Introduction

We use the Management Discussion & Analysis (MD&A) to explain Kelly Partners' operating results and general financial condition. This report should be read in conjunction with the 1H26 Financial Statements.

The report is set out in the following sections:

1. Strategy & Metrics Tables
2. Financial Highlights
3. Operational Highlights
4. Profit & Loss Items
5. Balance Sheet and Cashflow Items

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KELLY PARTNERS GROUP HOLDINGS LIMITED

Section 1: Strategy & Metrics Tables

The Company aims to build per-share intrinsic value by:

		Target
(1)	Improving the earning power of the operating businesses;	35% EBITDA
(2)	Further increase the earnings of the operating businesses through acquisitions;	5% p.a. growth
(3)	(a) Growing the accounting businesses;	5% p.a. growth
	(b) Growing the complementary businesses;	
(4)	(a) Making programmatic acquisitions;	
	(b) Making an occasional large acquisition where there is strategic alignment (i.e. greater than $5m in revenue); and	
(5)	Repurchasing Company's shares when available at a meaningful discount from intrinsic value.	

The following table presents the performance of the business against the comparative periods in delivering the Group's strategy.

Half year metrics

	Years since IPO Strategy	Measure	Avg	9 1H26	8 1H25	7 1H24	6 1H23	5 1H22	4 1H21	3 1H20	2 1H19	1 1H18
(1)	Improving the earning power of the operating businesses	EBITDA margin of op. businesses	30.2%	27.6%	28.1%	30.6%	30.3%	33.5%	36.6%	32.5%	25.5%	26.9%
		Less: Depreciation on PPE	(1.6%)	(1.1%)	(1.1%)	(1.4%)	(1.5%)	(2.1%)	(1.6%)	(1.7%)	(2.6%)	(0.9%)
		EBITA margin of op. businesses	28.6%	26.5%	27.0%	29.2%	28.8%	31.4%	35.0%	30.8%	22.9%	26.0%
(2)	Further increase earnings through acquisitions	Contribution to revenue growth from acquired businesses	15.2%	12.8%	18.8%	20.4%	34.5%	17.0%	6.5%	7.5%	3.9%	-
(3) a.	Growing our accounting businesses	Contribution to revenue growth from existing accounting businesses	3.3%	3.5%	3.7%	3.1%	5.6%	5.1%	0.0%	10.7%	(5.4%)	-
(3) b.	Growing our complementary businesses	Contribution to revenue growth from existing complementary businesses	1.8%	0.7%	0.3%	(0.4%)	2.1%	2.4%	0.4%	5.2%	3.6%	-
		Wealth	0.7%	0.5%	0.3%	0.2%	1.3%	1.0%	0.5%	0.8%	0.9%	-
		Finance	0.3%	0.1%	(0.2%)	(0.7%)	0.6%	0.9%	0.0%	0.2%	1.1%	-
		Investment office	0.3%	0.0%	0.0%	0.0%	0.2%	0.5%	(0.1%)	1.3%	0.3%	-
		Human resource	0.2%	0.1%	0.3%	0.2%	-	-	-	-	-	-
(4) a.	Making programmatic acquisitions	Number of acquisitions	4	6	4	3	6	2	2	2	3	-
(4) b.	Making an occasional large acquisition (i.e. greater than $5m in revenue)	Number of large acquisitions		2	1	-	-	-	-	-	-	-
(5)	Repurchasing the Company's shares when available at a meaningful discount from intrinsic value	(i) Number of shares (repurchased) / issued		-	(100k)	-	-	-	(344k)	(95k)	-	-
		(ii) % of shares issued (repurchased)/issued		-	(0.2%)	-	-	-	(0.8%)	(0.2%)	-	-
		(iii) number of shares on issue		45.3m	44.9m	45.0m	45.0m	45.0m	45.0m	45.3m	45.5m	45.5m

Full year metrics

	Years since IPO			8	7	6	5	4	3	2	1
	Strategy	**Measure**	**Avg**	**FY25**	**FY24**	**FY23**	**FY22**	**FY21**	**FY20**	**FY19**	**FY18**
(1)	Improving the earning power of the operating businesses	EBITDA margin of operating businesses	30.46%	28.3%	29.6 %	27.3%	30.9%	33.4%	32.5%	27.7%	34.0%
		Less: Depreciation on PPE	(1.6%)	(1.0%)	(1.3%)	(2.4%)	(2.3%)	(2.4%)	(1.6%)	(1.3%)	(1.0%)
		EBITA margin of operating businesses	28.8%	27.3%	28.3%	24.9%	28.6%	31.0%	30.9%	26.4%	33.0%
(2)	Further increase earnings through acquisitions	Contribution to revenue growth from acquired businesses	17.1%	20.0%	26.3%	28.7%	26.5%	4.8%	6.6%	6.4%	17.2%
(3) a.	Growing our accounting businesses	Contribution to revenue growth from existing accounting businesses	3.2%	3.5%	2.7%	2.9%	4.7%	1.4%	6.6%	(6.9%)	10.5%
(3) b.	Growing our complementary businesses	Contribution to revenue growth from existing complementary businesses	1.6%	1.0%	0.3%	1.8%	1.5%	1.2%	2.8%	1.8%	3.1%
		Wealth	0.8%	0.8%	0.5%	1.4%	0.9%	1.0%	0.4%	0.7%	1.0%
		Finance	0.4%	0.0%	(0.4%)	0.3%	0.6%	0.2%	0.4%	0.7%	0.8%
		Investment office	0.2%	0.0%	0.0%	0.1%	(0.2%)	0.0%	0.9%	0.0%	0.4%
		Human resource	0.2%	0.2%	0.2%	-	-	-	-	-	-
(4) a.	Making programmatic acquisitions	Number of acquisitions	5	5	6	8	8	7	3	4	-
(4) b.	Making an occasional large acquisition (i.e. > $5m in revenue)	Number of large acquisitions		1	-	1	-	-	-	-	-
(5)	Repurchasing the Company's shares when available at a meaningful discount from intrinsic value	(i) Number of shares (repurchased) / issued		275k	-	-	-	(400k)	(95k)	(2k)	-
		(ii) % of shares (repurchased)/issued		0.6%	-	-	-	(0.9%)	(0.2%)	-	-
		(iii) number of shares on issue		45.3m	45.0m	45.0m	45.0m	45.0m	45.4m	45.5m	45.5m

Key financial metrics

The Company uses Return on Equity ('ROE'), Return on Invested Capital ('ROIC'), Earnings Per Share ('EPS') and Owners' earnings as key financial metrics to measure the performance of the Group and its return to shareholders. The Group continues to achieve superior returns on equity and invested capital, as measured by ROE and ROIC. The following table summarises the key financial metrics used by the Company to measure the performance of the Group and its return to shareholders against comparative years.

Half Years since IPO Key financial metric	Formula	Average	9 1H26	8 1H25	7 1H24	6 1H23	5 1H22	4 1H21	3 1H20	2 1H19	1 1H18
Return to owners											
Free Cashflow / Owners' earnings - Group ($'000)[1]	Cash from operating activities *less* repayment of lease liabilities *less* maintenance capex	-	14,956	14,025	11,109	9,991	9,098	8,053	6,623	5,286	3,020
Free Cashflow / Owners' earnings - Parent ($'000)	Cash from operating activities exc. non recurring items *less* repayment of lease liabilities *less* maintenance capex	-	5,483	4,943	4,168	3,536	3,380	2,640	1,948	1,257	n/a
Return on equity - Group	Underlying NPATA / Equity	41.7%	38.1%	36.5%	35.3%	42.7%	42.2%	44.5%	45.6%	48.9%	-
Return on invested capital	(Underlying NPATA + cash interest) / (Equity + Debt)	23.8%	20.8%	22.2%	19.9%	21.5%	23.3%	28.1%	25.8%	28.4%	-
Earnings per share (EPS) (cents per share)	Underlying attributed NPATA / Weighted average number of shares	-	12.27	10.96	9.78	7.82	7.42	6.24	4.01	2.82	3.99
	Annual increase (EPS)	17.7%	11.9%	12.2%	25.0%	5.3%	19.0%	55.7%	42.1%	(29.3%)	-
Closing share price	Closing share price	-	$8.20	$10.50	$4.92	$4.49	$4.35	$2.12	$0.99	$1.15	$1.74
Market capitalisation	Share price x no. of shares	-	$371m	$472m	$221m	$202m	$196m	$95m	$45m	$52m	$79m
Cash conversion / debt											
Cash conversion	Operating cashflow / Statutory EBITDA	99.0%	101.1%	103.0%	101.4%	106.4%	88.9%	92.9%	100.5%	124.2%	72.3%
Gearing ratio	Net Debt / Underlying EBITDA	1.40x	1.79x	1.49x	1.94x	1.93x	1.32x	0.76x	1.19x	1.09x	1.17x
Net debt per partner ('000)	Net Debt / Number of Partners	$451	$734	$533	$518	$520	$415	$267	$407	$380	$295
Number of partners	Number of partners	-	105	104	88	72	57	49	42	40	38

[1] The Group uses owners' earnings to measure cash flow available to the Group. Owners' earnings is a non-IFRS measure which is used to measure cash flow to the Group (after taxes and finance costs) and after taking into account the movements in working capital, deductions for maintenance capital expenditures and repayment of lease liabilities.

Years since IPO Key financial metric	Formula	Average	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
Return to owners										
Free Cashflow / Owners' earnings - Group ($'000)[2]	Cash from operating activities *less* repayment of lease liabilities *less* maintenance capex	-	23,880	19,471	14,934	13,959	12,761	12,174	9,673	6,305
Free Cashflow / Owners' earnings - Parent ($'000)	Cash from operating activities exc. non recurring items *less* repayment of lease liabilities *less* maintenance capex	-	8,465	7,847	5,999	6,313	5,365	3,885	3,129	n/a
Return on equity - Group	Underlying NPATA / Equity	41.3%	38.8%	40.6 %	38.4%	41.7%	42.6%	44.2%	36.6%	47.8%
Return on invested capital	(Underlying NPATA + cash interest) / (Equity + Debt)	24.3%	22.2%	24.8 %	20.0%	22.3%	25.0%	26.1%	22.7%	31.2%
Earnings per share (EPS) (cents per share)	Underlying attributed NPATA / Weighted average number of shares	-	20.19	17.84	12.01	13.99	11.48	8.67	7.02	9.51
	Annual increase (EPS)	13.1%	13.2%	48.5 %	(14.2%)	23.5%	10.5%	23.5%	(26.2%)	25.6%
Dividends (cents per share)	Dividends paid (inc. special dividends)	-	n/a	3.50	7.32	8.17	5.60	4.84	4.40	4.00
Ord div (cents per share)[3]	Ordinary dividends paid	-	n/a	3.50	4.79	5.86	4.67	4.84	4.40	4.00
Dividends payout ratio	Dividends per share / EPS (underlying NPATA)	-	n/a	19.6%	61.0%	57.0%	56.8%	55.8%	62.7%	42.1%
Closing share price	Closing share price	-	$10.77	$8.25	$4.72	$3.88	$3.40	$0.88	$0.89	$1.23
Market capitalisation	Share price x no. of shares	-	$488m	$371m	$212m	$175m	$153m	$40m	$40m	$56m
Cash conversion / debt										
Cash conversion	Operating cashflow / Statutory EBITDA	92.9%	99.8%	96.9 %	94.4%	83.3%	91.5%	97.3%	116.8%	63.5%
Gearing ratio	Net Debt / Underlying EBITDA	1.26x	1.42x	1.28x	1.65x	1.36x	1.18x	0.96x	1.35x	0.85x
Net debt per partner ('000)	Net Debt / Number of Partners	$433	$572	$470	$512	$506	$398	$346	$367	$291
Number of partners	Number of partners	-	102	96	78	62	54	45	41	40

[2] The Group uses owners' earnings to measure cash flow available to the Group. Owners' earnings is a non-IFRS measure which is used to measure cash flow to the Group (after taxes and finance costs) and after taking into account the movements in working capital, deductions for maintenance capital expenditures and repayment of lease liabilities.

[3] On 5 February 2024 the Company announced that it will cease dividends payment and no dividends have been paid since February 2024.

Section 2: Financial Highlights

In the half year ended 31 December 2025 ('1H26'), the Group has recorded a consolidated statutory net profit after income tax of $8,256,000 (half year ended 31 December 2024 ('1H25'): $8,653,000), a decrease of 4.6%. The statutory net profit for the Group attributable to members of the parent entity after providing for income tax and non-controlling interests amounted to $2,112,000 (31 December 2024: $2,499,000), a decrease of 15.5%. The movement in statutory net profits is not representative of the underlying performance of the business due to a significant increase in amortization of customer relationship intangible assets (1H26: $4,714,000; 1H25: $3,454,000) as a result of acquisitions and one off items associated with acquisitions.

Owners' earnings for the 6 months were $14,956,000 (1H25: $14,025,000) up 6.6% from the prior corresponding period. Owners' earnings for the parent entity were $5,483,000 (1H25: $4,943,000), up 10.9% from the prior corresponding period.

The Directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('Underlying EBITDA') and Underlying Net Profit After Tax Before Amortisation ('Underlying NPATA') reflects the core earnings of the Group. Underlying EBITDA and Underlying NPATA are financial measures not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and other items which management consider to be one-off in nature. Underlying EBITDA and Underlying NPATA are key measurements used by management and the board to assess and review business performance.

Underlying EBITDA as a core measure ignores the cash implications of capital investment requirements. Kelly Partners has historically used EBITDA as a measure of performance because typically depreciation charges have been extremely low or negligible, reflecting the minimal capital requirements in accounting businesses. Where depreciation charges have been minimal, EBITDA equates roughly to EBITA.

The following table provides a reconciliation between the NPAT and the Underlying EBITDA of the consolidated Group.

	Consolidated	
	1H26 $'000	1H25 $'000
Statutory net profit after income tax ('NPAT') from continuing operations	8,256	8,653
Finance costs, net of interest income	3,426	3,284
Income tax expense	1,566	1,060
Depreciation and amortisation expense	8,200	6,777
Earnings before interest, tax, depreciation and amortisation ('EBITDA')	21,448	19,774
Add: Non-recurring expenses / Non-cash adjustments		
Acquisition costs	545	860
Strategic review costs	-	183
Other non recurring expense	396	111
Less: Non-recurring income		
Change in fair value of contingent consideration	(104)	(574)
Underlying EBITDA	22,284	20,354
Less: Depreciation expense	(3,486)	(3,323)
Underlying EBITA	18,798	17,031

Underlying EBITDA of the Group was $22,284,000 (1H25: $20,354,000), an increase of 9.5%.

Underlying EBITA of the Group was $18,798,000 (1H25: $17,031,000), an increase of 10.4%.

The following table provides a reconciliation between the NPAT and the Underlying NPATA which is attributable to the owners of Kelly Partners Group Holdings Limited.

	Consolidated	
	1H26 $'000	1H25 $'000
Statutory NPAT from continuing operations attributable to owners of Kelly Partners Group Holdings Limited	2,112	2,499
Amortisation of customer relationship intangibles	2,454	1,706
NPATA attributable to owners of Kelly Partners Group Holdings Limited	4,565	4,205
Add: Non-recurring expenses or non-cash adjustments		
Acquisition costs, including unwinding of interest on contingent consideration[4]	773	1,085
Strategic review costs	-	183
Impact of AASB 16[5]	276	187
Other non-recurring expense	396	111
Less: Non-recurring income		
Change in fair value of contingent consideration	(104)	(440)
Net non-recurring items	1,341	1,126
Less: Tax effect of non-recurring items	(350)	(406)
Underlying NPATA attributable to owners of Kelly Partners Group Holdings Limited	5,557	4,925

Underlying NPATA attributable to members of the parent entity was $5,557,000 (1H25: $4,925,000), an increase of 12.8%.

[4] Contingent consideration in relation to acquisitions are initially accounted for at a discount to net present value. As time lapses this value is grossed up such that when the contingent consideration is due the value of the liability equates to the actual payment amount. The grossed up amount is recorded as an interest expense in the profit or loss.

[5] Impact of AASB 16 – difference between cash rent expense and the accounting of leases

Section 3: Operational Highlights

Acquisitions and integration
During 1H26, the Group announced and completed six acquisitions with estimated total annual revenues in the range of $18.7m to $22.2m, representing 13.9% to 16.5% of FY25 revenue. The Group's revenue run rate (annualised revenue including all acquisitions completed to date) is estimated to be $164.2m.

The completed acquisitions are listed in the table below.

#	Details	Location	Type	Acquired revenue
(1)	Aug-25	Mission Viejo, CA, USA	Marquee	$4.3m - $5.7m
(2)	Aug-25	Pittwater, NSW	Tuck-in	$1.0m
(3)	Oct-25	Sydney CBD & Bowral, NSW	Tuck-in	$4.0m - $4.4m
(4)	Oct-25	Philippines	Marquee	$6.0m - $7.0m
(5)	Dec-25	Narrandera, NSW	Marquee	$0.8m
(6)	Dec-25	Southern Highlands, NSW	Marquee	$2.6m - $3.3m
	Total acquisitions completed in 1H26			**$18.7m - $22.2m**
	% of FY25 Revenue ($134.6m)			**13.9% - 16.5%**

Offices and partners
As at 31 December 2025, the Group operated in 43 offices (30 June 2025: 35). During the half year, the Group commenced businesses in the following new locations through the acquisitions completed above:

(1) Mission Viejo, California, United States
(2) Narrandera, NSW
(3) Southern Highlands, NSW
(4) Sydney CBD, NSW
(5) Dumaguete Headquarters, Philippines
(6) Dumaguete Northside, Philippines
(7) Dumaguete Downtown, Philippines
(8) Tanjay City, Philippines
(9) Cebu, Philippines
(10) Bacolod, Philippines

As of 31 December 2025, the total number of equity partners (including CEO, Brett Kelly) was 105 (30 June 2025: 102). This year we welcomed 7 new equity partners, with 2 partners being promoted internally, 1 partner recruited externally and 4 partners joining from completed acquisitions. The Group is pleased to have grown its number of equity partners. The Group continues its focus in developing and recruiting new partners as part of its strategy to retain and motivate key talent and to drive revenue growth.

Section 4: Profit & Loss Items

Revenue
Revenue for 1H26 increased 17.0% to $76.0m (1H25: $64.9m). A reconciliation of acquisition and organic growth is set out below:

	$'000	Contributed growth %	Growth on prior year by cohort %
1H25 Revenue from Continuing Operations	64,927		
Accounting business growth	2,276	3.5	3.7
Complementary business growth	425	0.7	14.2
Total organic growth	2,701	4.2	4.2
Acquired growth	8,358	12.8	
1H26 Revenue	75,986	17.0	17.0

Acquired revenue growth of $8.4m contributed 12.8% to revenue growth, with in year acquisitions completed to date in 1H26 contributing $4.4m and revenue from the acquisitions completed in FY25 contributing $4.0m.

Organic revenue grew 4.2% on prior year.

Operating expenses
Employment and related expenses have increased 21.5% and operating expenses have increased 15.4%. Note employment and related expenses include direct and indirect (oncosts) of partners, professional team members ("fee-generating") and administrative team members, including team members of the parent entity ("central services team").

Underlying EBITDA
Underlying EBITDA (which measures EBITDA before one-off and non-recurring items) increased 9.5% to $22,284,000 (1H25: $20,354,000).

The directors consider underlying EBITA margin before AASB 16 as the most meaningful measurement of performance. Underlying EBITDA as a core measure ignores the cash implications of capital investment requirements. Kelly Partners has historically used EBITDA as a measure of performance because typically depreciation charges have been extremely low or negligible, reflecting the minimal capital requirements in accounting businesses. Where depreciation charges have been minimal, EBITDA equates roughly to EBITA.

The Underlying EBITDA margin before the impacts of AASB 16 is 25.4% (1H25: 26.8%). Excluding the additional investments by the parent entity, the underlying EBITDA margin of our operating businesses was 27.6% (1H25: 28.1%). Our aim is to increase the EBITA margin to 32.5% and we expect to do so once the recently completed acquisitions have undergone a successful transition and transformation under our Kelly Partners Partner-Owner-Driver™ model.

A reconciliation of Underlying EBITDA before and after adjustments to reverse the impact of AASB 16 'Leases' is set out in the table below.

Half Years since IPO	Avg	9	8	7	6	5	4	3	2	1
($'000)		1H26	1H25	1H24	1H23	1H22	1H21	1H20	1H19	1H18
EBITDA		21,448	19,774	17,047	13,536	13,362	10,905	7,848	4,709	4,810
Non recurring one-off items		837	580	1,262	202	(1,492)	(1,313)	367	0	971
Underlying EBITDA		22,285	20,354	18,309	13,738	11,869	9,591	8,214	4,709	5,781
Growth %	21.9%	+9.5%	+11.2%	+33.3%	+15.7%	+23.8%	+16.8%	+74.4%	-9.5%	-
AASB 16 - rent expense		(3,007)	(2,958)	(2,842)	(2,170)	(1,585)	(1,306)	(1,268)	n/a	n/a
Underlying EBITDA pre AASB 16		19,277	17,396	15,467	11,568	10,284	8,286	6,947	4,709	5,781
Growth %	18.9%	+10.8%	+12.5%	+33.7%	+12.5%	+24.1%	+19.3%	+47.5%	-9.5%	-
As a % of revenue	28.4%	25.4%	26.8%	29.3%	26.9%	33.2%	33.3%	29.6%	23.9%	29.9%
Less: Depreciation on PPE		(1,122)	(991)	(1,020)	(903)	(661)	(395)	(410)	(181)	(186)
Underlying EBITA pre AASB 16		18,155	16,405	14,447	10,665	9,623	7,891	6,537	4,528	5,595
Growth %	17.3%	+10.7%	+13.6%	+35.5%	+10.8%	+22.0%	+20.7%	+44.3%	-19.1%	-
As a % of revenue	27.1%	23.9%	25.3%	27.3%	24.8%	31.1%	31.8%	27.8%	22.9%	28.9%

Years since IPO ($'000)	Average	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
EBITDA		39,264	33,504	25,529	24,790	18,887	16,849	10,165	13,554
Non recurring one-off items		1,877	1,721	(1,974)	(1,676)	(233)	(927)	724	(123)
Underlying EBITDA		41,141	35,225	23,555	23,114	18,654	15,923	10,889	13,431
Growth %	18.7%	+16.8%	+49.6%	+1.9%	+23.9%	+17.2%	+46.2%	-24.7%	-
AASB 16 - rent expense		(6,699)	(5,195)	(3,936)	(3,129)	(2,704)	(2,456)	-	-
Underlying EBITDA before AASB 16		34,442	30,030	19,621	19,985	15,950	13,467	10,889	13,431
Growth %	15.5%	+14.7%	+53.1%	-1.8%	+25.3%	+18.4%	+23.7%	-24.7%	-
As a % of revenue	28.9%	25.6%	27.8%	23.4%	30.8%	32.6%	29.6%	27.2%	34.0%
Less: Depreciation on PPE		(2,148)	(2,073)	(1,994)	(1,491)	(1,177)	(714)	(510)	(386)
Underlying EBITA before AASB 16		32,294	27,957	17,625	18,494	14,773	12,753	10,379	13,045
Growth %	15.3%	+15.5%	+58.6%	-4.7%	+25.2%	+15.8%	+22.9%	-26.3%	-
As a % of revenue	27.1%	24.0%	25.9%	21.1%	28.5%	30.2%	28.0%	26.0%	33.1%

Additional investment expenditure in the Parent Entity
Since the IPO, the parent entity has continued to invest to further develop the capabilities of the central services team and to enable the business to be positioned for long term growth as well as to increase its competitive advantage. These investments have sometimes exceeded the central Services Fee and IP Fee income that the parent entity receives from its operating businesses, as shown in the table below.

Half Years since IPO	Average	9 1H26	8 1H25	7 1H24	6 1H23	5 1H22	4 1H21	3 1H20	2 1H19	1 1H18
Group revenue ($'000)		75,986	64,927	53,729	42,931	30,940	24,846	23,486	19,732	19,324
Revenue growth	19.2%	+17.0%	+20.8%	+25.2%	+38.8%	+24.5%	+5.8%	+19.0%	+2.1%	-
Addt'l investment ($'000)		1,701	818	726	1,454	76	150	1,039	317	912
% of Revenue	2.2%	2.2%	1.3%	1.4%	3.4%	0.2%	0.6%	4.4%	1.6%	4.7%

Years since IPO	Average	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
Group revenue ($'000)		134,607	109,492	86,524	64,862	48,906	45,495	39,975	39,469
Revenue growth	19.9%	+24.5%	+26.5%	+33.4%	+32.6%	+7.5%	+13.8%	+1.3%	-
Additional investment ($'000)		3,681	1,948	2,479	78	371	1,631	742	372
% of Revenue	1.8%	2.7%	1.8%	2.9%	0.1%	0.8%	3.6%	1.9%	0.9%

Group revenue includes revenues from discontinued operations to provide a consistent comparison.

Non-recurring one-off items
Total non-recurring income for the Group for the half year was $104,000 (1H25: $574,000) and included:
1) $104,000 (1H25: $574,000) in non-cash income relating to the change in fair value of contingent considerations. This relates to acquisitions completed in FY24 where the vendors had not achieved the required targets for the payment of the contingent consideration in full.

Total non-recurring expenses for the half year of $940,000 (1H25: $1,155,000) included:
(1) $545,000 (1H25: $860,000) in legal costs and one-off implementation costs relating to the six acquisitions completed this year;
(2) $396,000 (1H25: $111,000) in other non recurring expenses.

The Group classifies costs related to acquiring businesses under non-recurring and one-off items on the basis that those specific acquisition costs (related to specific businesses acquired) will not re-occur in future periods whilst their associated revenues and earnings are expected to continue into future periods. As part of its growth strategy, management continues to identify acquisition targets and any future acquisition expenses are expected to be accompanied by future revenues and earnings associated with those expenses. The separate classification of acquisition costs into non-recurring and one-off items provides transparency to look-through to the underlying performance of the Group.

Depreciation and amortisation and finance costs

Depreciation and amortisation expense increased to $8,200,000 (1H25: $6,777,000) and includes depreciation expense of $3,486,000 (1H25: $3,323,000) and amortisation expense of $4,714,000 (1H25: $3,454,000). The increase in amortisation expense is due to recent acquisitions completed creating customer relationship intangible assets that are amortised in accordance with Australian Accounting Standards. Please see the subsequent section for an explanation on amortisation expenses.

Half Years since IPO	Average	9	8	7	6	5	4	3	2	1
($'000)		1H26	1H25	1H24	1H23	1H22	1H21	1H20	1H19	1H18
Depreciation – PPE		1,122	991	1,020	903	661	395	410	181	186
Depreciation – ROA		2,364	2,332	1,830	1,554	1,216	1,078	1,091	n/a	n/a
Amortisation expense		4,714	3,454	2,742	1,862	876	503	424	362	324
Total D&A expense		8,200	6,777	5,592	4,319	2,753	1,976	1,925	543	510
Dep'n – PPE % of Revenue	1.6%	1.5%	1.5%	1.9%	2.1%	2.1%	1.6%	1.7%	0.9%	1.0%

Years since IPO		8	7	6	5	4	3	2	1
($'000)	Average	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18
Depreciation – PPE		2,148	2,072	1,994	1,491	1,177	714	510	386
Depreciation – ROU		4,893	4,238	3,330	2,477	2,175	2,103	n/a	n/a
Amortisation expense		7,432	5,821	3,903	2,362	1,075	924	739	651
Total D&A expense		14,473	12,131	9,227	6,330	4,427	3,741	1,249	1,037
Dep'n – PPE % of revenue	1.8%	1.6%	1.9%	2.4%	2.3%	2.4%	1.6%	1.3%	1.0%

Finance costs increased to $4,078,000 (1H25: $3,284,000). Finance costs include interest on lease liabilities recognised due to the requirements of AASB 16 and the increase is due to new property leases that the Group has entered into as part of acquiring businesses in new locations. Finance costs on bank overdrafts and loans also increased to $2,593,000 (1H25: $2,062,000) due to increased term debt in the past 12 months to complete the in year acquisitions.

Half Years since IPO	Average	9	8	7	6	5	4	3	2	1
($'000)		1H26	1H25	1H24	1H23	1H22	1H21	1H20	1H19	1H18
Lease interest costs		1,171	996	1,013	616	291	213	304	n/a	n/a
Interest on unwinding retention		314	226	270	278	121	93	62	n/a	n/a
Bank interest costs		2,592	2,062	1,851	1,114	480	431	409	392	310
Total		4,077	3,284	3,134	2,008	892	737	775	392	310
Bank Interest as a % of revenue	2.4%	3.4%	3.2%	3.5%	2.6%	1.5%	1.7%	1.7%	2.0%	1.6%

Years since IPO ($'000)	Average	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
Lease interest costs		2,068	1,813	1,274	652	505	555	n/a	n/a
Interest on unwinding retention		491	516	539	345	202	158	53	-
Bank interest costs		4,453	3,422	2,447	1,041	844	823	816	611
Total		7,012	5,751	4,260	2,038	1,551	1,536	869	611
Bank interest as a % of revenue	2.3%	3.3%	3.2%	3.0%	1.6%	1.7%	1.8%	2.2%	1.5%

An explanation on customer relationship intangible assets and its amortisation
Our reported results have been impacted significantly in the past (and continues to be) by the amortisation of customer relationship intangible assets.

Under accounting standards, when a business is purchased, the acquirer is required to recognise separately the identifiable assets acquired separately from goodwill. Based on experience, a portion of the acquisition cost is required to be attributed to “customer relationships / client lists” and this is required to be amortised (flat line) over its expected life.

Whilst our financial statements follow the accounting standard outlined above, the accounting treatment does not reflect economic reality because clients of an accounting firm rarely attrit and hence should not be amortised. For example, an accounting business that was acquired 10 years ago continues to generate the same revenues every year since it has joined the Group, if not much more with compounded organic growth. The accounting treatment that would better reflect the economics of the acquired business is not to amortise the intangible asset but continue to carry it at acquisition cost subject to recognising any impairment from a loss of clients or income.

The impact of the continual amortisation is that the reported earnings are understated. Hence, since IPO in June 2017, NPATA (net profit after tax before amortisation) is used as a measurement of performance rather than NPAT. The amortisation expense has continued to grow substantially, in line with the increased acquisitions, as shown in the table below:

Half Years since IPO ($m)	9 1H26	8 1H25	7 1H24	6 1H23	5 1H22	4 1H21	3 1H20	2 1H19	1 1H18
NPAT	8.3	8.7	7.3	6.5	8.0	7.1	4.4	3.3	3.4
Amortisation expense	4.7	3.3	2.7	1.9	0.9	0.5	0.4	0.3	0.3
NPATA	12.9	12.0	10.0	8.4	8.9	7.6	4.8	3.6	3.7

Years since IPO ($'m)	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
NPAT	16.4	13.5	10.9	13.3	10.9	10.1	7.1	10.0
Amortisation expense	7.4	5.5	3.6	2.2	0.9	0.9	0.8	0.6
NPATA	23.6	19.0	14.5	15.5	11.8	11.0	7.9	10.6

Income tax expense
The Group’s Income Tax Expense has increased to $1,566,000 (1H25: $1,060,000). The tax for the Group is calculated on the parent entity’s share of partnership income, 100% of the profit of operating businesses structured as companies, and 100% of the net parent entity expenses. The movement in income tax expense may be disproportionate to the movement in profits due to permanent differences arising from non-assessable or non-deductible items.

Section 5: Balance Sheet & Cashflow Items

Cash flow

Cash from operations

Receipts from customers increased 15.0% to $83,440,000 (1H25: $72,573,000). Payments to suppliers and employees increased 18.2% to $61,876,000 (1H25: $52,347,000). Operating Cashflow (defined as Receipts from Customers less Payments to suppliers and employees) excluding Other Income (which mainly consists of one-off items) was up 6.6% to $21,564,000 (1H25: $20,221,000).

Half Years since IPO	Average	9	8	7	6	5	4	3	2	1
		1H26	1H25	1H24	1H23	1H22	1H21	1H20	1H19	1H18
Operating cashflow ($'000)		21,564	20,371	17,009	14,048	10,535	8,812	8,318	5,849	3,480
Growth %	27.0%	6.6%	15.9%	21.1%	33.3%	19.6%	5.9%	42.2%	68.1%	-

Years since IPO		8	7	6	5	4	3	2	1
	Average	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18
Operating cashflow ($'000)		38,662	32,191	23,750	18,532	16,420	15,956	11,870	8,606
Growth %	24.6%	20.1%	35.6%	28.1%	12.9%	2.9%	34.4%	37.9%	-

Cash from investing activities

In 1H26 the Group spent $2,164,000 on property, plant and equipment capital expenditure. Of this, $1,617,000 was used to fit out the premises of Kelly Partners Griffith as well as a new site as part of our business process outsourcing business in the Philippines. The remaining $547,000 represents office, computer equipment and other maintenance capital expenditures.

Cash from financing activities

In 1H26 the Group's borrowings (excluding overdrafts considered as working capital) increased by $7,575,000 or 13.2%, to $65,168,000 (30 June 2025: $57,592,000). New borrowings of $14,538,000 were taken out during the year, mainly for the completion of in year acquisitions, refinancing of existing loans and financing the buy ins of our equity partners. The difference reflects the principal repayments made during the year of $6,963,000 and reflects the Group's strong and disciplined approach in repaying debt. Proceeds from borrowings of $14,538,000 included $10,636,000 for acquisition funding, $1,300,000 for fitout funding, $723,000 relating to the buy in of new and existing partners, and the remaining amount being for refinancing of existing loans and other uses.

As at 31 December 2025, the Group's overdraft balance increased by $8,789,000 or 136.1% to $15,247,000 (30 June 2025: $7,714,000) and was due to two temporary overdraft facilities totalling $7,866,000 that were used to fund two acquisitions completed during the period. These temporary overdraft facilities are currently being refinanced in to amortising term debt.

Working capital

The Group continues to maintain a disciplined approach to managing its lockup (defined as trade receivables and accrued income less contract liabilities), with lockup of 49.8 days or $22,389,000 (calculated on run rate revenue with annualised revenue contributions from completed acquisitions) compared with the prior year (31 December 2024: 51.6 days, $18,959,000).

This continues to be a strong result and has been achieved alongside strong acquisition and organic growth. Note that lockup calculated on actual revenue (which is used to calculate lockup) does not include the full 12 months' revenue of the in-year acquisitions. Hence, for the purposes of achieving a more meaningful comparison, the lockup based on annualised revenue has been used.

Years since IPO	Avg	9 1H26	8 1H25	7 1H24	6 1H23	5 1H22	4 1H21	3 1H20	2 1H19	1 1H18
Lockup ($'000)		22,389	18,959	16,079	13,362	8,656	7,107	7,670	8,730	8,136
Lockup days	58.9	49.8	51.6	55.2	56.4	57.4	55.4	64.0	79.9	60.0
Debtor ($'000)		18,462	15,809	12,664	10,656	6,832	5,648	6,148	6,128	5,549
Debtor days	45.6	41.0	43.1	43.4	45.0	45.3	44.0	51.3	56.1	40.9
WIP ($'000)		3,927	3,151	3,414	2,706	1,824	1,460	1,523	2,602	2,586
WIP days	13.3	8.7	8.6	11.7	11.4	12.1	11.4	12.7	23.8	19.1

Years since IPO	Average	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
Lockup ($'000)		21,918	17,993	14,090	11,623	6,841	6,875	7,626	10,087
Lock up days	60.9	58.0	56.1	48.1	55.8	51.1	55.2	69.6	93.3
Debtor ($'000)		19,003	16,791	12,380	9,905	6,205	5,783	6,099	6,603
Debtor days	50.2	50.3	52.3	42.3	47.6	46.3	46.4	55.7	61.1
WIP ($'000)		2,915	1,202	1,709	1,718	637	1,092	1,526	3,484
WIP days	10.7	7.7	3.7	5.8	8.3	4.8	8.8	13.9	32.2

Capital structure
The business continues to maintain a capital structure that supports its accelerated growth. As at 31 December 2025, the Group's Gearing Ratio (defined as Net Debt / Underlying EBITDA) increased to 1.79x (30 June 2025: 1.42x) due to debt used to fund acquisitions completed during the year (see the preceding section "Cash from financing activities" for further details). Net debt increased by $18,619,000 or 31.9%. Note Underlying EBITDA includes part year contributions from in year acquisitions. On a full year EBITDA contribution basis, the Gearing Ratio is ~1.56x.

Acquisition debt is amortised and repaid through profits generated from the acquired business and is expected to be repaid in full over a 4-5 year term. Net Debt is a non-IFRS measure and means Total Borrowings less Cash and Cash Equivalents.

Half Years since IPO $'000	Avg	9 1H26	8 1H25	7 1H24	6 1H23	5 1H22	4 1H21	3 1H20	2 1H19	1 1H18
Net Debt		77,058	55,472	45,583	36,917	23,679	13,087	17,078	15,193	11,221
Underlying TTM EBITDA		43,071	37,270	23,479	19,093	16,781	20,806	14,395	13,968	9,560
Gearing Ratio (Net Debt / Underlying EBITDA)	1.40x	1.79x	1.49x	1.94x	1.93x	1.41x	0.63x	1.19x	1.09x	1.17x

Years since IPO $'000	Avg	8 FY25	7 FY24	6 FY23	5 FY22	4 FY21	3 FY20	2 FY19	1 FY18
Net Debt		58,439	45,163	39,918	31,368	15,728	15,233	14,673	11,356
Underlying EBITDA		41,141	35,225	24,263	23,114	18,654	15,923	10,889	13,431
Gearing Ratio (Net Debt / Underlying EBITDA)	1.20x	1.42x	1.28x	1.65x	1.36x	0.84x	0.96x	1.35x	0.85x