KP+GH
KELLY PARTNERS GROUP HOLDINGS LIMITED

ANNOUNCEMENT - KPG
Monday, 15th June 2026

Quality Shareholders #21
Who Owns Kelly+Partners

"While our form is corporate, our attitude is partnership." — Warren Buffett

Dear Valued Shareholder,

Thank you for your continued partnership in Kelly Partners Group Holdings Limited (ASX: KPG). I write to you, as I always do, not as a distant manager addressing anonymous shareholders, but as a fellow owner writing to his partners.

Since our very first letter in 2021, I have said plainly that we are unashamedly seeking quality shareholders — owners who buy meaningful stakes, hold them for long periods, trade little, and think in decades rather than quarters. This letter is about you. We recently set out to answer a simple but important question: who actually owns Kelly+Partners, and how do our owners behave?

An exercise: who owns Kelly+Partners?

Over the past months we studied our beneficial register across the period from 2020 to 31 December 2025, and classified our owners using the framework set out by Professor Lawrence Cunningham in Quality Shareholders — a book we have long commended to you, and whose author was kind enough to address our shareholders some years ago. The framework sorts every owner along two dimensions, conviction (how concentrated their position is) and horizon (how long they hold), into four groups: Quality, Activists, Indexers, and Transients.

The findings were, frankly, among the most satisfying things I have read about our Company. On the full register, close to 80% of our issued capital sits with quality shareholders — concentrated, long-term owners. Index funds account for under 1%, and short-term, transient money for under 2%. At the typical large listed company, Professor Cunningham observes index funds at 30–50% and transient traders at roughly 30%. Our register is, by deliberate cultivation, almost the mirror image of the market average.

Setting aside my own holding of roughly 37% — which I hold as your controlling partner and not as a tradeable portfolio position — close to two-thirds of the remaining register qualifies as quality on the strictest reading. And that figure understates the truth. The framework measures "horizon" by how long an owner has appeared on our particular register, so a patient, concentrated value manager who joined us only recently is mechanically counted as "short-horizon," and lands in the "Activist" or "Transient" box — a label that, for our register, badly misdescribes the holders in question. They are not agitators; they are long-term value investors who simply arrived lately.

When we look through that quirk and treat genuine long-term value managers — who have been our partners and fellow owners for years — as what they truly are, the picture sharpens further:

Owner type (register excluding the founder)	Raw 2×2 reading	Looking through horizon
Quality (concentrated, long-term)	64.6%	79.9%
"Activists" (concentrated, recent entry)	30.7%	15.4%
Indexers (diversified, passive)	1.3%	1.3%
Transients (small, short-tenure)	3.4%	3.4%

Source: KPG beneficial-holder analysis, 2020–2025; snapshot 31 December 2025. "Looking through horizon" reclassifies discretionary, low-turnover value managers to Quality. The genuinely short-horizon balance is almost entirely private-banking books, brokers, custodians and a few very recent individual holders — not activists in any meaningful sense.

Why this matters to us — and to you

We did not undertake this exercise for vanity. Professor Cunningham's research, and Warren Buffett's practice before it, makes a serious argument: a base of patient, concentrated owners is precisely what allows a board to manage for the long term and to ignore short-term noise. It is the foundation on which everything else we do rests. We do not issue earnings guidance to flatter a quarter. We do not manage earnings. We make the investments that we believe will build the greatest per-share intrinsic value over decades — and in years where we invest heavily, our reported earnings will be lower, by design. A register like ours is what makes that discipline possible. You make it possible.

The principles have not changed

It is worth restating, as we do from time to time, the principles by which we operate — because they have not moved, and they will not:

Our attitude is partnership. We view the Company as a conduit through which you own our operating businesses, and ourselves as your managing partners.

We manage for per-share intrinsic value. Not size, not headline revenue — value per share, measured in earnings per share, cashflow per share and return on invested capital.

We are perpetual owners. It is not our intention to sell the firms we acquire. We buy to keep.

We seldom, if ever, issue shares. We have had approximately 45 million shares on issue since listing, and we have lesser shares now than when we listed.

We use debt prudently and isolate its risk to the immediate businesses it funds.

We will be candid with you — about the disappointments as plainly as the triumphs. We will call a spade a spade.

The business behind your shares

The register is healthy because the business is. Kelly+Partners has grown its revenue at approximately 30% per annum for 19 consecutive years and has doubled in size every three years, six times in a row. Group run-rate revenue now stands at approximately $165 million, generating run-rate EBITDA of around $50 million. In the United States, established only in early 2023, our run-rate revenue has reached roughly A$25.5 million in about two and a half years — a level it took us more than ten years to reach in Australia. Underlying earnings per share have grown from 9.51 cents in FY2018 to 20.19 cents in FY2025, against a backdrop of deliberate, heavy investment in building a global firm.

On artificial intelligence, my view is unchanged from February. AI will replace manual, repetitive tasks; it will not replace professional judgment, the nuanced interpretation of ambiguous tax law, or the trusted-adviser relationship at the heart of our model. Regulators will still require sign-off by licensed professionals. We are embracing AI and integrating it across our processes, and we expect it to make our people more valuable, not less.

On the share price

Some of you have asked, as you did earlier this year, about the share price. My answer is the same one Benjamin Graham gave generations ago: in the short run the market is a voting machine, and in the long run a weighing machine. Our share price has fallen by more than 30% on four separate occasions since our IPO. On none of those occasions did our businesses fall with it. I cannot tell you what our share price will be tomorrow. I can tell you exactly what our business is doing — growing, compounding, and owned by partners who think the way we do.

How you can help

As ever, the most valuable thing you can do is to keep behaving as an owner: read widely (our recommended list remains on our website), introduce us to private business owners who would benefit from our advice, point us toward fine accounting firms whose founders are seeking a home and a succession, and tell other genuinely long-term investors about us. We would rather grow our quality-shareholder base one thoughtful owner at a time than chase the crowd.

Thank you for being a partner in Kelly+Partners. It remains the privilege of my working life to build this business alongside you, for the long term.

Yours sincerely,

Brett Kelly
Founder & Executive Chairman, CEO
Kelly Partners Group Holdings Limited (ASX: KPG)