

Welcome to Investors

Dear Investor,

On behalf of the Board and management, it is my pleasure to invite you to become a shareholder of Kelly Partners Group Holdings Limited.

I founded Kelly+Partners in 2006 with a big idea: "to help private business owners be better off". It's a simple but powerful concept that underpins the fundamental requirement within small and medium enterprises for a strong and committed financial services partner in order to realise their professional and personal goals.

In the 11 years since formation, Kelly+Partners has grown to become one of the largest accounting networks in the Greater Sydney area, with a primary focus on private SMEs and their owners. Growing from two initial start-up businesses in North Sydney and the Central Coast, Kelly+Partners now has 16 Operating Businesses spread across 12 locations in Greater Sydney and 1 office in Hong Kong. During this period, we have transformed 14 external practices and created 9 greenfield offices, in order to build the existing owner-driver accounting network. This includes 3 specialist Operating Businesses in tax consulting, wealth management and strategy consulting.

The Australian accounting industry is a A\$20 billion per annum revenue market, and demand for accounting and taxation services is driven by the increasing complexity of the Australian tax system. However, the accounting market is highly fragmented in terms of the number, scope and quality of providers. Services to SMEs comprise approximately 60% of the market, and are typically under-served by a myriad of small private practices which are often facing a number of internal & external challenges.

In the 9 years from FY07 to FY16, Kelly+Partners grew consolidated revenues by 37% CAGR. Over the 2 years from FY16 to FY18, the Company is forecasting 8% revenue growth (consolidated pro forma), 16% EBITDA growth (attributable pro forma) and 17% NPATA growth (attributable pro forma). This strong growth trajectory will be driven by:

- + organic growth of existing locations;
- + acquisition of new Operating Businesses in target geographies;
- + launching greenfield offices; and
- + expansion of client services including tax consulting, wealth management and strategy consulting.

A key competitive advantage for Kelly+Partners is its differentiated business model as compared to other participants in the Australian accounting market. The key features include:

1. clearly defined mission and values;
2. SME focus in Greater Sydney area;
3. owner-driver Operating Business model;
4. centralised back office service;
5. proprietary client system and procedures;
6. single brand and marketing; and
7. growing network and service offering.

While the Company maintains majority control of the network, our business model ensures individual Operating Business Owners are strategically aligned for the long term in the form of significant equity interest in their underlying businesses. This structure also provides a mechanism to proactively manage the succession planning issues, which are increasingly widespread within the accounting market.

Proceeds of the Offer will be used to provide Kelly+Partners with the requisite financial capacity and flexibility to fund its future growth plans. An offer of 7.3 million Shares at a price of \$1.00 each to raise \$7.3 million is being made under this Prospectus. New Shareholders and Senior Management / Directors will hold approximately 16.2% and 55.6% of the Shares in the Company respectively upon Completion of the Offer. Based on the Offer Price, the Company is expected to have a Market Capitalisation of approximately \$45.3 million upon ASX Listing.

The Board, Senior Management, Operating Business Owners and Ellerston have agreed that on Completion of the Offer, their Shares will be subject to voluntary escrow restrictions. These restrictions will prevent them from disposing of their Shares until the relevant escrow period has expired (see Section 7.10 for further details).

This Prospectus contains detailed information about the Offer, the accounting market in which the Company operates, its businesses, and the Company's historical and forecast financial performance.

Kelly+Partners is subject to a range of risks both within and outside of its control, which are discussed in detail in Section 4.

I encourage you to read this Prospectus carefully before making your investment decision.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder of Kelly Partners Group Holdings Limited.

In conclusion I would like to thank all of the Operating Business Owners, team members, clients, suppliers, friends and family (particularly my wife Rebecca) for all their continuing incredible engagement with the business.

Yours sincerely



Brett Kelly

Founder, Chairman and Chief Executive Officer
Kelly Partners Group Holdings Limited