may result in increased operating and capital costs associated with fleet replacement and supporting infrastructure. These costs are generally recoverable through contractual arrangements, government funding mechanisms or pricing structures. However, there remains significant uncertainty regarding future policy settings, the pace of decarbonisation and transition pathways across jurisdictions. As a result, the level of measurement uncertainty remains sufficiently high that any estimate would not provide decision-useful information to users of the report.

6.5 Climate resilience and scenario analysis

Kelsian undertook climate-related scenario analysis during the reporting period as part of its assessment of climate resilience. The analysis was conducted using externally developed climate-related scenarios, selected to capture a range of plausible future transition and physical risk outcomes relevant to the Group's operations and value chain.

To assess climate-related physical risks, Kelsian undertook data-led risk modelling and applied three IPCC Shared Socioeconomic Pathways (SSPs) representing a range of temperature and emissions outcomes:

IPCC SSPs	ASSUMPTIONS
SSP1-2.6 (lower warming scenario)	• A 'sustainability' pathway with rapid emissions reductions and a transition to net zero. • This is expected to limit global warming to below 2°C relative to pre-industrial time. • SSP1-2.6 was used as a proxy for a lower warming scenario in the physical risk modelling due to the availability of more robust, location-specific datasets, and is not expected to materially impact the overall conclusions of the Group's climate resilience assessment.
SSP5-8.5 (higher warming scenario)	• A high-emissions 'fossil-fuelled development' pathway, where emissions rise significantly through to mid-century. • This results in substantially higher warming of approximately 3.3 to 5.7°C by 2100.

These scenarios were used to assess exposure to physical climate-related hazards across the Group's operations and value chain, which included heat stress, flooding, storm surge, fire weather and water scarcity. These scenarios support the Group's assessment of our reasonably expected physical climate-related risks and opportunities across a range of plausible climate futures.

To assess climate-related transition risks, Kelsian applied two scenarios developed by the Network for Greening the Financial System (NGFS), representing a range of transition pathways and policy outcomes:

NGFS SCENARIO	ASSUMPTIONS
Net Zero 2050, representing an orderly transition consistent with limiting global warming to approximately 1.4°C.	• Strong and tightening policy settings (e.g. carbon pricing, regulation, mandates) • Rapid decarbonisation of energy systems (renewables dominate, fossil fuels decline sharply) • Accelerated electrification across transport and infrastructure • Significant investment in low-emission technology and infrastructure • Limited physical climate impacts (~1.5°C warming)
Current Policies, representing limited additional climate policy action and higher long-term temperature outcomes.	• No material strengthening of existing climate policies beyond today • Continued reliance on fossil fuels and slower energy transition • Limited carbon pricing / weak regulatory pressure • Gradual, market driven rather than policy driven transition • High cumulative emissions leading to significant warming (~3°C+) • Severe and escalating physical climate impacts (heat, extreme weather, asset damage)

These scenarios were used to assess transition risks and opportunities arising from changes in climate policy, regulation, market dynamics, technology and stakeholder expectations under orderly, delayed and limited-action transition pathways.

Kelsian considers the selected scenarios to be relevant for assessing its resilience because they are globally recognised and widely used frameworks, which reflect differing combinations of policy ambitions, market responses and physical climate outcomes. Kelsian acknowledges that scenario analysis involves inherent uncertainty and does not represent forecasts.

The scenario analysis was undertaken using the following time horizons:

- **Short term:** 1 – 5 years;
- **Medium term:** 5 – 15 years; and
- **Long term:** greater than 15 years.

6.6 Transition Risk and Opportunity Resilience Outcomes

The scenario analysis indicates that transition risk exposure across the Group remains low under both scenarios, primarily reflecting the contracted nature of our public transport operations, where government funding, mandates and cost recovery mechanisms support fleet transition.

Under a lower warming scenario (Net Zero 2050), increased exposure is observed in relation to fleet and infrastructure decarbonisation costs in operations where assets are owned, as well as in marine operations, where transition pathways are constrained by higher costs and the limited maturity of low-emission vessel technologies and supporting infrastructure. These exposures are expected to be managed through staged investment aligned to technology maturity, contract structures and cost recovery mechanisms.

CLIMATE RELATED TRANSITION RISK	POTENTIAL IMPACTS FROM SCENARIOS NET ZERO 2050 (NGFS)	CURRENT POLICIES (NGFS)
Government Policy and Decarbonisation Requirements	**Government-backed Public Bus and Ferry Service Contracts** • Short term – impacts are limited as policy settings continue to develop across both bus and marine sectors. • Medium to long term – strengthening decarbonisation requirements may increase operating and capital costs across fleet and infrastructure. • Resilience – impacts are not expected to be material to the Group's prospects, reflecting: o established contractual pass-through mechanisms; o government funding/support arrangements established electrification capability across operations; and o ability to stage investment over time. • Marine considerations – transition for marine assets is expected to be slower, reflecting the lower maturity of low-emission vessel technology and supporting infrastructure. This may result in higher capital costs and a more staged transition profile, managed through staged investment aligned to technology maturity, contract structures and cost recovery mechanisms.	**Government-backed Public Bus and Ferry Service Contracts** • Across bus and ferry operations, impacts are expected to remain limited over the short to long term, reflecting no material strengthening of existing policy settings. • No significant changes to capital investment or infrastructure requirements, with operations expected to continue broadly under current contractual arrangements. • Resilience - no material impact to the Group's overall prospects, given stable regulatory environment and existing commercial protections.
	Shuttle and Charter Operations • Short term – impacts are limited given evolving policy settings and relatively low levels of mandated electrification in key markets (e.g. U.S). • Medium to long term – tightening decarbonisation requirements in some jurisdictions may require targeted fleet and infrastructure investment where assets are owned. • Resilience – impacts are not expected to be material to the Group's prospects due to: o diversified operations across jurisdictions; o customer ownership structures; o contractual protections and cost recovery mechanisms; and o transition is expected to occur gradually, aligned to jurisdictional requirements.	**Shuttle and Charter Operations** • Impacts are expected to remain limited across the short to long term, with minimal policy-driven pressure to transition fleet or infrastructure. • Capital investment requirements are expected to be low, and operations largely continue unchanged. • Resilience – no material impact to the Group's prospects given stable policy settings and existing contractual arrangements.

6.7 Physical Risk Resilience Outcomes

Kelsian's exposure to physical climate risks is expected to remain broadly consistent across IPCC-selected scenarios and time horizons based on outcomes of external physical risk modelling. While the frequency or severity of certain hazards may increase over time across our operating locations, the overall impact at a Group level is not expected to materially differ from our current operating conditions.

Kelsian's globally diversified footprint reduces concentration of exposure against extreme weather, containing impacts to single locations or business units. Potential impacts are also managed through various direct and indirect mitigation and adaptation efforts such as response and recovery planning, preventative maintenance programs and operational resilience initiatives.

7. Metrics and targets

7.1 Climate-related metrics

This section provides a comprehensive overview of our climate-related performance metrics for the reporting period.

7.2 Greenhouse gas emissions and emissions calculation methodology

Kelsian measures greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

For this reporting period, Kelsian has disclosed absolute gross Scope 1 and Scope 2 emissions, measured in metric tonnes of carbon dioxide equivalent (tCO_2-e):

GREENHOUSE GAS EMISSIONS	UNIT	2026
Scope 1 emissions (gross)	tCO_2-e	428,164
Scope 2 emissions (location based) (gross)	tCO_2-e	17,596

The Scope 1 and Scope 2 inventory covers Kelsian and its controlled entities, with emissions-producing activities across two Australian operating businesses, Transit Systems Group and SeaLink Marine & Tourism, and three international operating businesses, All Aboard America! Holdings, Tower Transit Singapore and Tower Transit UK.

Kelsian has defined its organisational boundary using the operational control approach. This approach was considered the most appropriate basis for its transport operations, as it aligns emissions reporting with the assets and activities over which the Group has authority to implement operating policies.

SCOPE	EMISSIONS SOURCES	DATA SOURCES	CALCULATION METHOD	ASSUMPTIONS AND ESTIMATES
1	Combustion of natural gas on-site (stationary)	Supplier invoices (CCF/MMBtu)	Consumption based	No assumptions or estimations
1	Combustion of diesel onsite (stationary)	Supplier invoices (kL)	Consumption based	No assumptions or estimations
1	Combustion of fuels by fleet (petrol)	Supplier invoices (kL/gal)	Consumption based	No assumptions or estimations
1	Combustion of fuels by fleet (diesel)	Supplier invoices (kL/gal)	Consumption based	No assumptions or estimations
1	Combustion of fuels by fleet (natural gas)	Supplier invoices (m^3)	Consumption based	No assumptions or estimations
2	Purchased electricity	Supplier invoices (kWh)	Consumption based	No assumptions or estimations

For Scope 2, emissions are reported using the location-based method, applying grid average emission factors per state for Australian and American operations and per country for operations in Singapore and the United Kingdom. A market-based method has not been applied, as Kelsian has not entered any contractual energy instruments during the reporting period.

Emission factors applied in calculating Kelsian's Scope 1 and Scope 2 greenhouse gas emissions for the reporting period were selected based on the relevant emissions source and operating jurisdiction. The Group used the latest published emission factors available at the time the calculations were prepared, where applicable. Global warming potential (GWP) values were not applied separately, as the emission factors used were already expressed on a carbon dioxide equivalent (CO_2-e) basis. The key emission factor sources are summarised below.

REGION/LOCATION	SOURCE	REFERENCE
Australia	National Greenhouse Accounts (NGA) Factors	Department of Climate Change, Energy, the Environment and Water (2025) National Greenhouse Accounts Factors 2025
Singapore	Singapore Energy Statistics	Energy Market Authority (2025) Singapore Energy Statistics
United Kingdom	Greenhouse gas reporting: conversion factors	Department for Energy Security and Net Zero (2025) Greenhouse gas reporting: conversion factors 2025
United States	U.S. EPA Emissions & Generation Resource Integrated Database (eGRID) (electricity) U.S. EPA Title 40 Mandatory Greenhouse Gas Reporting	U.S. Environmental Protection Agency (2024) eGRID U.S. Environmental Protection Agency (2016) 40 CFR Part 98, Subpart C, Table C-1: Default CO_2 Emission Factors and High Heat Values for Various Types of Fuel

GHG data quality is managed through Kelsian's data ownership framework, under which each operating business has an assigned Data Owner accountable at business unit level for the completeness and accuracy of its emissions source data, with oversight consolidated at Group level by the Kelsian Group Financial Controller.

Activity data is captured from consolidated invoices and operational records. Data quality is validated through reconciliation of consumption data against financial records and investigation of anomalies with the relevant Data Owners, and emission factors are reviewed annually against the most recent publicly available sources.

7.3 Financial metrics

The assets and business activities vulnerable to climate-related transition risks, physical risks and climate-related opportunities are described in Section 6.2.

Kelsian did not deploy any capital expenditure, financing or investment specifically towards climate-related risks and opportunities during FY26.

In FY26, climate-related considerations were not linked to executive remuneration outcomes, and no specific climate-related performance targets were included in executive incentive arrangements.

Kelsian does not currently apply an internal carbon price in its decision-making processes and does not currently rely on carbon credits to achieve any greenhouse gas emissions targets.

7.4 Climate-related targets

Kelsian has established a target to reduce Scope 1 greenhouse gas emissions intensity in its Australian public bus operations by at least 50% by 2035 relative to an FY22 baseline and to achieve net zero Scope 1 greenhouse gas emissions in its Australian public bus operations by 2050. Progress towards the 2035 target is measured using Scope 1 greenhouse gas emissions intensity, expressed as tonnes of carbon dioxide equivalent (tCO_2-e) per $ million revenue.

The targets were established having regard to the decarbonisation objectives of the Group's Australian government clients, and the anticipated transition of Australian public transport fleets to zero-emission buses. Achievement of the targets is expected to occur primarily through the progressive and full transition of the bus fleet to zero-emission buses and supporting depot infrastructure, consistent with government client's emissions reduction objectives. Achievement of the targets is also dependent on the timing and extent of government client requirements, funding arrangements and associated investment in zero-emission buses and supporting infrastructure across the Group's Australian public bus operations. The targets and methodology used to establish them have not been validated by an independent third party and were not derived using a formal sectoral decarbonisation approach.

Progress against the targets is monitored and reported through the Group's governance and reporting processes described in Section 4 of this Report.

Performance against the 2035 target is assessed against the FY22 baseline emissions intensity of 203 tCO_2-e per $ million revenue.

In FY26, Scope 1 greenhouse gas emissions from Australian public bus operations were 215,014 tCO_2-e and emissions intensity was 179 tCO_2-e per $ million revenue, representing a 12% reduction in emissions intensity from the FY22 baseline and continued progress towards our targets.

Kelsian does not currently rely on carbon credits to achieve its emissions reduction targets. The Group has not established a separate interim gross emissions reduction target associated with its 2050 net zero target beyond the 2035 emissions intensity target disclosed above.

8. Abbreviations and definition of key terms

ABBREVIATION	FULL TERM
tCO2-e	Tonnes of carbon dioxide equivalent

TERM	DEFINITION
Scope 1 greenhouse gas emissions	Direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity, including fuel combustion in cars, buses and marine vessels.
Scope 2 greenhouse gas emissions	Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 greenhouse gas emissions physically occur at the facility where electricity is generated.
Scope 3 greenhouse gas emissions	Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 greenhouse gas emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Directors' declaration

In the opinion of the Directors of Kelsian Group Limited (the 'Company'), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the 'Group') for the year ended 30 June 2026, as presented on pages 99 to 110, are in accordance with the Corporations Act 2001, including:

- complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and
- containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors of Kelsian Group Limited pursuant to 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

On behalf of the Board

Fiona A Hele
Chair

26 August 2026

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Independent auditor’s review report to the members of Kelsian Group Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of Kelsian Group Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the ‘selective sustainability information’) as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 4 Governance and sub section 4.1, 4.2 on Pages 100,101
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Sub section 6.2 Climate-related risks or opportunities within Section 6 Strategy on Page 102
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Sub section 7.2 Greenhouse gas emissions within Section 7 Metrics and targets on Pages 107, 108

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001.*

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work* performed section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and

operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report. We have issued a separate auditor's report on the Financial Report and the Remuneration Report.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 1 of the Sustainability Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Group's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period

- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Nigel Stevenson
Partner
26 August 2026