Target's Statement

Pacific Smiles Group Limited
(ABN 42 103 087 449)

This Target's Statement has been issued in response to the off-market takeover bid made by Beam Dental Bidco Pty Ltd (ACN 676 303 254) (**Genesis Bidco**) for all of the fully paid ordinary shares in Pacific Smiles that it does not already own for $2.20 cash per Pacific Smiles Share.

The Independent Expert has concluded that the Offer is fair and reasonable to Non-Associated Shareholders as detailed in the Independent Expert's Report contained in Attachment A to this Target's Statement

The Independent Board Committee unanimously recommends that you

ACCEPT

the Offer from Genesis Bidco, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional adviser as soon as possible.

Legal Advisers

Gilbert + Tobin

Important Information

Nature of this document

This document is a Target's Statement issued by Pacific Smiles Group Limited (ABN 42 103 087 449) (**Pacific Smiles**) under Part 6.5 of the Corporations Act in response to the off-market takeover bid announced on 10 October 2025 by Beam Dental Bidco Pty Ltd (ACN 676 303 254) (**Genesis Bidco**) for all of the fully paid ordinary shares in Pacific Smiles that it does not already own.

This Target's Statement is important and requires your immediate attention. You should read it carefully and in its entirety before deciding whether to accept or reject the Offer. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

If you have sold all your Pacific Smiles Shares, please disregard this Target's Statement.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and released to ASX on 10 October 2025. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the content of this Target's Statement.

No account of personal circumstances

The information contained in this Target's Statement does not constitute personal or financial product advice. In preparing this Target's Statement, Pacific Smiles has not taken into account the investment objectives, financial situation or particular needs of individual Shareholders or any other person. It is important that you consider the information in this Target's Statement in light of your particular circumstances. This Target's Statement should not be relied on as the sole basis for any investment decision. You should seek advice from your financial, legal or other professional adviser before deciding whether to accept or reject the Offer.

Forward-looking statements

Some of the statements in this Target's Statement may be in the nature of forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Pacific Smiles to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Pacific Smiles will operate in the future. Those risks, uncertainties, assumptions and other important factors include those specific to the industry in which Pacific Smiles operates as well as general economic conditions, prevailing exchange rates, interest rates and conditions in the financial markets. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward-looking statement. None of Pacific Smiles, its Related Bodies Corporate or any of its officers or employees, nor any persons named in this Target's Statement or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward-looking statement. You should note that the historical performance of Pacific Smiles is no assurance of future financial performance. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Except as required by applicable law or the Listing Rules, Pacific Smiles does not undertake to update or revise these forward-looking statements nor any other statements (written or oral) that may be made from time to time by or on behalf of Pacific Smiles, whether as a result of new information, future events or otherwise.

Disclaimer as to information on Genesis Bidco

Pacific Smiles has not independently verified the information contained in this Target's Statement relating to Genesis Bidco, Genesis Capital or the Bidder Group, including information regarding Genesis Bidco's intentions in respect of the Offer. Accordingly, subject to the Corporations Act, Pacific Smiles does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Risk factors

You should note that there are a number of risk factors attached to your investment in Pacific Smiles and other risks which apply in the event you accept the Offer or you choose not to accept the Offer and remain a Shareholder. Section 7 of this Target's Statement sets out further information regarding those risks.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. Pacific Smiles disclaims all liabilities to such persons.

If you are resident outside of Australia, or you are a nominee, trustee or custodian for a beneficial holder resident outside Australia, you are encouraged to seek independent advice as to how you should proceed (including specific taxation advice in relation to the Australian and overseas tax implications of accepting or rejecting the Offer).

This Target's Statement has been prepared in accordance with Australian law in effect as at the Last Practicable Date and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations applicable in other jurisdictions.

The financial information included in this Target's Statement is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions. No action has been taken to register or qualify this Target's Statement in any jurisdiction outside Australia.

Taxation considerations

Section 8 of this Target's Statement provides a general summary of some Australian tax consequences for Shareholders who transfer their Pacific Smiles Shares to Genesis Bidco under the Offer. The summary is based upon the Australian tax law and the ATO's publicly known administrative practices in effect as at the date of this Target's Statement.

This Target's Statement does not constitute tax advice and should not be relied upon as such. Given its general nature, it cannot address all possible tax consequences and cannot consider the circumstances of any or all Shareholders.

You should seek independent professional advice in relation to your own particular circumstances.

Presentation of financial information

Section 5.7 of this Target's Statement contains financial information relating to Pacific Smiles for the financial years ended 30 June 2025 and 30 June 2024.

The financial information in Section 5.7 of this Target's Statement is a summary only and has been prepared and extracted for the purposes of this Target's Statement only. The information has been extracted from the audited financial reports of Pacific Smiles for the financial years ended 30 June 2025 and 30 June 2024.

Privacy

Pacific Smiles has collected your information from its share register for the purpose of providing you with this Target's Statement. Such information may include your name, contact details and shareholdings, and the names of persons appointed to act as your proxy, attorney or corporate representative. Without this information, Pacific Smiles would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Personal information of the type described above may be disclosed on a confidential basis to Pacific Smiles and its Related Bodies Corporate, Shareholders and external service providers, and may be required to be disclosed to regulators, such as ASIC. If you would like details of information about you held by Pacific Smiles, please contact Pacific

Smiles on 02 4930 2000 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays), or email investor.relations@pacificsmiles.com.au.

External websites

Content on the website of Pacific Smiles does not form part of this Target's Statement. All references to websites in this Target's Statement are for information purposes only. Accordingly, you should not rely on any such content in making your decision as to whether to accept or reject the Offer.

Diagrams

Diagrams appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Currencies

In this Target's Statement, references to "Australian dollars", "AUD", "$", "A$" or "cents" are to the lawful currency of Australia.

Time

All references to time in this Target's Statement are to time in Sydney, Australia, unless otherwise stated.

Defined terms

Capitalised terms used in this Target's Statement are defined in paragraph 1 of Schedule 1. The rules of interpretation that apply to this Target's Statement are also set out in paragraph 2 of Schedule 1.

Questions about the Offer

If you have any questions about the Offer, you can contact Pacific Smiles on 02 4930 2000 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays), or email investor.relations@pacificsmiles.com.au.

Key Dates

Event	Date
Last Practicable Date	9 October 2025
Date of announcement of the Offer	10 October 2025
Bidder's Statement lodged with ASIC, released to ASX and served on Pacific Smiles	10 October 2025
Date of this Target's Statement	10 October 2025
Date of the Offer and commencement of the Offer Period	15 October 2025
Close of the Offer (unless extended or withdrawn)	7:00pm (Sydney time) on 17 November 2025

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Letter from the Chair of the Independent Board Committee

Dear Shareholder,

Our largest Shareholder, Beam Dental Bidco Pty Ltd (**Genesis Bidco**) (an associate of Genesis Capital Manager I Pty Ltd (**Genesis Capital**)) has today released a Bidder's Statement containing its offer to acquire all Pacific Smiles Shares it does not already own for $2.20 cash per Pacific Smiles Share under an off-market takeover bid (**Offer**).

Genesis Bidco has a Relevant Interest in 89.27% of Pacific Smiles Shares on issue as at the Last Practicable Date, and has appointed three Directors to the Pacific Smiles Board – Dr Michael Caristo (Non-Executive Chair), Mr Christopher Yoo (Non-Executive Director) and Ms Tara Hariharan (Non-Executive Director) (**Nominee Directors**).

To manage potential conflicts of interest of the Nominee Directors, your Pacific Smiles Board has established an Independent Board Committee for the purposes of evaluating and negotiating the Offer, and preparing this Target's Statement. The Independent Board Committee comprises Mr Gary Carroll, Mr Steven Rubic and Mr Brent Cubis (**Independent Directors**).

The Independent Board Committee has carefully considered the Offer to assess whether it is in the best interests of Shareholders other than Genesis Bidco and its Associates.

The Independent Board Committee unanimously recommends that Shareholders **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders.

You may accept the Offer by following the steps set out in Section 4.6 of this Target's Statement before the Offer closes at 7:00pm (Sydney time) on 17 November 2025 (unless extended or withdrawn).

Reasons why you should ACCEPT the Offer

This Target's Statement sets out the Independent Board Committee's formal response to the Offer, and sets out the reasons for our unanimous recommendation to **ACCEPT**, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders.

In reaching our conclusion, the Independent Directors considered a number of factors, including:

- the Offer represents a significant and attractive premium for your Pacific Smiles Shares;
- the cash Offer Price ($2.20 cash per Pacific Smiles Share) provides certainty of value for your Pacific Smiles Shares;
- the Independent Directors have engaged Deloitte to prepare an Independent Expert's Report opining on whether the Offer is fair and reasonable to Non-Associated Shareholders, and the Independent Expert has concluded the Offer is fair and reasonable to Non-Associated Shareholders;
- if Genesis Bidco meets the thresholds for compulsory acquisition, it intends to compulsorily acquire your Pacific Smiles Shares and will pay you the Offer Price at a later date than if you had accepted the Offer;

- if Genesis Bidco does not meet the thresholds for compulsory acquisition, you will remain a minority Shareholder in an entity controlled by Genesis Bidco; and
- the Independent Directors consider it is highly unlikely that a superior proposal will emerge.

Section 1.3 sets out further information in relation to each of these reasons.

How to ACCEPT the Offer

If you wish to **ACCEPT** the Offer, you should follow the steps set out in Section 4.6 of this Target's Statement and section 11.5 of the Bidder's Statement.

I urge you to read this Target's Statement, including the Independent Expert's Report contained at Attachment A, in full and to seek advice from your financial, legal or other professional adviser before deciding whether to accept or reject the Offer.

If you have any questions about the Offer, please contact Pacific Smiles on 02 4930 2000 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays), or email investor.relations@pacificsmiles.com.au.

Thank you for your continued support.

Yours faithfully,

Mr Steven Rubic
Chair of the Independent Board Committee
Non-Executive Director

1 Details regarding the Independent Board Committee's unanimous recommendation

1.1 The Independent Board Committee's unanimous recommendation

Based on the information currently available to it, the Independent Board Committee unanimously recommends that you **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders.

In considering whether to **ACCEPT** the Offer, the Independent Board Committee encourages you to read the whole of this Target's Statement and the Bidder's Statement, have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances and seek advice from your financial, legal or other professional adviser.

The Independent Board Committee's recommendation is given as at the date of this Target's Statement, and the Independent Directors reserve the right to change their recommendation if circumstances change.

1.2 Summary of reasons to ACCEPT the Offer

The Independent Board Committee has carefully considered the Offer to assess whether it is in the best interests of Non-Associated Shareholders.

The reasons for the Independent Board Committee's recommendation to **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders, are:

- ✓ **The Offer represents a significant and attractive premium for your Pacific Smiles Shares**
- ✓ **The cash Offer Price provides certainty of value for your Pacific Smiles Shares**
- ✓ **The Independent Expert has concluded the Offer is fair and reasonable to Non-Associated Shareholders**
- ✓ **If Genesis Bidco meets the thresholds for compulsory acquisition, it intends to compulsorily acquire your Pacific Smiles Shares and will pay you the Offer Price at a later date than if you had accepted the Offer**
- ✓ **If Genesis Bidco does not meet the thresholds for compulsory acquisition, you will remain a minority Shareholder in an entity controlled by Genesis Bidco**
- ✓ **It is highly unlikely that a superior proposal will emerge**

Further information in relation to each of these reasons is set out below in Section 1.3 of this Target's Statement.

The Independent Directors acknowledge that there may be risks involved in accepting the Offer, as outlined in Section 7.3 of this Target's Statement.

1.3 Further information on reasons to ACCEPT the Offer

(a) The Offer Price represents a significant and attractive premium for your Pacific Smiles Shares

The Offer Price of $2.20 cash per Pacific Smiles Share represents a significant and attractive premium to recent trading and the price offered to Shareholders under the Original Genesis Bidco Bid, in particular the Offer Price represents:

- a 12.82% premium to the final cash consideration of $1.95 per Pacific Smiles Share offered under the Original Genesis Bidco Bid which closed on 11 February 2025 (which excluded the cash value of the dividend paid to Shareholders during that bid period); and
- a 37.5% premium to the last closing price on 9 October 2025 (being the Last Practicable Date).

Further, the Independent Expert's Report notes that Pacific Smiles Shares have not traded above the Offer Price since 3 May 2022 (being more than three years ago).

Genesis Bidco has declared the Offer Price to be best and final and that it will not be improved, in the absence of a Competing Proposal.

(b) The cash Offer Price provides certainty of value for your Pacific Smiles Shares

Since the close of the Original Genesis Bidco Bid on 11 February 2025, trading in Pacific Smiles Shares on the ASX has been limited.

Over the six months to 31 August 2025, an average of 27,795 Shares were traded per month and during this period, there were 57 trading days with no trading in Shares. This represents a material decline compared with the same period a year earlier, when average monthly trading volume was 8,507,297 Shares. By way of further comparison, average monthly trading volume over the six months to 31 August 2023, prior to the initial approach from Genesis Capital in December 2023, was 3,791,819 Shares, reflecting the undisturbed trading levels in Pacific Smiles Shares.

If the Pacific Smiles Shares remain quoted on the ASX, they will continue to be subject to market volatility, which may have a more pronounced impact on the Pacific Smiles Share price given this recent low liquidity.

The Offer Price is $2.20 in cash per Pacific Smiles Share, and therefore provides each Shareholder who accepts the Offer with certainty of value for their Pacific Smiles Shares during a period of limited liquidity and potential market volatility.

The Offer is unconditional, and therefore, if you accept the Offer, Genesis Bidco will pay the Offer Price for your Pacific Smiles Shares on or before the earlier of:

- one month after submitting your acceptance; and

- 21 days after the end of the Offer Period.

The Independent Expert has concluded the Offer is fair and reasonable to Non-Associated Shareholders

The Independent Expert has assessed the value of a Pacific Smiles Share to be in the range of $2.13 to $2.56 on a controlling interest basis and otherwise on the basis set out in the Independent Expert's Report contained at Attachment A to this Target's Statement.

Therefore, the Offer Price is within the range that the Independent Expert has determined to be fair and reasonable to Non-Associated Shareholders.

(c) If Genesis Bidco meets the thresholds for compulsory acquisition, it intends to compulsorily acquire your Pacific Smiles Shares and will pay you the Offer Price at a later date than if you had accepted the Offer

Genesis Bidco has a Relevant Interest in 89.27% of Pacific Smiles Shares on issue as at the Last Practicable Date.

If Genesis Bidco and its Associates acquire (during or within a month after the end of the Offer Period) Relevant Interests in:

- at least 90% (by number) of the Pacific Smiles Shares on issue; and
- 75% (by number) of the Pacific Smiles Shares that Genesis Bidco has offered to acquire under the Offer,

Genesis Bidco will be entitled to compulsorily acquire the remaining Pacific Smiles Shares under the post-bid compulsory acquisition power in Part 6A.1 of the Corporations Act by following the process described in Section 4.11 of this Target's Statement. Genesis Bidco has stated in sections 8.2, 8.3 and 10.3 of its Bidder's Statement that it intends to do so if it meets the relevant thresholds.

Even if Genesis Bidco does not meet those thresholds, it may proceed with compulsory acquisition under Part 6A.1 with Court approval (if granted) or under the general compulsory acquisition power in Part 6A.2 of the Corporations Act where the applicable thresholds under that Part are met.

In any scenario where Genesis Bidco is entitled to proceed with compulsory acquisition, even if you have chosen to reject the Offer, your Pacific Smiles Shares will be acquired at the Offer Price, but you will receive consideration at a later time than if you had accepted the Offer.

(d) If Genesis Bidco does not meet the thresholds for compulsory acquisition, you will remain a minority Shareholder in an entity controlled by Genesis Bidco

Genesis Bidco has a Relevant Interest in 89.27% of Pacific Smiles Shares on issue as at the Last Practicable Date.

Genesis Bidco's intentions in relation to Pacific Smiles if it does not meet the compulsory acquisition thresholds under Part 6A.1 of the Corporations Act are set out in section 8.3 of the Bidder's Statement. In this scenario, the implications on the remaining Pacific Smiles Shareholders who do not accept the Offer may include the following:

- Genesis Bidco remains in a position to cast the majority of votes at a general meeting of Pacific Smiles Shareholders or pass a special resolution on its own, which in turn enables it to control the composition of the Board and senior management, amend the Pacific Smiles constitution, determine Pacific Smiles' dividend policy and control the strategic direction of the businesses of the Pacific Smiles Group;

- further, following the announcement of the resignation of Mr Gary Carroll as Managing Director and Chief Executive Officer with effect from 31 October 2025, the Nominee Directors appointed by Genesis Bidco will comprise the majority of the Pacific Smiles Board, and can (subject to excusing themselves where appropriate, including in respect of potential conflicts of interest) pass resolutions of Pacific Smiles Directors without the support of the independent Pacific Smiles Directors;

- while liquidity in Pacific Smiles Shares has been low since close of the Original Genesis Bidco Bid on 11 February 2025, following close of the current Offer, the liquidity in Pacific Smiles Shares may be even lower; and

- if the number of Pacific Smiles Shareholders is less than that required by the Listing Rules to maintain an ASX listing, Genesis Bidco has stated in the Bidder's Statement that it may seek to procure that Pacific Smiles is removed from the official list of the ASX. If this occurs, Pacific Smiles Shareholders will not be able to sell their Pacific Smiles Shares on the ASX.

(e) It is highly unlikely that a superior proposal will emerge

Any alternative proposal for Pacific Smiles Shares or the Pacific Smiles business will require the cooperation and support of Genesis Bidco, as holder of 89.27% of the Pacific Smiles Shares on issue as at the Last Practicable Date.

Therefore, the Independent Directors consider it highly unlikely that any superior proposal will emerge. The Independent Expert's Report also notes that the likelihood of an alternative superior offer emerging and being capable of being successfully executed is low.

1.4 Reasons why you may not choose to accept the Offer

You may decide that, notwithstanding the unanimous recommendation of the Independent Board Committee, you do not wish to accept the Offer, for example because:

(a) you wish to retain exposure to the Pacific Smiles business, and any future dividends or capital returns;

(b) you consider there is potential for appreciation of Pacific Smiles Shares in the future (though the Independent Directors can give no assurances and make no forecast of whether this will occur);

(c) you consider there is potential for an alternative proposal to emerge (however, the Independent Directors consider this is highly unlikely given this would require the cooperation of Genesis Bidco, which has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue as at the Last Practicable Date); or

(d) the taxation consequences of disposing your Pacific Smiles Shares pursuant to the Offer do not suit your particular circumstances.

If you do not accept the Offer, there are risks associated with remaining a Shareholder in Pacific Smiles, which are summarised in Section 7.2 of this Target's Statement. These risks include a scenario where Genesis Bidco meets the thresholds for compulsory acquisition, in which case, Genesis Bidco will be entitled to acquire your Pacific Smiles Shares for the Offer Price of $2.20 per Pacific Smiles Share but at a later time than if you had accepted the Offer (see details regarding the compulsory acquisition process in Section 4.11).

1.5 The Nominee Directors' reasons for not making a recommendation

The Pacific Smiles Board established the Independent Board Committee for the purposes of evaluating and negotiating the Offer and preparing this Target's Statement. The Independent Board Committee comprises each of Mr Gary Carroll (Managing Director & Chief Executive Officer), Mr Steven Rubic (Non-Executive Director) and Mr Brent Cubis (Non-Executive Director).

The Independent Board Committee was established to manage potential conflicts of interest of each of Dr Michael Caristo (Non-Executive Chair), Mr Christopher Yoo (Non-Executive Director) and Ms Tara Hariharan (Non-Executive Director), each of whom were appointed as nominees of Genesis Bidco.

Accordingly, each of Dr Michael Caristo, Mr Christopher Yoo and Ms Tara Hariharan were not involved in Pacific Smiles' evaluation of the Offer, have not participated in any Pacific Smiles Board or Independent Board Committee deliberations regarding the Offer and do not make a recommendation to Shareholders regarding the Offer.

In addition, this Target's Statement does not contain information which is known only to Dr Michael Caristo, Mr Christopher Yoo or Ms Tara Hariharan as Pacific Smiles has received in-principle approval from ASIC regarding a modification of the relevant sections of the Corporations Act (see Section 9.7 for further information).

2 Frequently asked questions

This Section answers some frequently asked questions about the Offer. It is not intended to address all relevant issues, and should be read together with all other parts of this Target's Statement.

This Target's Statement is an important document and should in read in full, including the Independent Expert's Report contained at Attachment A.

Question	Answer	Reference
What is the Offer?	Genesis Bidco is making an Offer to acquire all of the Pacific Smiles Shares that it does not already own for $2.20 cash per Pacific Smiles Share by way of an off-market takeover bid.	Section 11.2 of the Bidder's Statement
Who is making the Offer?	The Offer is made by Genesis Bidco, which has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue as at the Last Practicable Date.	Section 6 of this Target's Statement Section 11.1 of the Bidder's Statement
Who is Genesis Bidco?	Genesis Bidco was incorporated on 3 April 2024 by Genesis Capital and its Associates for the purpose of acquiring Pacific Smiles Shares. Established in 2018, Genesis Capital is a healthcare specialist private equity firm that manages portfolio companies, including the Impression Dental Group. On 1 October 2024, Genesis Bidco opened the Original Genesis Bidco Bid at $1.90 cash per Pacific Smiles Share (with mixed and scrip alternative forms of consideration also), which was later increased to $1.95 per Pacific Smiles Share (after deducting the cash value of a dividend paid to Shareholders during the offer period). The Original Genesis Bidco Bid closed on 11 February 2025 with Genesis Bidco having a Relevant Interest in 89.27% of Pacific Smiles Shares. Information in relation to Genesis Bidco is set out in Section 6 of this Target's Statement and section 4 of the Bidder's Statement.	Section 6 of this Target's Statement Section 4 of the Bidder's Statement

Question	Answer	Reference
Does Genesis Bidco already have an interest in Pacific Smiles Shares?	Genesis Bidco has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue as at the Last Practicable Date.	N/A
What is the Independent Board Committee?	The Pacific Smiles Board established the Independent Board Committee comprising Mr Gary Carroll, Mr Steven Rubic and Mr Brent Cubis for the purposes of evaluating and negotiating the Offer and preparing this Target's Statement. The Independent Board Committee was established to manage potential conflicts of interest of each of Dr Michael Caristo, Mr Christopher Yoo and Ms Tara Hariharan, each of whom were appointed as nominees of Genesis Bidco.	Section 1.5 of this Target's Statement
What is the recommendation of the Independent Board Committee?	The Independent Board Committee has carefully considered Genesis Bidco's Offer to assess whether it is in the best interests of Non-Associated Shareholders. The Independent Board Committee unanimously recommends that Non-Associated Shareholders **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders.	Section 1.1 of this Target's Statement
Why is the Independent Board Committee recommending that I accept the Offer?	The reasons for the Independent Board Committee's recommendation are: (a) The Offer represents a significant and attractive premium for your Pacific Smiles Shares. (b) The cash Offer Price provides certainty of value for your Pacific Smiles Shares. (c) The Independent Expert has concluded the Offer is fair and reasonable to Non-Associated Shareholders. (d) If Genesis Bidco meets the thresholds for compulsory acquisition, it intends to compulsorily acquire your Pacific Smiles Shares and will pay you the Offer Price at a later date than if you had accepted the Offer. (e) If Genesis Bidco does not meet the thresholds for compulsory acquisition, you will remain a minority Shareholder in an entity controlled by Genesis Bidco. (f) It is highly unlikely that a superior proposal will emerge. Further information in relation to each of these reasons is set out in Section 1.3.	Sections 1.2 and 1.3 of this Target's Statement

Question	Answer	Reference
What is the Independent Expert's opinion of the Offer?	The Independent Expert has concluded that the Offer is fair and reasonable to Non-Associated Shareholders.	Attachment A to this Target's Statement
Who are the Non-Associated Shareholders?	Non-Associated Shareholders are the holders of Pacific Smiles Shares, other than Genesis Bidco and its Associates.	N/A
What choices do I have as a Non-Associated Shareholder?	As a Non-Associated Shareholder, you have the choice to: (a) accept the Offer; (b) seek to sell some or all of your Pacific Smiles Shares on market at any time (unless you have already accepted the Offer); or (c) reject the Offer by taking no action. There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 3 of this Target's Statement. You should carefully consider the Independent Board Committee's unanimous recommendation to **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders. You are encouraged to consider your personal risk profile, investment objectives and tax and financial circumstances before making any decision in relation to your Pacific Smiles Shares.	Section 3 of this Target's Statement
How do I ACCEPT the Offer?	You may accept the Offer only in respect of all of your Pacific Smiles Shares. **Issuer sponsored shareholders** If your Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by your Securityholder Reference Number or SRN commencing with an 'I'), you may accept the Offer either online or by using the physical Acceptance Form by following the instructions set out in section 11.5 of the Bidder's Statement. **CHESS shareholders** If your Shares are registered in a CHESS Holding (such holdings will be evidenced by your Holder Identification Number or HIN commencing with an 'X'), you may either accept the Offer online, by using the physical Acceptance Form, or by instructing your	Section 4.6 of this Target's Statement Section 11.5 of the Bidder's Statement

Question	Answer	Reference
	Controlling Participant yourself by following the instructions set out in section 11.5 of the Bidder's Statement.	
What are the consequences of accepting the Offer?	If you accept the Offer, you will: (a) receive cash consideration of $2.20 per Pacific Smiles Share; (b) not be able to withdraw your acceptance; and (c) no longer be a Shareholder, and will therefore not retain any exposure to the Pacific Smiles business, or any alternative proposal which may emerge (however, the Independent Directors consider it highly unlikely that any superior proposal will emerge given that would require the cooperation of Genesis Bidco). You may also be liable to pay tax on the disposal of your Pacific Smiles Shares under the Offer (refer to Section 8 of this Target's Statement for further details).	Section 3.1 of this Target's Statement
Are there conditions to the Offer?	The Offer is not subject to any conditions.	Section 4.5 of this Target's Statement Section 11.3 of the Bidder's Statement
Can I withdraw my acceptance of the Offer?	As the Offer is unconditional, you will not be able to withdraw your acceptance under any circumstances.	Section 4.9 of this Target's Statement
Can I accept the Offer for only part of my shareholding?	No. You may accept the Offer only for all of your Pacific Smiles Shares.	Section 11.5(a) of the Bidder's Statement
Can I be forced to sell my Pacific Smiles Shares?	You cannot be forced to sell your Pacific Smiles Shares into the Offer. However, you should note that if Genesis Bidco and its Associates acquire (during or at the end of the Offer Period) Relevant Interests in: (a) at least 90% (by number) of the Pacific Smiles Shares on issue; and (b) 75% (by number) of the Pacific Smiles Shares that Genesis Bidco has offered to acquire under the Offer,	Section 4.11 of this Target's Statement Section 10.3 of the Bidder's Statement

Question	Answer	Reference
	Genesis Bidco will be entitled to compulsorily acquire the Pacific Smiles Shares that it does not already own, subject to the process described in Section 4.11. Alternatively, Genesis Bidco may be entitled to utilise compulsory acquisition powers under the Corporations Act after the Offer Period even where it has not met the appropriate thresholds noted above either: (a) under the post-bid compulsory acquisition powers with the approval of the Court (if granted); or (b) under the general compulsory acquisition powers in Part 6A.2 of the Corporations Act where the applicable thresholds under that Part are met.	
How do I reject the Offer?	If, despite the unanimous recommendation of the Independent Board Committee, you decide to reject the Offer, you can take no action during the Offer Period. You should note that, notwithstanding your decision not to accept the Offer, if Genesis Bidco and its Associates acquire (during or at the end of the Offer Period) Relevant Interests in: (a) at least 90% (by number) of the Pacific Smiles Shares on issue; and (b) 75% (by number) of the Pacific Smiles Shares that Genesis Bidco has offered to acquire under the Offer, Genesis Bidco will be entitled to compulsorily acquire the Pacific Smiles Shares that it does not already own, subject to the process described in Section 4.11. As at the Last Practicable Date, Genesis Bidco has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue, and has stated that it intends to exercise those rights if it becomes entitled to do so (see section 10.3 of the Bidder's Statement).	Section 3.3 of this Target's Statement
What are the risks of rejecting the Offer?	If you reject the Offer and do not otherwise dispose of your Shares, you will remain a Pacific Smiles Shareholder. The risks associated with remaining a Pacific Smiles Shareholder include: (a) where Genesis Bidco is entitled to proceed to compulsory acquisition under the process outlined in Section 4.11, you will receive the Offer Price for your Pacific Smiles Shares at a later time than if you had accepted the Offer; (b) if Genesis Bidco is not entitled to proceed to compulsory acquisition, you will remain a minority shareholder in Pacific Smiles and (amongst other things) Genesis Bidco will remain in a position to cast the majority of votes at a general meeting or pass a special resolution on its own (therefore enabling it to control the composition of the Board or amend the Pacific Smiles constitution), and will	Section 7.2 of this Target's Statement

Question	Answer	Reference
	also (following the resignation of Mr Gary Carroll as Managing Director and Chief Executive Officer taking effect) comprise majority of the Pacific Smiles Board; (c) you will not receive the Offer Price, and will encounter the risks associated with illiquidity and potential de-listing; and (d) you will remain exposed to all other risks which affect the Pacific Smiles business, as summarised in Section 7.2.	
How is Genesis Bidco funding the Offer?	Bidco has disclosed in section 7.1 of its Bidder's Statement that it has access to sufficient funds to pay for all Shares it does not already hold, and will fund the Offer consideration from its existing, binding committed facility.	Section 6.5 of this Target's Statement Section 7.1 of the Bidder's Statement
When does the Offer close?	The Offer is open for acceptance from 15 October 2025 until 7:00pm (Sydney time) on 17 November 2025, unless extended or withdrawn. Pursuant to the Corporations Act, Genesis Bidco may announce an extension to the Offer Period at any time before the closing date.	Section 4.3 of this Target's Statement
Can the Offer be withdrawn by Genesis Bidco?	Genesis Bidco may only withdraw the Offer in respect of any unaccepted offers with the written consent of ASIC and subject to the conditions (if any) specified in that consent. Any withdrawal of the Offer must be announced to the ASX.	Section 4.3 of this Target's Statement Section 11.14 of the Bidder's Statement
Can Genesis Bidco vary the Offer?	Genesis Bidco may vary the Offer in accordance with the Corporations Act. However, Bidco has declared the Offer Price to be best and final and that it will not be improved, in the absence of a Competing Proposal.	Section 4.10 of this Target's Statement Section 11.14 of the Bidder's Statement

Question	Answer	Reference
When will I be paid if I accept the Offer?	If you accept the Offer, Genesis Bidco will pay the Offer Price for your Pacific Smiles Shares on or before the earlier of: (a) one month after submitting your acceptance; and (b) 21 days after the end of the Offer Period.	Section 4.8 of this Target's Statement Section 11.11 of the Bidder's Statement
What are the tax implications of accepting the Offer?	A general outline of the tax implications of accepting the Offer is set out in Section 8 of this Target's Statement and section 9 of the Bidder's Statement. As those sections provide a general overview only, Pacific Smiles Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.	Section 8 of this Target's Statement Section 9 of the Bidder's Statement
What are the brokerage or stamp duty implications of accepting the Offer?	If your Pacific Smiles Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Genesis Bidco, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with accepting the Offer. If your Pacific Smiles Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Pacific Smiles Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with accepting the Offer. As the applicable sections of this Target's Statement and the Bidder's Statement provide a general overview only, Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.	Section 11.12 of the Bidder's Statement
Will I receive further advice from the Independent Board Committee during the Offer Period?	The Independent Board Committee will be closely monitoring the progress of the Offer. If circumstances change, or if matters arise which should be drawn to the attention of Non-Associated Shareholders, or which cause any change or variation to the disclosures in this Target's Statement, the Independent Board Committee will ensure that Non-Associated Shareholders are promptly and appropriately advised.	N/A
Who do I contact if I	If you have any questions about the Offer, you can contact Pacific Smiles on 02 4930 2000 between 8.30am and 5.30pm	N/A

Question	Answer	Reference
have any questions?	(Sydney time), Monday to Friday (excluding public holidays), or email investor.relations@pacificsmiles.com.au.	

3 Your choices

The Independent Board Committee has carefully considered the Offer to assess whether it is in the best interests of Non-Associated Shareholders.

The Independent Board Committee unanimously recommends that you **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders. The reasons for the Independent Board Committee's recommendation are set out in Section 1.2 of this Target's Statement.

You are encouraged to consider your personal risk profile, investment objectives and tax and financial circumstances before making any decision in relation to your Pacific Smiles Shares.

You have the following three choices available in relation to the Offer:

3.1 Option 1 – ACCEPT the Offer

The Independent Board Committee unanimously recommends that you **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders.

You may only accept the Offer with respect to all, and not some, of your Pacific Smiles Shares.

Shareholders who wish to accept the Offer should refer to section 11.5 of the Bidder's Statement for further instructions on how to do so.

If you accept the Offer, you will:

(a) be paid cash consideration of $2.20 per Pacific Smiles Share by Genesis Bidco;

(b) not be able to withdraw your acceptance; and

(c) no longer be a Shareholder, and will therefore not retain any exposure to the Pacific Smiles business, or any alternative proposal which may emerge (however, the Independent Directors consider it highly unlikely that any superior proposal will emerge given that would require the cooperation of Genesis Bidco).

You may also be liable to pay tax on the disposal of your Pacific Smiles Shares under the Offer (refer to Section 8 of this Target's Statement for further details).

3.2 Option 2 – Seek to sell your Pacific Smiles Shares on market

You can still seek to sell your Pacific Smiles Shares on market at any time if you have not already accepted the Offer. If you sell your Pacific Smiles Shares on market, you:

(a) will receive the prevailing market price for your Pacific Smiles Shares;

(b) no longer be a Shareholder, and will therefore not retain any exposure to the Pacific Smiles business, or any alternative proposal which may emerge (however, the Independent Directors consider it highly unlikely that any superior proposal will emerge given that would require the cooperation of Genesis Bidco);

(c) may incur a brokerage charge; and

(d) may be liable for tax on gains you make on the sale. You should seek your own specific professional advice regarding the taxation consequences of selling your Pacific Smiles Shares on market.

While you may seek to sell your Pacific Smiles Shares on-market, the Independent Directors note there has been limited liquidity for Pacific Smiles Shares and the cash consideration under the Offer represents a premium of:

- a 12.82% premium to the final cash consideration of $1.95 per Pacific Smiles Share offered under the Original Genesis Bidco Bid which closed on 11 February 2025 (which excluded the cash value of the dividend paid to Shareholders during that bid period); and
- 37.5% to the last closing price on 9 October 2025 (being the Last Practicable Date).

3.3 Option 3 – Take no action

If, despite the unanimous recommendation of the Independent Board Committee, you decide to reject the Offer, you can take no action during the Offer Period.

You should note that, notwithstanding your decision not to accept the Offer, if Genesis Bidco and its Associates acquire (during or at the end of the Offer Period) Relevant Interests in:

- at least 90% (by number) of the Pacific Smiles Shares on issue; and
- 75% (by number) of the Pacific Smiles Shares that Genesis Bidco has offered to acquire under the Offer,

Genesis Bidco will be entitled to compulsorily acquire the Pacific Smiles Shares that it does not already own, subject to the process described in Section 4.11.

As at the Last Practicable Date, Genesis Bidco has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue, and has stated that it intends to exercise those rights if it becomes entitled to do so (see section 10.3 of the Bidder's Statement).

If Genesis Bidco is entitled to proceed to compulsory acquisition, Genesis Bidco will be entitled to acquire your Pacific Smiles Shares once the process described in Section 4.11 is complete. In that scenario, Genesis Bidco will pay you the Offer Price of $2.20 per Pacific Smiles Share, but at a later time than if you had accepted the Offer.

4 About the Offer

4.1 Summary of the Offer

On 1 October 2024, Genesis Bidco opened the Original Genesis Bidco Bid at $1.90 cash per Pacific Smiles Share (with mixed and scrip alternative forms of consideration also), which was later increased to $1.95 per Pacific Smiles Share (excluding the cash value of a dividend paid to Shareholders during that bid period).

At the time the Original Genesis Bidco Bid closed on 11 February 2025, Genesis Bidco had a Relevant Interest in 89.27% of Pacific Smiles Shares.

On 10 October 2025, Genesis Bidco announced its off-market takeover bid for all of the Pacific Smiles Shares that it does not already own for $2.20 cash per Pacific Smiles Share.

The full terms of the Offer are set out in section 11 of the Bidder's Statement.

4.2 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) is the Register Date, being 7:00pm (Sydney time) on 10 October 2025.

4.3 Offer Period

The Offer is open for acceptance from 15 October 2025 until 7:00pm (Sydney time) on 17 November 2025, unless extended or withdrawn.

Pursuant to the Corporations Act, Genesis Bidco may announce an extension to the Offer Period at any time before the closing date.

Genesis Bidco may only withdraw the Offer in respect of any unaccepted offers with the written consent of ASIC and subject to the conditions (if any) specified in that consent. Any withdrawal of the Offer must be announced to the ASX.

4.4 Offer Price

The Offer Price is $2.20 cash per Pacific Smiles Share.

Genesis Bidco has declared the Offer Price to be best and final and that it will not be improved, in the absence of a Competing Proposal.

4.5 Conditions to the Offer

The Offer is not subject to any conditions.

4.6 How to ACCEPT the Offer

(a) Issuer sponsored shareholders

If your Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by your Securityholder Reference Number or SRN commencing with an 'I'), you may accept the Offer either online or by using the physical Acceptance Form by following the instructions set out in section 11.5 of the Bidder's Statement.

(b) CHESS shareholders

If your Shares are registered in a CHESS Holding (such holdings will be evidenced by your Holder Identification Number or HIN commencing with an 'X'), you may either accept the Offer online, by using the physical Acceptance Form, or by instructing your Controlling Participant yourself by following the instructions set out in section 11.5 of the Bidder's Statement.

4.7 Effect of an acceptance

The effect of accepting the Offer is described in Section 3.1 of this Target's Statement and section 11.6 of the Bidder's Statement.

Shareholders should read these sections in full to understand the effect that acceptances will have on their ability to exercise the Rights attaching to their Pacific Smiles Shares and the representations and warranties which they give by accepting the Offer.

4.8 Timing for payment to Shareholders who accept the Offer

If you accept the Offer, Genesis Bidco will pay the Offer Price for your Pacific Smiles Shares on or before the earlier of:

(a) one month after you submit your acceptance; and

(b) 21 days after the end of the Offer Period.

Under no circumstances will any interest be paid on the Offer Price, regardless of any delay in making payment or extension of the Offer Period.

Refer to section 11.11 of the Bidder's Statement for further details on when you will be paid the Offer Price.

4.9 Your ability to withdraw your acceptance

As the Offer is unconditional, you will not be able to withdraw your acceptance under any circumstances.

4.10 Variation of the Offer

Genesis Bidco may vary the Offer in accordance with the Corporations Act.

4.11 Genesis Bidco's intentions where it becomes entitled to compulsorily acquire the remaining Pacific Smiles Shares

As at the Last Practicable Date, Genesis Bidco has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue.

Genesis Bidco's intentions with respect to compulsory acquisition are set out in sections 8.2, 8.3 and 10.3 of the Bidder's Statement. In summary, Genesis Bidco has stated that if, it becomes entitled to compulsorily acquire outstanding Shares under the provisions of either Part 6A.1 or Part 6A.2 of the Corporations Act, it presently intends to proceed with the compulsory acquisition of those Shares.

A summary of the processes for compulsory acquisition under Part 6A.1 or Part 6A.2 of the Corporations Act are set out below.

Post-bid compulsory acquisition under Part 6A.1 of the Corporations Act

If Genesis Bidco and its Associates acquire (during or within a month after the end of the Offer Period) Relevant Interests in:

- at least 90% (by number) of the Pacific Smiles Shares on issue; and
- 75% (by number) of the Pacific Smiles Shares that Genesis Bidco has offered to acquire under the Offer,

Genesis Bidco will be entitled to compulsorily acquire the remaining Pacific Smiles Shares under Part 6A.1 of the Corporations Act in the following manner:

- providing compulsory acquisition notices to remaining Shareholders, offering to acquire their Pacific Smiles Shares at the Offer Price of $2.20 per Pacific Smiles Share, Genesis Bidco has disclosed in its Bidder's Statement that it intends to proceed with compulsory acquisition of Pacific Smiles shares as soon as practicable; and
- before the end of 14 days after the end of one month after the date of sending those notices, subject to any Shareholder objections to the Court on the basis that the Offer Price is not fair value for Pacific Smiles Shares, Genesis Bidco will acquire all remaining Pacific Smiles Shares for the Offer Price.

Alternatively, Genesis Bidco may be entitled to utilise compulsory acquisition powers under the post-bid compulsory acquisition powers in Part 6A.1 of the Corporations Act after the Offer Period with the approval of the Court (if granted), even where it has not met the appropriate thresholds noted above.

General compulsory acquisition powers under Part 6A.2 of the Corporations Act

Part 6A.2 of the Corporations Act provides that if a person (together with their related body corporates) is a "90% holder" in relation to a class of securities of a company they may compulsorily acquire all the securities in that class if either the holders of securities in that class who object to the acquisition hold less than 10% by value of the remaining securities at the end of a specified notice period or the acquisition is approved by the Court.

Genesis Bidco has disclosed in its Bidder's Statement that, if Genesis Bidco becomes entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act at or before the close of the Offer Period, it currently intends to exercise those rights if it could not proceed with compulsory acquisition under Part 6A.1 of the Corporations Act as described above and may choose to exercise those rights during the Offer Period prior to it becoming entitled to proceed with compulsory acquisition under Part 6A.1 of the Corporations Act.

Where the above requirements are met, Genesis Bidco will be entitled to proceed with compulsory acquisition under Part 6A.2 of the Corporations Act in the following manner:

- providing compulsory acquisition notices to remaining Shareholders within six months of becoming a 90% holder setting out the terms of the offer for compulsory acquisition (which must be cash only, and Genesis Bidco has disclosed in its Bidder's Statement that it intends to offer the Offer Price of $2.20 cash per Pacific Smiles Share);

- the notice provided to remaining Shareholders will specify a period of at least one month during which Shareholders may object to the compulsory acquisition; and

- if Shareholders who hold at least 10% if the Shares under the compulsory acquisition notice (that is, 10% of the Shares held by all remaining Shareholders) object to the compulsory acquisition, Genesis Bidco may apply to the Court for approval of the compulsory acquisition within one month of the end of the objection period.

4.12 Genesis Bidco's intentions where it does not become entitled to compulsorily acquire the remaining Pacific Smiles Shares

If Genesis Bidco and its Associates do not meet the thresholds to compulsorily acquire the remaining Pacific Smiles Shares noted in Section 4.11 above, it has stated in section 8.3 of the Bidder's Statement that it may seek to delist Pacific Smiles when legally permissible and consistent with ASX guidance.

5 Information relating to Pacific Smiles

5.1 Overview of Pacific Smiles

Pacific Smiles is a leading Australian branded dental group, currently operating 137 dental centres containing more than 545 active dental chairs. These dental centres include 11 nib branded centres which are owned and operated by Pacific Smiles, and 10 HBF dental centres which are operated by Pacific Smiles.

Pacific Smiles provides dentists with fully serviced and equipped facilities including support staff, materials, marketing and administrative services. Pacific Smiles is largely engaged by dentists under services and facilities agreements (**SFAs**), pursuant to which the dentists are charged service fees for the provision of these fully serviced dental facilities. Pacific Smiles' revenue consists mostly of these service fees, however there are also revenues derived through direct patient fees incurred through dental services provided by dentists engaged or employed by Pacific Smiles.

As at 30 June 2025, Pacific Smiles provided services to approximately 800 active dental practitioners, assisted by more than 1,600 support staff and attended to approximately 1,100,000 patient appointments in the preceding 12 months.

On 13 August 2025, Pacific Smiles released its financial results for FY25. Highlights included:

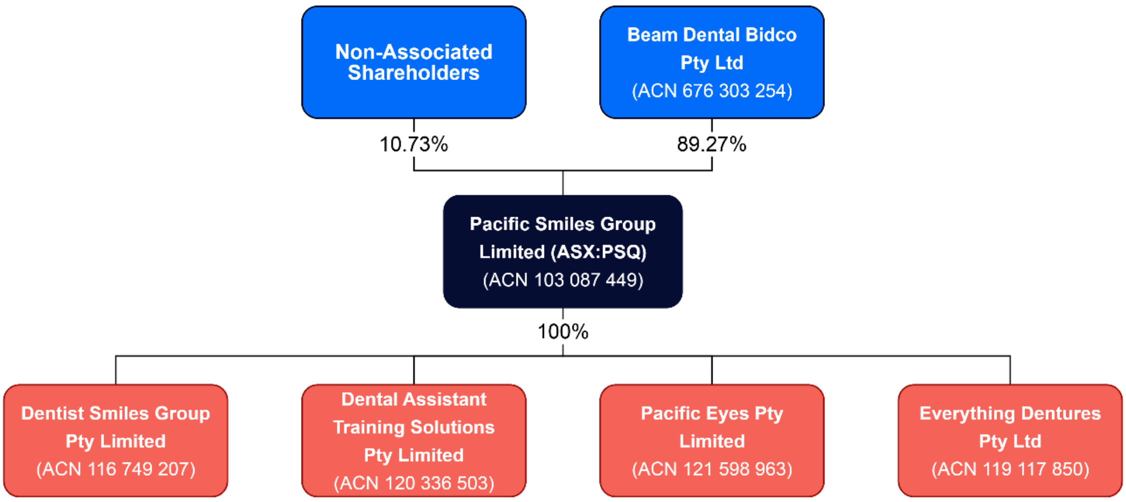
(a) patient fees of $317.1 million, up 8.7% vs FY24;

(b) underlying EBITDA of $31.6 million, up 12.1% vs FY24; and

(c) net cash of $21.4 million at 30 June 2025, up 20.9% from the net cash position of $17.7 million at 30 June 2024.

5.2 Pacific Smiles' corporate structure

A corporate structure diagram of Pacific Smiles and the wholly owned and/or controlled entities comprising the Pacific Smiles Group is set out below.



5.3 Pacific Smiles Board

As at the date of this Target's Statement, the Pacific Smiles Board comprises:

(a) Mr Gary Carroll – Managing Director & Chief Executive Officer

(b) Dr Michael Caristo – Non-Executive Chair

(c) Mr Christopher Yoo – Non-Executive Director

(d) Ms Tara Hariharan – Non-Executive Director

(e) Mr Steven Rubic – Non-Executive Director, and Chair of the Independent Board Committee

(f) Mr Brent Cubis – Non-Executive Director

As described in Section 1.5, the Pacific Smiles Board has established an Independent Board Committee comprising Mr Gary Carroll, Mr Steven Rubic and Mr Brent Cubis for the purposes of evaluating and negotiating the Offer and preparing this Target's Statement.

5.4 Pacific Smiles' management

As at the date of this Target's Statement, the senior management team of Pacific Smiles comprises:

(a) Mr Gary Carroll – Managing Director & Chief Executive Officer

(b) Mr Martin White – Chief Financial Officer

(c) Ms Lisa Skene – Chief Operating Officer

(d) Mr Troy Wright – Chief People Officer

(e) Ms Alice Telford – Executive General Manager Marketing

(f) Mr Andy Luiskandl – Chief Information Officer

As announced on 3 October 2025, Mr Gary Carroll has resigned as Managing Director and Chief Executive Officer of Pacific Smiles with effect from 31 October 2025. Pacific Smiles has appointed Ms Michelle Dries as Chief Executive Officer, with effect from 20 October 2025.

5.5 Capital structure

As at the Last Practicable Date, there were 161,615,445 Pacific Smiles Shares and no other securities in Pacific Smiles on issue.

5.6 Substantial holders

The substantial shareholders of Pacific Smiles as at the Last Practicable Date are as follows:

(a) Genesis Bidco and its Associates, with a Relevant Interest in 144,273,813 representing 89.27% of the Pacific Smiles Shares on issue; and

(b) Dr Alison Hughes, with a Relevant Interest in 16,178,947, representing 10.01% of the Pacific Smiles Shares on issue.

5.7 Recent historical financial information

Pacific Smiles' 2025 Annual Report and other periodic reports are available on the Investors' section of its website at https://investors.pacificsmilesgroup.com.au/Investors/.

The following income statement, balance sheet and statement of cash flows for Pacific Smiles is extracted from the audited consolidated financial statements for Pacific Smiles for the financial years ended 30 June 2025 and 30 June 2024.

The financial information presented in the tables below has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act. It also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. It does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Shareholders may view the full consolidated financial statements for the financial years ended 30 June 2025 and 30 June 2024, including notes to those financial statements, at Pacific Smiles' website at https://investors.pacificsmilesgroup.com.au/Investors/ or at www2.asx.com.au.

(a) Income statement

Financial years ended 30 June 2025 and 30 June 2024

	2025 $'000	**2024 $'000**
Revenue	196,023	179,752
Other income	321	831
Expenses		
Employee expenses - direct	(2,098)	(1,338)
Other direct expenses	(7,558)	(8,864)
Consumable supplies expenses	(13,208)	(11,925)
Employee expenses	(92,253)	(81,974)
Occupancy expenses	(5,026)	(4,746)
Marketing expenses	(5,377)	(5,071)
Administration and other expenses	(35,574)	(21,940)
Depreciation and amortisation expense	(28,467)	(30,332)
Net finance costs	(3,030)	(3,668)
Profit before income tax expense	3,753	10,725
Income tax expense	(1,782)	(2,686)
Profit after income tax expense for the year	1,971	8,039
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	1,971	8,039

(b) Balance sheet

Financial years ended 30 June 2025 and 30 June 2024

	2025 $'000	2024 $'000
Assets		
Current assets		
Cash and cash equivalents	21,420	17,656
Receivables	3,826	4,656
Inventories	7,794	7,715
Other	2,351	1,177
Total current assets	35,391	31,204
Non-current assets		
Receivables	132	304
Property, plant and equipment	44,753	51,150
Right-of-use assets	52,728	62,427
Intangibles	11,716	12,914
Deferred tax	18,809	13,979
Total non-current assets	128,138	140,774
Total assets	163,529	171,978
Liabilities		
Current liabilities		
Payables	22,704	18,671
Lease liabilities	14,831	14,614
Income tax payable	2,388	4,359
Provisions	4,825	4,794
Total current liabilities	44,748	42,438
Non-current liabilities		
Lease liabilities	50,865	60,720
Provisions	8,413	8,262
Total non-current liabilities	59,278	68,982
Total liabilities	104,026	111,420
Net assets	59,503	60,558
Equity		
Contributed equity	56,153	52,104
Reserves	-	6,744
Retained profits	3,350	1,710
Total equity	59,503	60,558

(c) Statement of cash flows

Financial years ended 30 June 2025 and 30 June 2024

	2025 $'000	2024 $'000
Cash flows from operating activities		
Receipts from customers	195,560	180,074
Payments to suppliers and employees	(155,511)	(140,365)
	40,049	39,709
Interest received	457	487
Interest and finance costs paid	(3,168)	(3,811)
Income taxes paid	(8,582)	(3,579)
Net cash from operating activities	28,756	32,806
Cash flows from investing activities		
Payments for property, plant and equipment and intangibles	(5,728)	(3,839)
Proceeds from disposal of property, plant and equipment	-	56
Lease payments received from finance leases	402	422
Net cash used in investing activities	(5,326)	(3,361)
Cash flows from financing activities		
Dividends paid	(5,186)	(6,973)
Repayment of borrowings	-	(9,000)
Payment of lease liabilities	(14,480)	(14,389)
Net cash used in financing activities	(19,666)	(30,362)
Net increase / (decrease) in cash and cash equivalents	3,764	(917)
Cash and cash equivalents at the beginning of the financial year	17,656	18,573
Cash and cash equivalents at the end of the financial year	21,420	17,656

5.8 Significant events since 30 June 2025

The Historical Financial Information provided in Section 5.7 provides the income statement, balance sheet and statement of cash flows for Pacific for the financial years ended 30 June 2025 and 30 June 2024 (as appropriate).

The Independent Directors confirm there have been no significant events from an income statement, balance sheet and statement of cash flows perspective that have occurred since 30 June 2025. For completeness, the Company notes that, since 30 June 2025, it has opened one new dental centre in Cheltenham and relocated its nib Brisbane and Blacktown dental centres.

5.9 Publicly available information about Pacific Smiles

Pacific Smiles is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Pacific Smiles is subject to the Listing Rules which require continuous disclosure of any information Pacific Smiles has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities (subject to certain exceptions).

ASX maintains files containing publicly disclosed information about all listed companies. Pacific Smiles' file is available for inspection at ASX during normal business hours. Pacific Smiles' recent ASX announcements are available from the ASX website (www2.asx.com.au).

In addition, Pacific Smiles is required to lodge various documents with ASIC, copies of which may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Pacific Smiles is also available in electronic form at https://investors.pacificsmilesgroup.com.au/Investors/.

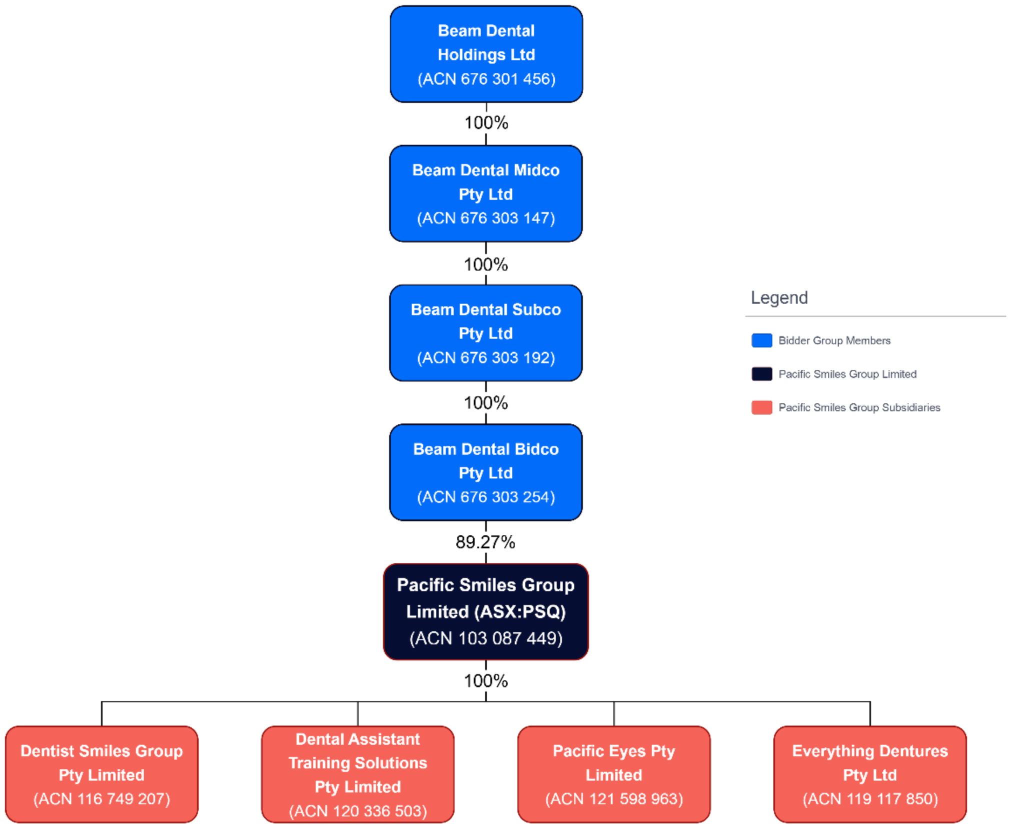
6 Information relating to Genesis Bidco and the Bidder Group

6.1 Disclaimer

The following information about Genesis Bidco and the Bidder Group has not been independently verified by Pacific Smiles. Pacific Smiles does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information regarding Genesis Bidco in this Target's Statement should not be considered comprehensive. Further information about Genesis Bidco is set out in the Bidder's Statement.

6.2 Bidder Group corporate structure

Provided below is a structure diagram of the Bidder Group and Pacific Smiles Group as at the Last Practicable Date.



6.3 Overview of Bidder Group

(a) Genesis Capital

Genesis Capital is the manager of entities comprising the Bidder Group and is a member of the Genesis Capital group. Genesis Capital is an Australian private equity firm that was established in 2018. Refer to the Bidder's Statement for further details regarding the background and business of Genesis Capital.

Genesis Capital manages numerous portfolio companies, including Impression Dental Group, which is a competitor of Pacific Smiles.

More information about Genesis Capital is set out in section 4.1 of the Bidder's Statement.

(b) Genesis Bidco

Genesis Bidco is an Australian proprietary company limited by shares that was incorporated on 3 April 2024 for the purpose of acquiring Pacific Smiles Shares.

On 1 October 2024, Genesis Bidco opened the Original Genesis Bidco Bid at $1.90 cash per Pacific Smiles Share (with mixed and scrip alternative forms of consideration also), which was later increased to $1.95 per Pacific Smiles Share (after deducting the cash value of a dividend paid to Shareholders during the offer period).

The Original Genesis Bidco Bid closed on 11 February 2025 with Genesis Bidco having a Relevant Interest in 89.27% of Pacific Smiles Shares.

From the Original Genesis Bidco Bid opened until the Last Practicable Date, the activities of Bidco have related exclusively to holding its interest in Pacific Smiles.

At the Last Practicable Date, Genesis Bidco has two directors, Dr Michael Caristo and Mr Christopher Yoo.

(c) Other entities in the Bidder Group

Section 4.2 of the Bidder's Statement sets out further details regarding the other entities in the Bidder Group.

6.4 Genesis Bidco's interest in Pacific Smiles

Genesis Bidco has a Relevant Interest in 144,273,813 Pacific Smiles Shares as at the Last Practicable Date, being 89.27% of the Pacific Smiles Shares on issue.

The circumstances surrounding Genesis Capital's acquisition of this Relevant Interest in Pacific Smiles Shares are set out in further detail in Section 4.1 above.

6.5 Genesis Bidco's funding of the Offer Price

(a) Maximum aggregate cash consideration payable

As at the Last Practicable Date, there were 17,341,632 Pacific Smiles Shares not already owned by Genesis Bidco, and no other securities in Pacific Smiles on issue.

If acceptances are received for all Pacific Smiles Shares on issue as at the Last Practicable Date that Genesis Bidco does not already own, the aggregate amount of cash consideration that Genesis Bidco would be required to pay would be approximately $38.15 million.[1]

(b) Funding

Bidco has disclosed in section 7.1 of its Bidder's Statement that it has access to sufficient funds to pay for all Shares it does not already hold, and will fund the Offer consideration from its existing, binding committed facility which Genesis Bidco confirms has sufficient

[1] Calculated by multiplying the total number of Pacific Smiles Shares on issue which are not held by Genesis Bidco as at the Last Practicable Date by the Offer Price of $2.20 per Pacific Smiles Share.

undrawn commitments available for the purpose of funding the maximum aggregate consideration under the Offer in full. The conditions to Genesis Bidco drawing the facility are disclosed in section 7.1 of the Bidder’s Statement, which Genesis Bidco considers to be on customary funds terms for a facility of this nature and capable of being satisfied.

7 Risk factors

7.1 Overview

There are various risks associated with either accepting the Offer, or rejecting the Offer and continuing to hold Pacific Smiles Shares. Some of these risks are specific to Pacific Smiles, while others are risks of a more general nature that apply to any investment in a listed company. Some of these risks can be adequately mitigated by using safeguards and appropriate systems, but many are beyond the control of Pacific Smiles and its Directors and cannot be mitigated.

The risks summarised below are not exhaustive and do not consider the personal circumstances of Shareholders. Prior to deciding whether to accept or reject the Offer, you should read this entire Target's Statement to gain an appreciation of Pacific Smiles, its activities, operations, financial position and prospects, including the risks set out in this Section 7, and should seek professional advice if you have any doubt about the risks associated with accepting or rejecting the Offer, having regard to your investment objectives and financial circumstances.

The options which you have in relation to the Offer are set out in Section 3 of this Target's Statement.

7.2 Risks associated with rejecting the Offer and holding Pacific Smiles Shares

If, despite the unanimous recommendation of the Independent Board Committee that you **ACCEPT** the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Non-Associated Shareholders, you decide to reject the Offer, the following risks may apply to you.

(a) Compulsory acquisition

If Genesis Bidco and its Associates acquire (during or within a month after the end of the Offer Period) Relevant Interests in:

- at least 90% (by number) of the Pacific Smiles Shares on issue; and
- 75% (by number) of the Pacific Smiles Shares that Genesis Bidco has offered to acquire under the Offer,

Genesis Bidco will be entitled to compulsorily acquire the remaining Pacific Smiles Shares under Part 6A.1 of the Corporations Act by following the process described in Section 4.11 of this Target's Statement.

Even if Genesis Bidco does not meet those thresholds, it may proceed with compulsory acquisition under the post-bid compulsory acquisition powers in Part 6A.1 of the Corporations Act with Court approval (if granted) or under the general compulsory acquisition power in Part 6A.2 of the Corporations Act where the applicable thresholds under that Part are met.

In any scenario where Genesis Bidco is entitled to proceed with compulsory acquisition, even if you have chosen to reject the Offer, your Pacific Smiles Shares will be acquired at the Offer Price, but you will receive consideration at a later time than if you had accepted the Offer.

(b) Minority ownership consequences

Genesis Bidco has a Relevant Interest in 89.27% of Pacific Smiles Shares on issue as at the Last Practicable Date.

Genesis Bidco's intentions in relation to Pacific Smiles if it does not meet the compulsory acquisition thresholds under Part 6A.1 of the Corporations Act are set out in sections 8.3 and 10.3(b) of the Bidder's Statement. In this scenario, the implications on the remaining Pacific Smiles Shareholders who do not accept the Offer may include the following:

(i) it is highly unlikely that another party will seek to acquire all of the Pacific Smiles Shares in the future, given this would require the cooperation of Genesis Bidco;

(ii) Genesis Bidco remains in a position to cast the majority of votes at a general meeting of Pacific Smiles Shareholders or pass a special resolution on its own, which in turn enables it to control the composition of the Board and senior management, amend the Pacific Smiles constitution, determine Pacific Smiles' dividend policy and control the strategic direction of the businesses of the Pacific Smiles Group;

(iii) further, following the announcement of the resignation of Mr Gary Carroll as Managing Director and Chief Executive Officer with effect from 31 October 2025, the Nominee Directors appointed by Genesis Bidco will comprise the majority of the Pacific Smiles Board, and can (subject to excusing themselves where appropriate, including in respect of potential conflicts of interest) pass resolutions of Pacific Smiles Directors without the support of the independent Pacific Smiles Directors;

(iv) while liquidity in Pacific Smiles Shares has been low since close of the Original Genesis Bidco Bid on 11 February 2025, following close of the current Offer, the liquidity in Pacific Smiles Shares may be even lower; and

(v) if the number of Pacific Smiles Shareholders is less than that required by the Listing Rules to maintain an ASX listing, Genesis Bidco has stated in the Bidder's Statement that it may seek to procure that Pacific Smiles is removed from the official list of the ASX. If this occurs, Pacific Smiles Shareholders will not be able to sell their Pacific Smiles Shares on the ASX. This may also have adverse impacts on Pacific Smiles' existing or new leases, where landlords might be entitled to request bank guarantees or impose other more onerous obligations on Pacific Smiles where it is not listed.

(c) No consideration and drop in Pacific Smiles Share price

Pacific Smiles Shareholders who do not accept the Offer will not receive the Offer Price of $2.20 per Pacific Smiles Share. The Offer Price represents certain cash value for Pacific Smiles Shares, representing a premium of:

- a 12.82% premium to the final cash consideration of $1.95 per Pacific Smiles Share offered under the Original Genesis Bidco Bid which closed on 11 February 2025 (which excluded the value of the dividend paid to Shareholders during that bid period); and
- 37.5% to the last closing price on 9 October 2025 (being the Last Practicable Date).

Further, the Independent Expert has concluded the Offer is fair and reasonable to Non-Associated Shareholders.

Further, if the Offer closes without Genesis Bidco satisfying the thresholds for compulsory acquisition, the Pacific Smiles Share price could well fall. In the absence of any other proposals for Pacific Smiles' business, the Pacific Smiles Shares will remain quoted on the ASX (in the absence of any de-listing where the conditions are met) and will continue to be subject to market volatility, which may have a more pronounced impact on the Pacific Smiles Share price given the recent low liquidity of the register. This market volatility may include general stock market movements and the impact of general economic conditions.

There is also a risk that Pacific Smiles could be fully or partially removed from certain ASX indices due to a lack of free float and/or liquidity. In addition, research analysts may cease coverage of Pacific Smiles, reducing the information available to Shareholders and potentially further reducing liquidity.

(d) Changes in the market and patient trends

Pacific Smiles' continued success depends in part on its ability to anticipate, gauge and respond to industry trends and changes in patient preferences and attitudes towards different dental treatments. If Pacific Smiles is unable to anticipate and respond to trends in the dental industry and changing patient demands in a timely fashion, its financial results may deteriorate.

Patient behaviour and spending in the dental industry may also be affected by the state of the broader economy. If Australian economic conditions worsen, there is a risk that patients will delay or skip treatments, defer more expensive complex procedures or redirect their spending on dental services given the discretionary nature of some of these services, which may result in a reduction in Pacific Smiles' revenue and may have a material adverse effect on Pacific Smiles' financial performance and financial position. Additionally, a higher inflationary environment may drive up Pacific Smiles' costs that are unable to be fully passed on to consumers, creating pressure on operating margins.

(e) Loss of key contracts and leases

If you remain a Pacific Smiles Shareholder and Genesis Bidco does not satisfy the thresholds for compulsory acquisition, this may result in termination rights arising under certain of Pacific Smiles' key contracts if Genesis Bidco pursues a delisting of Pacific Smiles (and meets the conditions to do so), including its debt facility (which Bidco may seek to replace with its own debt arrangements) and various lease agreements.

(f) Changes to the dental and private health insurance industries

While the patients of dental practitioners who engage the services and facilities of Pacific Smiles are comprised of a mixture of privately insured and non-insured individuals, Pacific Smiles is indirectly susceptible to factors adversely affecting the membership and profitability of private health insurers. These private health insurers may, from time to time, seek to renegotiate the terms of their arrangements with Pacific Smiles to seek to improve the offering to their members.

Membership of private health insurance funds in Australia is supported by a number of Commonwealth Government policies, including the Private Health Insurance Rebate and Medicare Levy Surcharge. To the extent that these policies change, or new policies are enacted, this may reduce incentives to hold private health insurance and the level of private health insurance in Australia may fall. Patients without private health insurance wishing to visit dentists who practice at Pacific Smiles' centres may experience higher out-of-pocket expenses, which may adversely affect the affordability and demand for dental services and, therefore, the frequency of visits to Pacific Smiles dental centres. A decline in the profitability of private health insurance funds or the inability of private health insurance funds to obtain premium increases may result in Pacific Smiles' inability to achieve growth in the funding it receives from private health insurance funds or its inability to renew contracts with private health insurance funds on suitable terms.

(g) Payroll tax compliance in respect of SFAs with dentists

Most of the dentists who choose to practice at Pacific Smiles dental centres operate under an SFA. Pacific Smiles considers dentists who operate under SFAs to be principals who are operating their own dental practice; they are not considered to be employees or contractors of Pacific Smiles. Historically, payments under the SFAs were not treated as subject to payroll tax (unlike payments to employees and contractors of Pacific Smiles which are subject to payroll tax). However, the recent NSW Court of Appeal decision in *Chief Commissioner of State Revenue v Uber Australia Pty Ltd* contributes further case law to the position that SFA payments to dentists are taxable for payroll tax purposes.

Presently, and on a go-forward basis, Pacific Smiles is treating SFA payments as subject to payroll tax and is calculating and paying payroll tax in all relevant jurisdictions using an apportionment methodology.

While Pacific Smiles has obtained legal advice (including relating to indirect tax legislation) on the apportionment approach, there is a risk one or more revenue offices may prefer a different calculation methodology, potentially leading to reassessments for payroll tax amounts retrospectively (which differs by jurisdiction). The status of Pacific Smiles' engagement with the state revenue offices as at the Last Practicable Date is as follows:

– ***Revenue NSW***: as announced on 16 May 2023, Pacific Smiles received a determination from Revenue NSW which indicated it considered the SFAs for dentists in NSW were subject to payroll tax. Revenue NSW later issued a payroll tax assessment for the four financial years from 2019 to 2022 (inclusive) in the aggregate amount of $966,320 (as announced on 14 June 2023), which Pacific Smiles has paid (notwithstanding it disagreed with that assessment and reserved its rights in relation to future periods). From financial years 2023 onwards, payroll tax on SFAs has been paid on an apportioned basis.

– ***ACT Revenue****:* on 16 May 2023, Pacific Smiles wrote to ACT Revenue to advise it had received the Revenue NSW determination. ACT Revenue subsequently issued two payroll tax assessments in the aggregate amount of $1,154,517 for the 2019 to 2023 financial years (notably using a different calculation methodology to Revenue NSW). Pacific Smiles has since paid the amount under both assessments, but has lodged objections with respect to those assessments. If the objections are allowed, Pacific Smiles expects it will receive a refund for some or all amounts paid, however there is no guarantee that the objections will be allowed or, if allowed, the quantum of any refund. From financial years 2024 onwards, payroll tax on SFAs has been paid on an apportioned basis.

– ***Queensland Revenue Office***: the Queensland Revenue Office has implemented a payroll tax amnesty for contracted dentists covering payments from 1 July 2018 to 30 June 2025, provided eligible clinics registered and made a voluntary disclosure by 30 June 2025. On 27 June 2025, Pacific Smiles submitted an amnesty application, confirming it would include contracted dentists in QLD payroll tax returns from 1 July 2025 and apply an apportionment method to net SFA payments going forward. The Queensland Revenue Office has acknowledged the submission and advised the matter is under review.

– ***Victorian State Revenue Office***: at the same time Pacific Smiles advised ACT Revenue of the NSW Revenue determination, it also advised the Victorian State Revenue Office. As at the Last Practicable Date, Pacific Smiles has not received any requests for information, determinations or assessments from the Victorian State Revenue Office. Notwithstanding this, it is possible they may do so in the future and, therefore, a risk that payroll tax assessments for dentists in Victoria may arise for historical periods.

(h) Brand or reputational damage

Pacific Smiles' ability to maintain its reputation is critical to the perception of its centres and offerings. A number of factors as set out in this Section 7.2 may adversely impact Pacific Smiles' brand name and general reputation, which may consequently adversely impact its financial performance, condition and future prospects.

These factors include serious or unexpected side effects experienced by patients from the provision of Pacific Smiles' dental services (which may or may not be the fault of Pacific Smiles or its dental practitioners), failure to maintain consistent and high standards across its network of dental centres, inadvertent breach of privacy obligations leading to the disclosure of patient personal or sensitive information, potential disputes or litigation with suppliers, private health funds, patients, dental practitioners, employees or other third parties and other risks to Pacific Smiles' brand and reputation that are beyond Pacific Smiles' control, including any adverse publicity in relation to the dental industry.

Damage to the reputation of Pacific Smiles' main third party equipment and product suppliers (which may be affected by matters outside of Pacific Smiles' control) could have an adverse effect on Pacific Smiles' operations and ability to execute its growth strategy. This could result in an adverse impact on Pacific Smiles' financial performance, condition and future prospects.

(i) Personnel risk

The successful operation of Pacific Smiles is reliant on its ability to attract and retain experienced, skilled and high performing personnel (including key management, noting Pacific Smiles has had two changes in its Chief Executive Officer in the past 12 months, as well as a change in its Chief Financial Officer in light of the corporate activity over the same period).

Failure to attract and retain such personnel may adversely affect Pacific Smiles' operations and ability to execute its business strategy, which may, in turn, result in a material increase in the cost of obtaining appropriately qualified and experienced personnel and affect Pacific Smiles' financial performance and position. In light of this, Pacific Smiles has in place measures to incentivise and retain its key personnel.

(j) Material contracts

Pacific Smiles has contracts in place regarding its relationship with HBF (including relating to the management of the HBF Dental Centres) and nib. These contracts are material to the continued success of Pacific Smiles, including its financial performance and position. Pacific Smiles also has in place a number of other contracts which are not considered to be individually material, but which support its business model and operations, including its leases for dental centres, agreements with other private health insurers and supply agreements.

While Pacific Smiles' material contracts are generally agreed for a long term, there is the risk, as a result of the Offer or any resultant delisting of Pacific Smiles, these contracts will be terminated prior to the end of their contract term or will not be renewed on terms favourable to Pacific Smiles or at all. There is also the possibility that the counterparties under the material contracts approach Pacific Smiles to seek amendment to key commercial terms, including exclusivity periods.

Any such termination of a contract or renegotiations may, depending on the nature of the contract, have a material adverse effect on Pacific Smiles' operations and consequently on its financial performance and position. The Independent Directors note however that, following close of the Original Genesis Bidco Bid, Pacific Smiles has maintained positive relationships with its key counterparties and stakeholders.

In certain circumstances, Pacific Smiles may be required to indemnify a counterparty for any loss, damage or claim suffered or incurred by that counterparty in connection with a breach of the relevant contract by Pacific Smiles or the operator of one of its dental centres.

(k) Non-compliance with regulations and regulatory changes

There is a risk that Pacific Smiles may fail to comply with applicable laws and regulations in operating its business (including in relation to privacy, employment and internal governance). A compliance framework is in place to ensure protocols are established and followed including through Pacific Smiles' Dental Advisory Committee and internal clinical governance committee, and that Pacific Smiles' dental practitioners are well credentialed. Notwithstanding this, Pacific Smiles may be liable for breaches of laws and regulations by dental practitioners where it has failed to take reasonable steps to ensure compliance by those practitioners with applicable laws and regulations. In addition, there are various federal, state and territory laws and regulations that govern the dental industry in Australia, which impact Pacific Smiles and the dental practitioners based at Pacific Smiles' dental centres.

Due to the nature of the services offered by Pacific Smiles, consumer confidence in Pacific Smiles and its dental centres is important to retaining and attracting new patients. Non-compliance with applicable laws and regulations and associated adverse publicity could damage Pacific Smiles' brand and reputation and result in loss of patients and reduced demand for Pacific Smiles' services. Other adverse consequences for Pacific Smiles include loss of regulatory licences, regulatory penalties or other litigation, as well as costs associated with dealing with such adverse consequences (such as legal costs), which could materially affect Pacific Smiles' financial performance and position.

Pacific Smiles has in place a robust risk management framework that considers the risks which may affect Pacific Smiles' business, including due to changes in laws and regulations. Notwithstanding this, Pacific Smiles is unable to predict the effect of any additional laws and regulations that may be adopted in the future, or any changes in current regulation or interpretation that apply to Pacific Smiles' operations or the dental industry generally, including in respect of climate change and greenhouse gas emissions. No assurance can be given as to the effect that any such laws or regulations or changes may have on Pacific Smiles' business operations, financial performance and financial position.

(l) Ability to attract and remain engaged by dentists

Dental practitioners are the main customer of Pacific Smiles. Pacific Smiles relies on their continuing engagement of its services. The success of the dentists drives patient attendances and thereby revenue for Pacific Smiles. The success of Pacific Smiles' business is heavily reliant on its ability to continue to provide facilities and services to appropriately qualified and experienced dental practitioners who want to conduct their practice from Pacific Smiles' various dental centres.

Dentist engagement, and dentists' ongoing retention of the Company to provide facilities and services, is a priority for Pacific Smiles. It is tracked and reported on regularly. However, there is a risk that dental practitioners may cease to practice at Pacific Smiles' centres due to a range of factors, including competition and the quality of Pacific Smiles' facilities and equipment (compared to those offered by competitors). Further, some dentists may prefer to move away from the SFA model and instead work as an employee dental practitioner or be a sole operator. Under Pacific Smiles' SFAs, the dental practitioners may terminate their service arrangements for convenience with varying notice periods.

Pacific Smiles' service fee revenues are determined based on the dental practitioner's patient revenues. The ability of the dental practitioners to continue to generate revenue from patients will be instrumental in the continued growth and profitability of Pacific Smiles. Given the personal and sensitive nature of certain services offered by dental practitioners from a Pacific Smiles dental centre, patients may tend to be loyal to a particular dental practitioner or dental centre location, rather than to Pacific Smiles and its business more generally. Pacific Smiles' ongoing success depends on its continued engagement by dentists who maintain a dedicated patient base and are capable of attracting new patients.

(m) Ability to attract and retain dental assistants

Unlike the SFA model which Pacific Smiles operates for its dentists, all dental assistants are employed by the Pacific Smiles Group. The success of Pacific Smiles' business is reliant on its ability to attract, develop and retain skilled dental assistants. There is a risk that dental assistants may seek employment elsewhere due to a range of factors, including dissatisfaction with the dentists engaged by Pacific Smiles, lack of recognition or appreciation, the salary offered by Pacific Smiles or stress levels.

The Fair Work Commission is currently proposing changes to the Health Professionals and Support Services Award applicable to dental assistants. In connection with these proposed changes, a Fair Work Commission wage claim process has been commenced with respect to the employment of dental assistants covered by the Award, including those employed by Pacific Smiles. That process is currently at the submissions stage, with evidence provided by employee interest groups and unions for revised classification and salaries for dental assistants employed by Pacific Smiles. A hearing is anticipated in mid to late October. As a result of that hearing, the Fair Work Commission may determine that the salary payable to dental assistants is increased, however the materiality of any such increase and the timing for such changes to take effect is currently unknown.

(n) Clinical conduct risks

Failure to recognise and manage risks in practice can result in disciplinary action against offending dental practitioners by regulatory and governing bodies, which could result in the suspension of registration of the dental practitioners, conditions on practising or even de-registration on grounds of unprofessional conduct. Any such disciplinary action may have an adverse impact on Pacific Smiles' reputation, financial performance and financial position. Pacific Smiles conducts regular audits on all of the practitioners that contract for its services as part of its accreditation process to ensure that a high standard of care is being delivered to patients that visit Pacific Smiles dental centres.

(o) Treatments and safety risks

Transfer of infection to individuals due to safety or sterilisation breaches in a dental centre may lead to harm to individuals and negative reputational impacts, as well as negative economic consequences, on Pacific Smiles. Pacific Smiles has a clinical governance framework that governs infection control management procedures, including a training program. Treatment and safety risks are coordinated and managed by a dedicated clinical specialist team and monthly audits are undertaken. There is a close focus on internal procedures and clinical governance by management and the Board. This has been further enhanced by internal and external appointments to the Dental Advisory Committee and the clinical governance and infection prevention and control committees.

(p) Renewal of lease arrangements

Pacific Smiles' dental centres operate from leased premises. These leases have differing terms, expiry dates and renewal options. Pacific Smiles also, in the ordinary course of business, frequently opens new dental centres or relocates existing dental centres which, in each case, requires the negotiation of new lease agreements. There is a risk that one or more of these leases may not be renewed on terms acceptable to Pacific Smiles, at the same premises currently leased by Pacific Smiles, or at all. There is a heightened risk for new lease agreements in a scenario where Pacific Smiles is delisted from the ASX given landlords might be entitled to request bank guarantees or impose other more onerous obligations on Pacific Smiles.

If Pacific Smiles is unable to renew its existing lease agreements or enter into new lease agreements on acceptable terms, this may increase Pacific Smiles' operating costs and adversely affect its financial performance and position. Further, any failure by Pacific Smiles to comply with the terms of its leases, deterioration in relationships with its landlords or other actions taken by landlords may negatively impact the security of tenure of Pacific Smiles' dental centres.

While Pacific Smiles remains listed on the ASX, any new leases, or renewals of existing leases in certain circumstances, will not be covered by retail leases legislation in certain states and territories, and landlords will be able to pass relevant costs on to Pacific Smiles which they may not otherwise be able to do to non-ASX listed lessees. This may lead to increased outgoings for Pacific Smiles and may have an adverse impact on its financial and operating performance.

(q) Cybersecurity and IT systems

Pacific Smiles retains personal information about its patients, dentists and employees in its systems, including relating to patients' health and sensitive information regarding treatments. If the data was to be illegally obtained and publicly disclosed, this would have a severe impact on Pacific Smiles' reputation and clients may seek compensation.

Pacific Smiles continues to implement cybersecurity controls aligned to the achievement of prescribed standards of the Australian Signals Directorate to minimise technology related business interruptions and to assure the privacy of patient information. However, adverse actors can be highly sophisticated and it is not possible to completely eliminate this risk.

Pacific Smiles relies on third party providers and it is possible that they could be impacted by unforeseen events such as power outages, hardware failures, computer viruses, attacks by hackers, telecommunication failures, user errors or other unforeseen events. If Pacific Smiles' information technology systems suffer severe damage, disruption or shutdown, Pacific Smiles' operations may be materially and adversely affected, and fines may be payable by Pacific Smiles which may have an adverse effect on its financial position.

(r) Increased competition

The market for the provision of dental services is subject to significant competition. Dental practitioners generally compete with one another on factors such as price, convenience of location, responsiveness, range of services available and quality of service. Existing competitors or new entrants to markets in which Pacific Smiles currently operates may be successful in taking market share from Pacific Smiles. Notwithstanding this, Pacific Smiles considers it provides an attractive option to dentists and patients based on convenience, value, access and overall experience.

(s) **Inconsistency of patient experience between dental centres**

Pacific Smiles' network of dental centres operates in different locations, and in connection with different private health insurers. The dental centres which Pacific Smiles operates comprise a mixture of dental centres owned by Pacific Smiles and HBF Dental Centres. Pacific Smiles also, in the ordinary course of business, frequently opens new dental centres, relocates existing dental centres and closes underperforming dental centres.

Patients may have differing experiences of service and quality of care from centre to centre, which may impact Pacific Smiles' brand and reputation. Poor patient experience at any one dental centre may have adverse consequences for patient loyalty to the dentist and the potential for further appointment visitations. Where dental centres are closed, there is also a risk that Pacific Smiles is unable to retain patients at its other dental centres.

(t) **Reliance on third party suppliers**

Pacific Smiles relies on third party suppliers for equipment, personal protective equipment and dental consumables. Pacific Smiles also relies on third party providers for various services including point of sale software, online training platforms, online accounting platforms and online marketing platforms. A disruption to the operations of any of Pacific Smiles' third party suppliers could restrict, interrupt or otherwise adversely affect Pacific Smiles' operations. These may be for reasons including a shortage of key medical consumables, a production or systems outage or significant disputes (including with Pacific Smiles), lack of availability of maintenance services, material damage or destruction of a supplier's facilities, a significant workplace safety incident or a compliance or cyber breach.

In respect of physical material supplies, Pacific Smiles has long-term relationships with national and international suppliers and has identified alternate suppliers where appropriate. Additionally, Pacific Smiles seeks to hold enough necessary supplies and diversify its suppliers for its key categories. However, there is a risk that Pacific Smiles may fail to manage its inventory appropriately or achieve such diversity in its supply relationships at all times. There is no guarantee that Pacific Smiles will be successful in securing an appropriate substitute for these third party suppliers at short notice. There is also a risk that Pacific Smiles may not be able to retain its existing arrangements with its third party suppliers and any new arrangements may not be as favourable to Pacific Smiles. This may have an adverse impact on Pacific Smiles' financial performance and future prospects.

Pacific Smiles maintains relationships with its equipment, maintenance and consumables suppliers in particular, which provides Pacific Smiles with opportunities to capitalise on purchasing benefits and gain access to a broad catalogue of supplies, services and other innovative opportunities that benefit its business. If there is a breakdown in Pacific Smiles' relationships with any of these suppliers, Pacific Smiles would need to seek alternative relationships and it is not assured that these alternative relationships will be as advantageous to Pacific Smiles or enable Pacific Smiles to maintain its performance.

(u) **Failure to implement business model and framework successfully**

While Pacific Smiles has significant experience as a greenfield developer and operator of dental centres, there is no guarantee that it will be able to continue to implement its organic growth model as planned. For instance, Pacific Smiles may not be able to grow beyond its existing dental centres due to weaker than anticipated demand for Pacific Smiles' services by patients or dentists, adverse changes in the perception of Pacific Smiles' brand or due to other risks noted in this Section. For this reason, Pacific Smiles assesses on an ongoing basis the performance of individual dental centres and may determine it is appropriate to close underperforming dental centres.

Additionally, Pacific Smiles' ability to open new centres may be affected by a number of factors, including availability of suitable sites which fit within its business model and framework, such as appropriate shopping centres. Pacific Smiles' growth model is also dependent on its ability to reach agreement with landlords in relation to lease terms, and its ability to continue to be engaged by dental practitioners. Any failure to successfully implement its business model and framework may have an adverse effect on Pacific Smiles' future financial performance and growth prospects.

(v) Insurance

Pacific Smiles currently has in place what it believes are adequate levels of insurance for property, industrial and special risks (including business interruption), public liability, directors' and officers' liability, medical malpractice and workers' compensation to protect Pacific Smiles from potential losses and liabilities. However, there is a possibility that events may arise which are not adequately covered by Pacific Smiles' existing insurance policies and Pacific Smiles cannot guarantee that its existing insurance will be available or offered in the future. An inability of Pacific Smiles to maintain such cover in the future could limit the ability of Pacific Smiles to conduct its business, which could have a negative impact on the financial results and prospects of Pacific Smiles. Further, there is a risk that insurance premiums may increase to a level where Pacific Smiles considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with current industry practice.

(w) Access to funding and service of debt financing

There is a risk that Pacific Smiles may not be able to raise debt finance or new equity in the future to continue to pursue its business strategy and grow its business. Pacific Smiles' ability to raise additional funds on favourable terms, or at all, will be subject to, among other things, factors beyond the control of Pacific Smiles and the Directors, including cyclical factors affecting the economy and share markets generally.

(x) Litigation or other disputes

From time to time, Pacific Smiles may be involved in litigation, claims or other disputes relating to matters such as personal injury (for example, in relation to adverse reactions to services provided), privacy breaches, intellectual property, contractual matters, employee and workplace health and safety, Fair Work Commission and union matters and other claims arising in the ordinary course of Pacific Smiles' business or otherwise.

Litigation may adversely impact upon the operational, reputational and financial performance of Pacific Smiles, and may also negatively impact on the price of Pacific Smiles Shares. Should Pacific Smiles pursue claims against a third party, such process may utilise significant management and financial resources, and a positive outcome for Pacific Smiles cannot be guaranteed. Even if Pacific Smiles is successful in obtaining a judgment against a third party, Pacific Smiles may be unable to recover any monies from that party (for example, if the relevant third party has inadequate financial resources to cover any damages judgment awarded in favour of Pacific Smiles).

Adverse litigation outcomes could negatively impact Pacific Smiles' business, financial condition and reputation.

(y) Unique business intelligence

The value of Pacific Smiles' services is dependent on its ability to continue to capitalise on its unique operating model and business intelligence related to its greenfield roll-out model, including its business processes and know-how. While Pacific Smiles does not consider it has any material intellectual property, it has certain intellectual property rights which are used in its operations and marketing, including business names, copyrights and trademarks. There is a risk that Pacific Smiles may be unable to detect the unauthorised use of its intellectual property rights in all instances and, if it decides to enforce such rights, this may be challenging and expensive.

Additionally, Pacific Smiles' commercial success is dependent on its ability to operate without infringing, misappropriating or otherwise violating the intellectual property rights of others (either inadvertently or otherwise). Third parties may allege that Pacific Smiles has infringed, misappropriated or otherwise violated intellectual property rights in an attempt to gain a competitive advantage. Defending against allegations and litigation could be expensive, take significant time and divert management's attention. Pacific Smiles may also be required to pay substantial damages or be subject to court orders prohibiting Pacific Smiles and its dental practitioners from engaging in certain activities. This could have a material adverse effect on Pacific Smiles' business, financial condition and the results of its operations.

7.3 Risks associated with accepting the Offer

If you accept the Offer, the following risks may apply to you.

(a) No withdrawal rights

As the Offer is unconditional, you will not be able to withdraw your acceptance under any circumstances and will therefore lose your exposure to the Pacific Smiles business, any right to participate in an alternative proposal or to receive any further dividends (as discussed further below).

(b) Possibility of alternative proposal emerging

If you accept the Offer, you will not be able to accept any alternative proposal that may be made.

However, given that Genesis Bidco has a Relevant Interest in 89.27% of the Pacific Smiles Shares on issue as at the Last Practicable Date, the Independent Directors consider it highly unlikely that any superior proposal will emerge given this would require the cooperation of Genesis Bidco. The Independent Expert's Report also notes that the likelihood of an alternative superior offer emerging and being capable of being successfully executed is low.

(c) Taxation consequences of accepting the Offer

The taxation consequences of disposing of your Pacific Smiles Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 8 of this Target's Statement. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

(d) Possible appreciation of Pacific Smiles Shares in the future

You may be able to sell your Pacific Smiles Shares in the future for more valuable consideration than the Offer Price (though the Independent Directors can give no assurances and make no forecast of whether this will occur, and note the Offer Price represents a 37.5% premium to the last closing price on 9 October 2025 (being the Last Practicable Date)).

(e) No right to further dividends

If you accept the Offer, you will have no right to receive any further dividends from Pacific Smiles, or participate in any other capital returns to Shareholders.

8 Taxation considerations

8.1 Introduction

This Section 8 is a general summary of some Australian tax consequences for some Shareholders of transferring their Pacific Smiles Shares to Genesis Bidco under the Offer.

It does not constitute tax advice and should not be relied upon as such. Given its general nature, it cannot address all possible tax consequences and cannot consider the circumstances of any or all Shareholders.

The summary is based upon the Australian tax law and the ATO's publicly known administrative practices in effect as at the date of this Target's Statement.

Shareholders should seek independent professional advice in relation to their own particular circumstances.

Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes), or who hold their Pacific Smiles Shares in connection with a taxable presence in another country, should take into account the tax consequences under the laws of those other countries, as well as under Australian law.

8.2 Guide for certain Shareholders only

The summary below is relevant to Shareholders who currently hold their Pacific Smiles Shares directly in their own names and on "capital" account (but it may not apply to any particular Shareholder in their personal circumstances).

The summary is not relevant to and does not apply to Shareholders who:

(a) currently hold their Pacific Smiles Shares on "revenue" account. This includes for the purposes of a business of dealing in securities, including by making a gain on disposal;

(b) acquired their Pacific Smiles Shares pursuant to an employee share, option or rights plan;

(c) are financial institutions, insurance/life insurance companies, partnerships, superannuation funds, tax exempt organisations, temporary residents or other entities or persons to whom specific tax rules apply;

(d) are Australian residents who currently hold their Pacific Smiles Shares as part of an enterprise carried on at or through a permanent establishment in a foreign country; or

(e) change or changed their tax residence while holding Pacific Smiles Shares.

This list of excluded Shareholders is not intended to be exhaustive. Shareholders should seek independent professional advice in relation to their own particular circumstances.

8.3 Australian resident Shareholders – disposal of Pacific Smiles Shares

The following is a general summary of some Australian income tax implications expected to arise for some Australian resident Shareholders on disposal of their Pacific Smiles Shares under the Offer.

(a) Disposal of Pacific Smiles Shares

The disposal of Pacific Smiles Shares by Shareholders to Genesis Bidco will constitute a disposal (or CGT event) for CGT purposes. The time of the disposal for CGT purposes is:

- in the case of a Pacific Smiles Shareholder who accepts the Offer, the date that the Shareholder accepts the Offer; and
- in the case of a Shareholder whose Pacific Smiles Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, the date when Genesis Bidco becomes the owner of the shares.

(b) Calculating a capital gain or loss

Making a capital gain or loss

A Shareholder will make:

- a capital gain if the "capital proceeds" from the disposal of their Pacific Smiles Shares are greater than the "cost base" of the Pacific Smiles Shares; or
- a capital loss if the "capital proceeds" from the disposal of their Pacific Smiles Shares are less than the "reduced cost base" of the Pacific Smiles Shares.

A Shareholder who acquired Pacific Smiles Shares at different times may make capital gains on some shares and capital losses on other shares. Capital gains and losses must be calculated separately for each tranche of Pacific Smiles Shares.

Capital proceeds

The capital proceeds received for the disposal of a Shareholder's Pacific Smiles Shares is the Offer Price of $2.20 cash per Pacific Smiles Share.

Cost base and reduced cost base

The cost base (and reduced cost base) of the Pacific Smiles Shares should generally be their cost of acquisition and certain non-deductible incidental costs of acquisition, ownership and disposal. Certain costs are excluded from the calculation of the reduced cost base. A Shareholder who acquired Pacific Smiles Shares at different times may have different cost bases (and reduced cost bases) for each tranche of Pacific Smiles Shares.

CGT discount

Individuals, complying superannuation entities or trustees (other than of complying superannuation entities) that have held the Pacific Smiles Shares for at least 12 months (excluding the days of acquisition and disposal) prior to the CGT event may be entitled to discount the amount of any capital gain (after application of capital losses, whether from Pacific Smiles Shares, other assets or brought forward from prior years).

The discount is half (½) in the case of individuals and trustees (other than of complying superannuation entities) and one-third (⅓) for complying superannuation entities.

Whether a beneficiary of a trust (other than of complying superannuation entities) will be entitled to retain the trustee's CGT discount will depend on the particular circumstances of the beneficiaries.

Companies that hold Pacific Smiles Shares are not eligible for a CGT discount.

Capital gains subject to tax

As noted above, capital losses from the same and prior years are deducted from the capital gains before the application of the CGT discount.

If the capital gains exceed the capital losses, the discount (if any) is applied and the discounted net capital gains are included in the assessable income of the relevant Pacific Smiles Shareholder and is subject to income tax. If the capital losses from the current year exceed the capital gains, the net capital losses cannot be deducted against other income for income tax purposes, but can be carried forward to offset future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

8.4 Non-resident Shareholders – disposal of Pacific Smiles Shares

Shareholders who are not residents of Australia for Australian tax purposes and do not hold their Pacific Smiles Shares in carrying on a business at or through a permanent establishment in Australia will generally not have to pay Australian tax on any capital gain when they dispose of their Pacific Smiles Shares as Pacific Smiles does not expect that the "principal asset test" will be met. The principal asset test requires that the market value of Pacific Smiles' direct and indirect interests in Australian land (including leases) is more than the market value of its other assets on the day that Genesis Bidco becomes the owner of the Pacific Smiles Shares.

Even if the principal asset test is met, non-resident Shareholders who do not hold their Pacific Smiles Shares in carrying on a business at or through a permanent establishment in Australia and who, together with their associates, do not hold at least a 10% interest in Pacific Smiles:

- on the day that Genesis Bidco becomes the owner of the Pacific Smiles Shares; or
- for a continuous period of 12 months in the two years ending on that date,

(the "non-portfolio interest test") will generally not have to pay Australian tax on any capital gain when they dispose of their Pacific Smiles Shares.

8.5 Withholding tax – disposal of Pacific Smiles Shares

Genesis Bidco may have an obligation to withhold an amount of up to 15% of the consideration payable to Shareholders and pay such amount to the ATO.

Genesis Bidco should not have an obligation to withhold tax if either the principal asset test or the non-portfolio interest test is not met. The Bidder's Statement states that Genesis Bidco is not currently aware of any amounts that are or would be treated as withholding amounts under the terms of the Offer, but notes it is possible that Genesis Bidco may become aware of an obligation in this regard and reserves the right to withhold.

8.6 GST

Shareholders should not be liable for GST in respect of a disposal of their Pacific Smiles Shares. However, Shareholders may be charged GST on costs relating to their participation in the Offer (such as adviser fees). Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs.

8.7 Stamp duty

Shareholders should not be liable for any stamp duty in any Australian State or Territory in relation to the disposal of their Pacific Smiles Shares.

9 Additional information

9.1 Bid Implementation Agreement

On 10 October 2025, Pacific Smiles and Genesis Bidco entered into a Bid Implementation Agreement, pursuant to which Genesis Bidco agreed to make its unconditional off-market takeover bid to acquire all of the Pacific Smiles Shares that it does not already own for $2.20 cash per Pacific Smiles Share.

A summary of the key terms of the Bid Implementation Agreement is set out in section 10.1 of the Bidder's Statement, and a full copy of the Bid Implementation Agreement was released to the ASX on the date of this Target's Statement.

9.2 Interests of Directors in Pacific Smiles

As at the Last Practicable Date, none of the Directors had a Relevant Interest in Pacific Smiles Shares.

Further, none of the Directors have acquired or disposed of interests in Pacific Smiles Shares in the four months ending on the date of this Target's Statement.

9.3 Interests of Directors in Genesis Bidco

As at the Last Practicable Date, the Directors had the following Relevant Interests in the securities of Genesis Bidco or any Related Body Corporate of Genesis Bidco.

Director	Relevant Interest
Mr Gary Carroll	Nil
Dr Michael Caristo	Nil
Mr Christopher Yoo	Nil
Ms Tara Hariharan	Nil
Mr Steven Rubic	Nil
Mr Brent Cubis	Nil

Additionally, each of Dr Michael Caristo, Mr Christopher Yoo and Ms Tara Hariharan were appointed as Directors of Pacific Smiles by Genesis Bidco, and have the following roles within the Bidder Group:

- Dr Michael Caristo and Mr Christopher Yoo are each founding partners of Genesis Capital and current directors of various Genesis Capital portfolio companies, including Genesis Bidco; and
- Ms Tara Hariharan is employed as an investment manager at Genesis Capital and is a current director of Genesis Capital and its portfolio company, Impression Dental Group.

Accordingly, the Pacific Smiles Board established the Independent Board Committee (comprising only the Independent Directors) for the purposes of evaluating and negotiating the Offer and preparing this Target's Statement.

9.4 Impact of the Offer on Pacific Smiles' senior employee and Director arrangements

The Offer will not have any impact on Pacific Smiles' arrangements for its senior employees or Directors.

9.5 Material litigation

As at the Last Practicable Date, Pacific Smiles is not aware of any material disputes or litigation being undertaken, commenced or threatened against any member of the Pacific Smiles Group.

9.6 Consents

(a) Independent Directors' consent

Each of the Independent Directors has given and not withdrawn their consent to:

- being named in this Target's Statement in the form and context in which they are named; and
- statements attributable to them being included in this Target's Statement in the form and context in which they appear.

(b) Pacific Smiles' consent

The Independent Directors have consented to the dispatch of the Bidder's Statement to Shareholders earlier than 14 days after the date it was given to Pacific Smiles.

(c) Third parties

The following parties have given, and have not withdrawn before the lodgement of this Target's Statement with ASIC, their written consent to be named in this Target's Statement in the form and context in which they are so named and to the inclusion of statements attributable to them in the form and context in which they appear:

- Gilbert + Tobin, to being named in this Target's Statement, and the covering page to this Target's Statement dispatched to Shareholders, as Australian legal advisers to Pacific Smiles; and
- Automic Pty Ltd (ACN 152 260 814), to being named in this Target's Statement as share registry to Pacific Smiles.

Additionally, Deloitte Corporate Finance Pty Limited has given (in its Independent Expert's Report), and has not withdrawn before the Last Practicable Date, its consent to:

- be named in this Target's Statement as the Independent Expert in the form and context in which it is named;
- the inclusion of the Independent Expert's Report in the form and context in which it is included in this Target's Statement; and
- the inclusion of statements and references in this Target's Statement which are based on or referable to statements made in the Independent Expert's Report in the form and context in which each such reference is included.

None of the persons named above have caused or authorised the issue of this Target's Statement, nor makes or purports to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based or takes any responsibility for any part of this Target's Statement, other than any reference to its name.

(d) Publicly available information

As permitted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*, this Target's Statement may include or be accompanied by statements which are made in documents lodged with ASIC or ASX. Provided this Target's Statement fairly represents such statements, the consent of the parties making those statements is not required for, and those parties have not consented to, the inclusion of such statements in this Target's Statement.

Shareholders may, during the Offer Period, obtain a copy of the documents (free of charge) in which the aforementioned statements appear (or in which statements based on those statements appear, as the case may be), or the relevant part(s) of any of those documents, by contacting Pacific Smiles on 02 4930 2000 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays), or email investor.relations@pacificsmiles.com.au.

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by statements fairly representing a statement by an official person, or statements from a public official document or a published book, journal or comparable publication.

9.7 ASIC modifications

Pacific Smiles has received in-principle approval from ASIC for an exemption from the requirements of section 638 of the Corporations Act so that this Target's Statement does not need to contain information to the extent that it is known only to Dr Michael Caristo, Mr Christoper Yoo or Ms Tara Hariharan for the reasons set out in Section 1.5 of this Target's Statement. This is on the basis that each of the Nominee Directors have been appointed as Directors of Pacific Smiles by Genesis Bidco, and may therefore have a potential conflict of interest in respect of the Offer.

The Pacific Smiles Board established the Independent Board Committee comprising only the Independent Directors for the purposes of evaluating and negotiating the Offer and preparing this Target's Statement. Accordingly, each of the Nominee Directors were not involved in Pacific Smiles' evaluation of the Offer, have not participated in any Pacific Smiles Board or Independent Board Committee deliberations regarding the Offer and this Target's Statement.

In addition, ASIC has published various instruments which modify the Corporations Act and provide exemptions to certain provisions of the Corporations Act, including those in Chapter 6 of the Corporations Act. These instruments apply generally to all persons, including Pacific Smiles.

Amongst others, Pacific Smiles has relied on *ASIC Corporations (Takeover Bids) Instrument 2023/683*, which permits this Target's Statement to include or be accompanied by statements which are made in documents lodged with ASIC or ASX, without the consent of the parties making those statements, provided this Target's Statement fairly represents such statements.

9.8 No other material information

This Target's Statement is required to include all information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Target's Statement; and
- only if the information is known to any of the Independent Directors.

As noted in Section 9.7 above, Pacific Smiles has received in-principle approval from ASIC for an exemption from the requirements of section 638 of the Corporations Act to the extent that it would require the disclosure of information that is known only to the Nominee Directors.

Therefore, the Independent Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is the information contained in:

- the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- Pacific Smiles' releases to ASX before the date of this Target's Statement;
- documents lodged by Pacific Smiles with ASIC before the date of this Target's Statement; and
- this Target's Statement.

The Independent Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Independent Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Independent Directors have had regard to:

- the nature of the Pacific Smiles Shares (being fully paid ordinary shares);
- the matters which Non-Associated Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisers of Shareholders; and
- the time available to Pacific Smiles to prepare this Target's Statement.

10 Approval of this Target's Statement

This Target's Statement has been approved by a resolution passed by the Independent Directors.

Signed for and on behalf of Pacific Smiles Group Limited by:

Mr Steven Rubic
Chair of the Independent Board Committee
Non-Executive Director

Schedule 1 Dictionary

1 Definitions

The following terms in this Target's Statement have the meanings set out below.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given under section 9 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, as the financial market, the Australian Securities Exchange, where the context requires.

ASX Settlement Operating Rules means operating rules of the settlement facility provided by ASX Settlement Pty Ltd ACN 008 504 532.

ATO means the (Federal) Commissioner of Taxation or the Australian Taxation Office.

Attachment means an attachment to this Target's Statement.

Bid Implementation Agreement means the agreement between Pacific Smiles and Genesis Bidco dated 10 October 2025 which sets out the terms of the Offer.

Bidder Group means Genesis Bidco and the entities wholly owned or Controlled by Beam Dental Holdings Limited ACN 676 301 456, and **Bidder Group Member** or **member of the Bidder Group** means any one of them.

Bidder's Statement means the bidder's statement dated 10 October 2025 prepared by Genesis Bidco in respect of the Offer.

Board or **Pacific Smiles Board** means the board of Directors of Pacific Smiles.

Business Day means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place).

CGT means the Australian income tax regime that determines and imposes tax, commonly referred to as capital gains tax, on capital gains.

CHESS Holding means a holding of shares on the CHESS Subregister of Pacific Smiles.

CHESS Subregister has the meaning given in the ASX Settlement Operating Rules.

Competing Proposal means any offer, proposal, expression of interest, transaction, agreement or arrangement (whether existing before, on or after the date of the Bidder's Statement) which, if entered into or completed substantially in accordance with its terms, would:

(a) require or result in the Offer not being implemented substantially in accordance with the terms of the Bid Implementation Agreement or requiring Genesis Bidco to abandon, or otherwise fail to proceed with the Offer;

(b) result in a person either alone or together with any of its Associates (other than Genesis Bidco and its Associates or Related Bodies Corporate):

(i) directly or indirectly acquiring, receiving, becoming the holder of, having the right to acquire, or otherwise obtain:

(A) a Relevant Interest in;

(B) a legal, beneficial or economic interest (including by way of any equity swap, contract for difference or other derivative, or similar transaction or arrangement) in; or

(C) control of,

10% or more of the issued Pacific Smiles Shares; or

(ii) directly or indirectly acquiring, receiving, becoming the holder of, having the right to acquire, or otherwise obtain, a legal, beneficial or economic interest (including by way of any equity swap, contract for difference or other derivative, or similar transaction or arrangement) in, control of:

(A) 10% or more of the issued Pacific Smiles Shares; or

(B) all or a material part of the business or assets of Pacific Smiles and its subsidiaries (taken as a whole); or

(C) directly or indirectly acquiring Control of Pacific Smiles or any material Related Body Corporate of Pacific Smiles; or

(D) otherwise directly or indirectly acquiring or merging with Pacific Smiles or any material Related Body Corporate of Pacific Smiles, whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.

Control has the meaning given in section 50AA of the Corporations Act and **Controlled** has a corresponding meaning.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under, and modifications made in respect of, that Act.

Directors or **Pacific Smiles Directors** means the directors of Pacific Smiles.

FY means a financial year ending 30 June.

Genesis Bidco means Beam Dental Bidco Pty Limited (ACN 676 303 254).

Genesis Capital means Genesis Capital Manager I Pty Limited (ACN 634 339 576).

GST means the goods and services tax.

Independent Board Committee means the committee established by the Pacific Smiles Board for the purposes of evaluating and negotiating the Offer and preparing this Target's Statement, comprising the Independent Directors.

Independent Directors means each of Mr Gary Carroll, Mr Steven Rubic and Mr Brent Cubis.

Independent Expert means Deloitte Corporate Finance Pty Limited (ACN 003 833 127, AFSL 241457).

Independent Expert's Report means the report prepared and issued by the Independent Expert in relation to the Offer, as contained in Attachment A to this Target's Statement.

Issuer Sponsored Holding means a holding of Pacific Smiles Shares on Pacific Smiles' issuer sponsored subregister.

Last Practicable Date means 9 October 2025, being the last practicable trading date on ASX prior to finalisation of this Target's Statement.

Listing Rules means the official listing rules of ASX as amended or varied from time to time.

Nominee Directors means each of Dr Michael Caristo, Mr Christopher Yoo and Ms Tara Hariharan.

Non-Associated Shareholders means the holders of Pacific Smiles Shares (other than Genesis Bidco and its Associates).

Offer means the off-market takeover offer by Genesis Bidco for all the Pacific Smiles Shares it does not already own under the terms and conditions contained in section 11 of the Bidder's Statement.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the terms and conditions of the Bidder's Statement.

Offer Price means $2.20 cash per Pacific Smiles Share.

Original Genesis Bidco Bid means the off-market takeover bid for all of the Pacific Smiles Shares by Genesis Bidco on the terms set out in the replacement bidder's statement dated 1 October 2024 (as supplemented).

Pacific Smiles Group means Pacific Smiles and each of its Subsidiaries and **Pacific Smiles Group Member** or **member of the Pacific Smiles Group** means any one of them.

Pacific Smiles or **Company** means Pacific Smiles Group Limited (ABN 42 103 087 449).

Pacific Smiles Shares or **Shares** means fully paid ordinary shares in the capital of Pacific Smiles.

Register Date means 7:00pm (Sydney time) on 10 October 2025, being the date set by Genesis Bidco under section 633(2) of the Corporations Act.

Register means the register of members maintained by Pacific Smiles in accordance with the Corporations Act.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the Pacific Smiles Shares, whether directly or indirectly at or after the Announcement Date, including, without limitation all rights to receive dividends (but excluding the attaching franking credit), to receive or subscribe for shares, units, notes, options, or other securities and to receive all other distributions or entitlements declared, paid, made or issued by Pacific Smiles or any Pacific Smiles Group Member after the date of this Target's Statement.

Section means a section of this Target's Statement.

SFA has the meaning given in Section 5.1.

Shareholders means the holders of Pacific Smiles Shares.

Subsidiary has the meaning given in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which at least a majority of the Independent Board Committee, acting in good faith and in order to satisfy what at least a majority of the Independent Board Committee considers to be its fiduciary or statutory duties, and after having obtained advice from its legal advisers, determines:

(a) is reasonably capable of being completed in accordance with its terms in a reasonable time; and

(b) would be reasonably likely to be more favourable to Non-Associated Shareholders than the Offer,

taking into account all aspects of the Competing Proposal, including its conditions, the identity and the financial condition of the person making such proposal and all relevant legal, regulatory and financial matters.

Target's Statement means this document and includes the Attachments to it.

Voting Power has the meaning given in section 610 of the Corporations Act.

VWAP means the volume weighted average price of Pacific Smiles Shares sold on the ASX over the relevant period.

your Pacific Smiles Shares means, subject to sections 11.1(d) and 11.1(e) of the Bidder's Statement, the Pacific Smiles Shares:

(a) of which you are registered or entitled to be registered as the holder in the Register on the Register Date; or

(b) to which you are able to give good title at the time you accept the Offer during the Offer Period.

2 Interpretation

(a) Unless otherwise specified, words and phrases have the meaning given in the Corporations Act.

(b) Where a term is defined, its other grammatical forms have a corresponding meaning.

(c) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

(d) Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.

(e) The singular includes the plural and vice versa.

(f) Words importing any gender include all genders.

(g) A reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate.

(h) Unless otherwise specified, a reference to a section or paragraph are to a section of or paragraph in this Target's Statement.

(i) Unless otherwise specified, a reference to time is a reference to the time in Perth, Australia.

(j) Unless otherwise specified, a monetary amount is in Australian dollars.

Attachment A Independent Expert's Report

See following page.

Deloitte.

Pacific Smiles Group Limited

Independent expert’s report and Financial Services Guide

10 October 2025

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) has been engaged by Pacific Smiles Group Limited (**PSQ**) to prepare an independent expert's report (our **Report**) in connection with a takeover offer from Beam Dental Bidco Pty Ltd (**Genesis Bidco**) to acquire all remaining PSQ shares it does not already own (**Takeover**). PSQ will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and·
- derivatives to retail and wholesale clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of approximately $200,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent on the outcome of the Takeover. We also prepared an independent expert's report in respect of a prior offer received from entities associated with Crescent Capital in 2024. We received a fee of $200,000 exclusive of GST in relation to the preparation of that report.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance. We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you wish to make a complaint, please refer to the relevant complaints policy available at:
https://www.deloitte.com/au/en/contact/contact-us.html?icid=bn_contact-us

or contact the Complaints Officer:
Online: www.deloitte.com.au via the Contact Us page
Email: complaints@deloitte.com.au
Phone: +61 (02) 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 300

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

10 October 2025

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Level 7, 50 Bridge Street, Sydney NSW 2000

Deloitte Corporate Finance Pty Limited
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The Independent Board Committee
Pacific Smiles Group Limited
Level 1
6 Molly Morgan Drive
Greenhills NSW 2323

10 October 2025

Dear IBC members,

Re: Independent expert's report

Introduction

Pacific Smiles Group Limited (**PSQ**) has received a takeover offer from Beam Dental Bidco Pty Ltd (**Genesis Bidco**) to acquire all the PSQ shares it does not already own (the **Takeover**) for $2.20 cash each (the **Proposed Consideration**). Genesis Bidco is an entity associated with Genesis Capital Manager I Pty Ltd (which, together with other entities associated with Genesis Capital Manager I Pty Limited, is referred to as **Genesis Capital**).

An overview of the Takeover is provided in Section 1 of our report, and full details are included in the Target's Statement, which PSQ expects to lodge with ASIC and the ASX on 10 October 2025.

Purpose of the report

Under Section 640 of the Corporations Act 2001 (Cth) (**Section 640**), a Target's Statement given in response to a takeover offer must include, or be accompanied by, an independent expert's report if either the bidder's voting power in the target is 30% or more, or the bidder and target have one or more common directors, to assist non-associated shareholders in their decision whether to accept or reject the Takeover.

Genesis Capital (through Genesis Bidco) currently owns 89.27% of the shares in PSQ and have common directors. An independent expert's report is therefore required under Section 640.

The Independent Board Committee of PSQ (**IBC**) has requested Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) to provide an independent expert's report advising whether, in our opinion, the Takeover is fair and reasonable so far as PSQ shareholders not associated with Genesis Capital are concerned (**Non-Associated Shareholders**).

Basis of evaluation

In preparing this report, we have had regard to the ASIC Regulatory Guide 111 in relation to the content of the expert's reports and ASIC Regulatory Guide 112 in respect of the independence of the experts.

Further information on the basis of the evaluation is set out in Section 2.

Summary and conclusion

In our opinion, the Takeover is fair and reasonable to Non-Associated Shareholders. In arriving at this opinion, we have had regard to the following:

The Takeover is fair

According to ASIC Regulatory Guide 111, in order to assess whether a Takeover is fair, the independent expert is required to compare the market value of a PSQ share on a control basis with the consideration being offered. The Takeover is fair if the value of the consideration is equal to or greater than the value of a PSQ share. Set out in the table below is our comparison:

Table 1: Comparison of our valuation of a PSQ share to the Proposed Consideration

$	Section	Low	High
Estimated market value of one PSQ share	4.1	2.13	2.56
Proposed Consideration	1.1	2.20	2.20

Source: Deloitte Corporate Finance analysis

The consideration offered is within the range of our estimate of the market value of a PSQ share. Accordingly, it is our opinion that the Takeover is fair.

Valuation of a PSQ share

We have estimated the enterprise value of PSQ by applying the market multiples and the discounted cash flow approaches, as set out in the table below.

Table 2: Valuation of a PSQ share

$m (unless otherwise stated)	Section	Low	High
Market multiples approach (primary approach)	4.3	324.0	360.0
Discounted cash flow approach (secondary approach)	4.4	360.0	400.0
Enterprise value (selected)		**330.0**	**400.0**
Add/(less): Surplus assets/(liabilities)	4.5	-	-
Add: Net cash	4.6	13.5	13.5
Equity value (control basis)		**343.5**	**413.5**
Number of shares (No.)	4.7	161.6	161.6
Equity value per share ($)		**2.13**	**2.56**

Source: Deloitte Corporate Finance analysis

Under the market multiples approach (which is our primary approach), we have estimated earnings before interest, tax, depreciation and amortisation (**EBITDA**) to be $36.0m on a pre-Australian Accounting Standards Board 16 Leases (**AASB 16**) basis. This estimate is based on our analysis of a normalised, underlying EBITDA for PSQ, and having regard to the current market environment, management of PSQ's (**Management**) plan for the business and certain costs we consider that a market participant would be able to avoid by taking the business private. The selected earnings multiple of 9.0x to 10.0x was based on the earnings multiples observed from transactions and share market trading in publicly listed companies in the dental services and broader health services sector.

The discounted cash flow approach (which has been used as a secondary approach) requires the determination of an appropriate discount rate and the projection of future cash flows. We selected a nominal after tax discount rate in the range of 10.5% to 11.5% to discount the estimated future cash flows to their present value. We considered a number of scenarios having regard to PSQ's performance to date, the latent capacity within existing centres and the opportunity for further centre rollouts, which PSQ has historically undertaken but paused during FY24 and FY25.

We have selected an enterprise value range of between $330.0m and $400.0m. We consider that the top end of this range reflects the value of the platform embedded in PSQ, which could be realised over the medium to long term.

Our valuation takes account of benefits available to market participants, including listed company cost savings and cost synergies which PSQ shareholders will not benefit from if the Takeover is unsuccessful.

Additional details of our valuation of PSQ are set out in Section 4.

The Takeover is reasonable

In accordance with ASIC Regulatory Guide 111 an offer is reasonable if it is fair. On this basis, in our opinion the Takeover is reasonable.

We also highlight the following that Non-Associated Shareholders may wish to consider in their assessment of the Takeover.

Non-Associated Shareholders are receiving a premium for control and a premium to the share price of PSQ prior to the announcement of the Takeover

The Proposed Consideration represents a substantial premium over recent trading in PSQ shares.

We highlight that since the original takeover offer by Genesis Capital closed in February 2025 (which resulted in it acquiring an 89.27% interest), ASX trading volumes in PSQ has been low.

PSQ shares have not traded above $2.20 (being the Proposed Consideration) since 3 May 2022 (more than 3 years ago) and have underperformed the broader Australian share market in recent periods.

As outlined above, we have estimated the market value of a PSQ share on a control basis. Notwithstanding that Genesis Capital already has control (and therefore Non-Associated Shareholders individually or collectively do not have control), given the Proposed Consideration falls within our estimated market value range for a PSQ share, we consider that Non-Associated Shareholders are receiving a control premium.

The Proposed Consideration is higher than any formal offer that has been received for control of PSQ

During 2024, there was a price discovery process that resulted in a number of offers being made for control of PSQ. A discussion of these offers is provided in Section 3.9.1. The Proposed Consideration exceeds all of the offers received in that period.

There is certainty in the cash consideration

The Takeover represents an opportunity for Non-Associated Shareholders to realise their investment at $2.20 per share. If the Takeover is unsuccessful, Non-Associated Shareholders will continue to be exposed to the risks and rewards associated with an investment listed on the ASX. This applies to:

- opportunities to the upside, such as:
  - to the extent that Management is able to successfully realise the benefits of the embedded capacity in existing centres through growing the number of chairs
  - the successful optimisation of currently underperforming centres and newer cohorts which are yet to ramp up
  - market conditions improving such that the business is able to return to consistently investing in the greenfield model for growth (further discussed in Section 3.3).
- downside risks, such as:
  - an inability to increase the profitability of underperforming or loss generating centres
  - unfavourable changes to material contracts
  - continued elevated levels of cost inflation which are not capable of being recovered through fees
  - sustained economic downturn and reluctance on the part of consumers to spend, noting the discretionary nature of dental services expenditure
  - the possibility of further negative assessments or determinations in respect of payroll tax
  - the directors of PSQ electing not to declare dividends
  - the possibility that PSQ may be delisted from trading of its shares on the ASX.

We highlight that PSQ is in a strong financial position with net cash on hand. As such, in the absence of a downturn in operations or Management electing to pursue a growth strategy that requires substantial investment, it is in a position to continue paying dividends (subject to the Directors declaring such dividends).

Genesis Capital already has control and is influencing the operations and activities of PSQ

Genesis Capital already owns 89.27% of the shares in PSQ. In addition, following the resignation of Gary Carroll, Genesis Capital representatives will comprise the majority of the board of PSQ.

Genesis Capital is already significantly influencing the operations and activities of PSQ. They have the rights to further influence the operations and activities of PSQ and it could be the case that such decisions may not align with the interests of Non-Associated Shareholders.

The likelihood of an alternative superior offer emerging is low

PSQ was subject to a public process which resulted in offers from Genesis Capital and NDC Bidco Pty Ltd (**NDC**), an entity associated with Crescent Capital (another private equity firm), in 2024. Genesis Capital initially offered a price of $1.40 per share and subsequently revised their offer to $1.75 per share.

Following a competing proposal from NDC, PSQ entered into a scheme of arrangement with NDC in April 2024 under which PSQ's shares would be acquired at $1.90 per share. This was later revised to $1.91 per share in July 2024.

In response, Genesis Capital submitted a counteroffer of $1.90 per share. NDC then increased its offer to $2.05 in August 2024. However, NDC was unable to obtain the requisite level of shareholder support (partly because Genesis Capital voted against the proposal) and the scheme of arrangement with NDC was terminated later that month.

In October 2024, Genesis Capital made a takeover offer of $1.95 per share (excluding a $0.0325 fully franked dividend that was declared by PSQ) payable in cash, stub equity in a new holding company or a combination of both. Through a combination of on-market acquisitions and acceptances of its offer, Genesis Capital controlled 89.27% of PSQ shares by the time of the close of the offer in February 2025.

As such, with Genesis Capital having control, holding 89.27% of the PSQ shares on issue, and given the historical price discovery process, the likelihood of an alternative superior offer emerging and being capable of being successfully executed is low.

PSQ's share price may decline if the Takeover is not successful

Since the close of the prior takeover offer in February 2025, PSQ's shares have traded at a discount to the Proposed Consideration. Since 30 June 2025, they have not traded above $1.66 per share.

We also highlight that our valuation of PSQ, which has been undertaken on a control basis, accounts for certain benefits that PSQ would not be able to realise on a standalone, ASX listed basis.

Noting the above factors, in the event the Takeover is unsuccessful and in the absence of an alternative offer, we consider that PSQ's share price may decline to the levels observed prior to the announcement of the Takeover. Whilst a buyback or capital return may be an option (given the company has a strong cash position) and could potentially support the share price, this would risk further reducing the liquidity of shares over the long-term.

Genesis Capital may be able to proceed to compulsory acquisition

Dr Alison Hughes, who at the time of this report holds 10.01% of shares in PSQ, has not indicated she will vend her shares into the Takeover and accept the Proposed Consideration. However, if she chooses to do so, given the substantial shareholdings of Genesis Capital and Dr Alison Hughes, Genesis Capital will own more than 90% of the shares in PSQ, which would then allow it to proceed to compulsorily acquire all remaining shares. Whilst this would ultimately achieve the same outcome as selling shares into the Takeover, the receipt of the proceeds under a compulsory buyback will take longer.

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Genesis Capital may be able to realise additional benefits from the acquisition of PSQ

Genesis Capital may be able to realise additional synergies from owning 100% of PSQ. Whilst our valuation accounts for certain synergies available to a buyer of PSQ, it is possible that Genesis Capital may be able to extract additional synergies that are unique to them and over and above those factored into our valuation of PSQ.

Opinion

In our opinion, the Takeover is fair and reasonable, and therefore in the best interests of, PSQ shareholders in the absence of a superior proposal.

An individual shareholder's decision in relation to the Takeover may be influenced by their particular circumstances. If in doubt the shareholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

Tapan Parekh
Authorised Representative
AR Number: 461009
Deloitte Corporate Finance Pty Limited (AFSL Number 241457)

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Glossary

Reference	Definition
$	Australian dollars
AASB 16	Australian Accounting Standards Board 16 Leases
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Board	Board of PSQ
CAGR	Compounded annual growth rate
CEO	Chief Executive Officer
Cohort	Represents a grouping of centres based on the financial year in which they opened
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY	Financial year
Genesis Bidco	Beam Dental Bidco Pty Ltd, an entity associated with Genesis Capital
Genesis Capital	Genesis Capital Manager I Pty Ltd together with other entities associated with Genesis Capital Manager I Pty Limited (including Genesis Bidco)
H1 FYxx	First half of financial year FYxx

Reference	Definition
HBF	HBF Health Limited
IBC	Independent Board Committee of PSQ
m	million
Management	PSQ's management team
nib	nib Dental Care
Non-Associated Shareholders	PSQ shareholders not associated with Genesis Capital
NDC	NDC Bidco Pty Ltd
NPAT	Net profit after tax
Pacific Smiles, PSQ	Pacific Smiles Group Limited
Takeover	The takeover offer from Genesis Bidco to acquire all remaining PSQ shares it does not already own
Proposed Consideration	The proposed consideration of $2.20 cash per share in the Takeover offer from Genesis Bidco
PSD	Pacific Smiles Dental
SaaS	Software as a Service
Section 640	Section 640 of the Corporations Act 2001 (Cth)
SFA	Services and Facility Agreement
VCP	Value Creation Plan

Table of contents

1 Overview of the Takeover

1.1 The Takeover

The Takeover to acquire all the issued shares in PSQ that Genesis Capital does not already own at $2.20 per share is expected to be made on or around 10 October 2025. Genesis Capital has a pre-existing interest that represents 89.27% of the issued shares of PSQ.

Trading in PSQ shares on the ASX is infrequent. However, the last trade occurred on 25 September 2025, and it occurred at a price of $1.525 per share.

The members of the IBC have not been advised by major shareholder Alison Hughes (who owns 10.01% of the issued shares of PSQ) whether she intends to accept the Takeover by accepting all of the shares she owns or controls into the Takeover.

The IBC has unanimously recommended that Non-Associated Shareholders accept the Takeover in the absence of a Superior Proposal (as defined in the Target's Statement) and subject to the independent expert concluding that the Takeover is fair and reasonable to the Non-Associated Shareholders. More details on the IBC's considerations are set out in Section 1 of the Target Statement.

1.2 Background to Genesis Capital

Genesis Capital, founded in 2018 and headquartered in Sydney, is an Australian private equity firm with a portfolio of 10 healthcare companies across the Asia Pacific region.

Further details on Genesis Capital are included in Section 4 of the Bidder's Statement and Section 6 of the Target's Statement.

Genesis Capital made a takeover offer, priced at $1.95 per share, in October 2024 and controlled 89.27% by the time of the close of the offer in early 2025. This followed an unsuccessful takeover proposal from NDC in respect of which Deloitte Corporate Finance prepared an independent expert's report. Further details of the offers from NDC and Genesis Capital is set out in Section 3.9.

1.3 Key conditions of the Takeover

There are no material conditions attaching to the Takeover. Further details of the terms and conditions of the Takeover are set out in Section 11 of the Bidder's Statement.

The Bidder's Statement highlights that if Genesis Capital becomes entitled to compulsorily acquire outstanding shares under the provisions of either Part 6A.1 or Part 6A.2 of the Corporations Act, Genesis Capital presently intends to proceed with the compulsory acquisition of those Shares.

2 Basis of evaluation

2.1 Guidance

Section 640 of the Corporations Act 2001 requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable.

In undertaking the work associated with this report, we have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report. ASIC has also issued Regulatory Guide 112 in respect of the independence of experts, but this provides very little guidance in respect of evaluating transactions.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer (under Section 640 of the Corporations Act), scheme of arrangement, approval of an issue of shares using item 7 of Section 611 of the Corporations Act, a selective capital reduction or selective buy back under Chapter 2J.

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the shares subject to the takeover offer. The comparison must be made assuming 100% ownership of the target company.
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should accept the takeover offer, in the absence of any higher bids before the close of the offer.

To assess whether the Takeover is in the best interests of PSQ shareholders, we have adopted the tests of whether the Takeover is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

2.2 Approach to evaluation of fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target company.

Accordingly, we have assessed whether the Takeover is fair by comparing the consideration offered with the value of a share in PSQ on a control basis.

PSQ shares have been valued at market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of a PSQ share has not been premised on the existence of a special purchaser.

We have assessed whether the Takeover is fair by comparing the value of a PSQ share to the value of the consideration to be received from Genesis Capital. We have assessed the value of each PSQ share by estimating the current value of PSQ on a control basis and dividing this value by the number of shares on issue.

If PSQ shareholders are receiving equal to, or more than, our assessment of the market value of PSQ shares, then the Takeover would be fair. If the consideration is less than our assessment of the market value of PSQ shares, then the Takeover would be not fair.

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2.3 Approach to evaluation of reasonableness

ASIC Regulatory Guide 111 considers an offer in respect of a control transaction, to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Takeover we considered the following factors in addition to determining whether the Takeover is fair:

- the extent to which Non-Associated Shareholders are receiving a premium for control and to the share price of PSQ prior to the announcement of the Takeover
- the likely market price and liquidity of PSQ shares in the absence of the Takeover
- cash flows or other benefits available to Genesis Capital upon achieving 100% ownership of PSQ
- the fact that the Takeover allows Non-Associated Shareholders to realise their investment in PSQ and removes uncertainty regarding the execution of Management's strategy
- the likelihood of an alternative offer being made
- whether any other alternatives exist and the advantages and disadvantages of such alternatives
- other implications associated with Non-Associated Shareholders rejecting the Takeover.

2.4 Limitations

This report should be read in conjunction with Appendix 5.

3 Profile of Pacific Smiles

3.1 Company overview

Established in 2003, PSQ operates dental centres from which independent dentists practice and provide clinical treatments and services to patients.

Key milestones in PSQ's history are set out in the table below.

Table 3: Corporate timeline

Year	Number of centres	Events
FY03	3	• Founded by dentists including Dr Alex Abrahams and Dr Alison Hughes
FY05	5	• Commencement of nib Dental Care (**nib**) relationship with operational agreements over Newcastle and Sydney nib dental centres
FY07 – FY11	14 – 28	• Entry into Victoria (**VIC**) and Queensland market (**QLD**) via organic growth and acquisitions
FY12	31	• Entry into Australian Capital Territory (**ACT**) market and commencement of 15-year agreement with nib
FY15	49	• Listed on the ASX with market capitalisation of circa $200m
FY16	58	• Launches first brand advertising campaign
FY20	94	• COVID-19 lockdowns begin
FY21	111[1]	• Entered into a 10-year management services agreement with HBF Health Limited (**HBF**)
FY24	136[1]	• Genesis Capital acquires a 19.9% interest in PSQ's shares • PSQ entered into an agreement with NDC to acquire PSQ at $1.90 per share (later revised to $2.05 per share). The proposed transaction with NDC fails as it did not obtain the approval of the requisite proportions of shareholders (including Genesis Capital)
FY25	136[1]	• Received a takeover offer from Genesis Capital for $1.95 per share which was declared unconditional in November 2024, resulting in the total interest held by Genesis Capital increasing to 89.27% • Singleton and Toronto centres were closed due to ongoing performance issues
FY26	137[1]	• Opened a new centre in Cheltenham, Victoria • Midland and Cockburn HBF centres opened • Received the Takeover offer from Genesis Capital at $2.20 per share

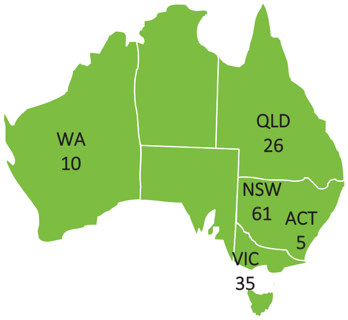
Note:
1. including HBF Dental centres managed by PSQ.
Source: Company website, annual reports, ASX releases, Management

PSQ operates 127 dental centres across Australia under two brands, Pacific Smiles Dental (**PSD**) centres and nib dental centres. PSQ also manages 10 HBF dental centres in Western Australia. The vast majority of these centres have been the result of a greenfield roll out (as opposed to acquisition or roll-up) strategy that PSQ has deployed since being founded.

PSQ has almost 800 active dentists, in addition to more than 1,700 employees, including dental assistants, clinical support and other staff, which enabled PSQ centres to service approximately 1.1 million patient appointments in FY25.

PSD branded centres are focused on Eastern Australia, whilst the HBF agreement provides PSQ exposure to Western Australia. PSQ dental centres are situated in both regional and metropolitan areas, with a roughly 50:50 split. Set out in the figure below is a map of the current geographic distribution of PSQ centres in Australia.

Figure 1: Centre locations



Note:
the dental centres in Western Australia represent the HBF Dental centres which are managed by PSQ.
Source: Annual reports

3.2 Operational overview

PSQ derives revenue from three key sources:

- **dental service fees**: charged to dentists for the provision of fully serviced dental facilities, in addition to fees generated directly from patients via locums and employed practitioners. This represented 98.6% of total revenue in FY25
- **dental product sales**: this represented 0.2% of total revenue in FY25
- **management fees**: for the management of HBF dental centres. This represented 1.2% of total revenue in FY25.

Under the Services and Facilities Agreements (**SFAs**), PSQ provides dentists with fully serviced and equipped facilities, including support staff, training, marketing, administrative and operational support services, along with PSQ's proprietary IT platform. The PSQ business model is designed to allow dentists to focus on practicing clinical dentistry, enabling them to maximise time with patients without the distraction of owning and operating a dental centre. Further details of the key terms of the SFAs are discussed in Section 3.2.2.

3.2.1 Key partnerships

PSQ has developed strategic relationships with major private health insurers and other partners that have underpinned its revenue growth and business expansion. The key partnerships are summarised in the table below.

Table 4: PSQ Partnerships

Partner with number of members (where relevant) in brackets	Details of partnership arrangement
nib (c. 1.9m)	• PSQ owns and operates 11 nib dental centres, which provides exclusive gap-free preventative treatment for nib members • the agreement was entered into in May 2012 for a 15-year period until May 2027 • other than the 11 nib dental care centres, all PSD centres are included in the nib First Choice network. In July 2024, the agreement was amended for the provision of a gap-free offering to nib members across the whole PSQ network for 2 years • both nib and PSQ have agreed to certain minimum marketing activities
HBF (c. 1.2m)	• PSQ operates 10 dental centres in WA on behalf of HBF under a management services agreement. The agreement entitles PSQ to a variable fee linked to the financial performance of the HBF dental centres • PSQ is also the preferred provider for HBF in Eastern Australia • the agreement was entered into in July 2020, and covers a period of 10 years
Medibank / ahm (c. 4.2m)	• PSQ benefits from being: – the exclusive ahm gap-free provider in Eastern Australia – a Medibank Members' Choice preferred provider, on a non-exclusive basis
Other Funders (n/a)	• PSQ works with third party funders including the Department of Veterans' Affairs, Local Area Health Services and Medicare Child Dental Benefits Schedule
Education Sector (n/a)	• PSQ partners with universities and TAFE to offer graduate programs, dental assisting certification and clinical placements. Such partnerships aid PSQ in recruiting dentists and dental assistants
Suppliers (n/a)	• scale benefits are achieved with group agreements

Source: Annual General Meeting Presentation, Management

Whilst PSQ has partnerships with specific health funds as described above, members of other health funds (or, more generally, anyone else) can get treatment at PSD and nib dental centres. Approximately one third of patient fees are derived through two private health insurers, almost half derived from other private health insurers and other funders, and the balance from private customers.

3.2.2 Dental practitioners and staff

Under the PSQ model, dental practitioners operate under SFAs which set out the key terms under which they can operate their business in a PSQ centre. The agreement outlines the services and support provided by PSQ, in exchange for a service fee. The service fee is paid monthly and is calculated based on an agreed proportion of fees charged to patients by dentists who operate their practice in a PSQ centre.

Under the SFAs, dentists generally have the right to cancel the agreement with a one to three month notice period, without penalty. As at H1 FY25, the PSQ business had 799 active dentists, with no dentist contributing more than 1% of total patient fees. On average, dentists do not work full-time at a specific PSQ centre with many working part-time and others distributing their workload across a variety of centres (including non-PSQ centres).

PSQ also employs various other professionals as set out in the table below:

Table 5: PSQ employees (excluding dental practitioners operating under SFAs)[1]

	Number
Dental assistants	1,466
Clinical support[2]	251
Support office[3]	53
Total	**1,770**

Notes:
1. based on headcount
2. comprised of dental hygienists, oral health therapists, sterilisation technician, centre leader and other clinical support staff
3. comprised of human resources, IT, finance, executive management and other support staff.

Source: Management

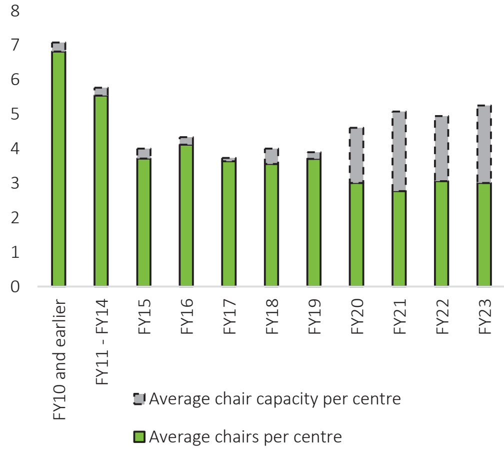
PSQ dental staff, including dental assistants, clinical support staff and support office staff, are typically employed under the terms of either the Health Professionals and Support Services Award 2020 or the DEP Enterprise Agreement 2013, which cover a broad range of matters, including rates of pay and employment conditions. On 3 June 2024, the Fair Work Commission announced a 3.75% increase to minimum award rates which was applied across the majority of the PSQ workforce, effective from 1 July 2024. A subsequent 3.5% increase to minimum award rates was announced on 3 June 2025, effective from 1 July 2025. The Fair Work Commission has also received proposals for further increases in future years, which it is in the process of considering.

3.2.3 Profile of dental centres

Approximately 50% of dental chairs are located in centres that are more than 10 years old. PSQ leases all of its dental centres. Dental centres are typically leased under agreements of between five and 10 years with, in some cases, options to extend the lease term. The majority of leases are priced with fixed growth rates, with the remaining linked to CPI.

Set out in the figure below is the average number of chairs by cohorts (which represents a grouping of centres based on the financial year in which they opened). Although new centre openings were initially planned for FY24 and FY25, no new centres were opened due to restrictions imposed under the scheme implementation deed entered into with NDC in April 2024. The scheme of arrangement was later terminated. Refer to Section 3.9.1 for further details on the agreement.

Figure 2: Average chairs per centre by cohorts



Notes:
Green shaded area represents average chairs per centre. Grey shaded area represents average chair capacity per centre.
Source: Management

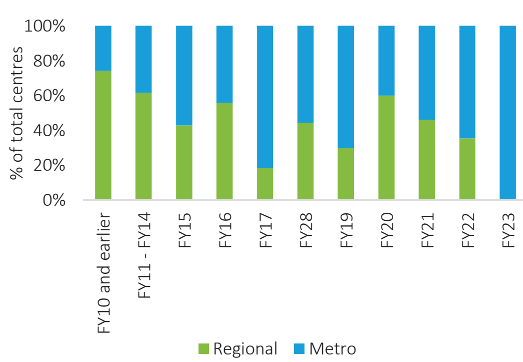
The older cohort of centres tend to be larger, driven by:

- maturity: the greenfield model for growth allows for growth optionality with new chairs added once existing chairs are sufficiently utilised. As such, older centres have had a longer time to fill initial capacity and expand
- location: PSQ's strategy of primarily greenfield rollouts in shopping centres since FY15 has lent itself to small format leases and less chairs per centre. The current strategy targets five chairs per centre at maturity, starting with three chairs on opening, noting that this has changed from smaller four chair capacity centres primarily opened from FY15 to FY19.

As noted in Section 3.3 below, centres typically open with five surgeries, three to four of which have had chairs installed, with the balance of chairs being installed in the vacant surgeries over time as the centres mature. This is evident in the figure above, but also illustrates the degree of additional chair capacity currently available in the newer cohorts.

The profile of centre locations by cohort is set out in the figures below.

Figure 3: Centre locations – regional vs metro



Source: Management

Figure 4: Centre locations – shopping centres vs other locations

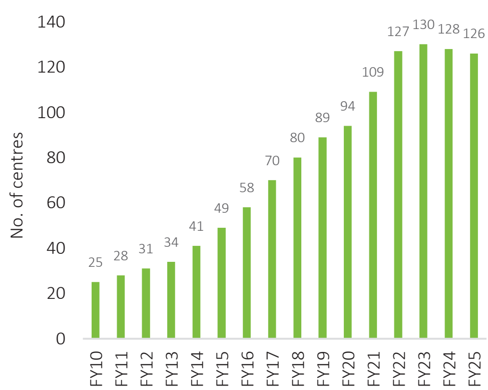
Source: Management

In the earlier years, PSQ focused its expansion in regional areas, however, this has shifted to metropolitan areas in recent years, with a particular preference for shopping centre locations. Further details of PSQ's expansion strategy are set out in Section 3.3.

3.2.4 Operational metrics

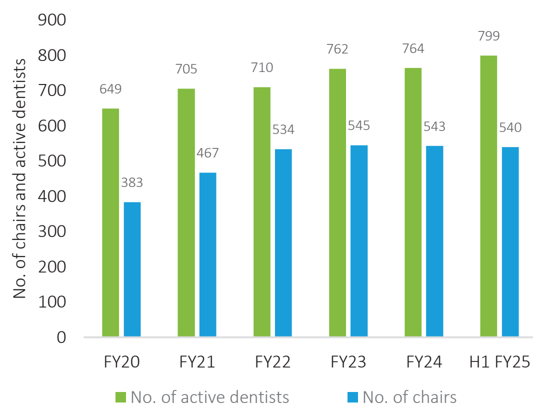
As mentioned above, PSQ has a long-established organic growth track record. This is evident in the figures below which present growth in number of centres, in addition to growth in number of chairs and active dentists.

Figure 5: No. of centres[1]



Note:
1. excludes HBF dental centres managed by PSQ.
Source: Annual reports

Figure 6: Total chairs[1] and active dentists[2]



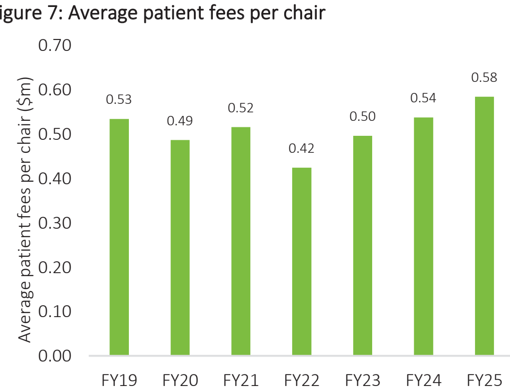
Note:
1. excludes HBF dental centre dentists.
Source: H1 FY25 Results presentation, H1 FY24 Results presentation

Management continued with new centre openings until FY23, following which PSQ was restricted from opening new centres under the scheme implementation deed entered into with NDC in April 2024 as outlined in Section 3.2.3. Since FY23, Management has focused their efforts on improving the utilisation of existing centres. As part of Management's strategy to optimise the portfolio and improve long-term profitability, the Singleton and Toronto centres were closed in FY25 due to their poor performance.

The number of active dentists within the business has continued to increase over the historical period, reflecting the opportunities provided by PSQ including flexibility, clinical autonomy, business support and full patient books. In H1 FY25, the number of active dentists increased significantly despite no new centres opening and the number of dental chairs remaining broadly consistent, reflecting Management's ongoing focus on optimising utilisation of existing chairs. The relatively stable number of chairs across FY23 to FY25, relative to the growth observed in preceding periods, is a function of the centre closures and consolidations that occurred during FY24 and FY25.

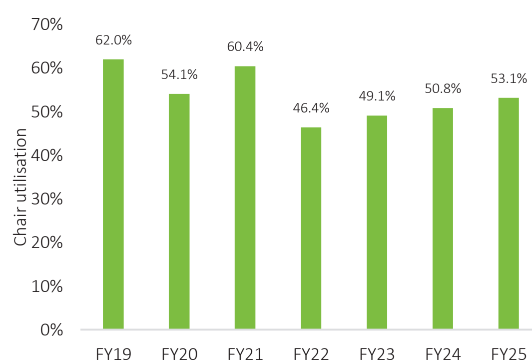
Presented in the figures below is an overview of average patient fees per chair and chair utilisation (and consequently profitability) across FY19 to FY25.

Figure 7: Average patient fees per chair



Source: Annual reports

Figure 8: Chair utilisation



Source: Management

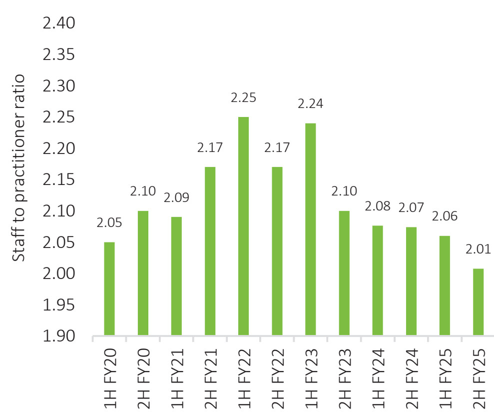
Average patient fees per chair have continued to grow each year post COVID-19 reflecting improved utilisation and inflationary growth in pricing. Utilisation rates have increased each year post COVID-19 with the key drivers behind this trend being:

- marketing efforts focused on acquiring new patients by expanding booking channels and promoting the use of the PSQ proprietary online booking tool and targeted brand campaigns aimed at increasing awareness
- an extension of dentist hours leading to more patient appointments
- declining failure-to-attend and unable-to-attend rates due to enhanced patient communications and appointment confirmations.

One measure of operational efficiency is the staff to dental practitioner ratio. This ratio is calculated by comparing the number of hours worked by staff to the number of hours worked by dentists with a lower ratio suggesting greater operational efficiency. This ratio (as set out in Figure 9 below) experienced a significant increase during the COVID-19 pandemic, as managing appointment cancellations and reduced services became more challenging. This resulted in a higher proportion of employee expense incurred as a percentage of total patient fees. This ratio is closely monitored by Management and has returned to pre-COVID-19 levels in FY24 and continued to decrease in FY25.

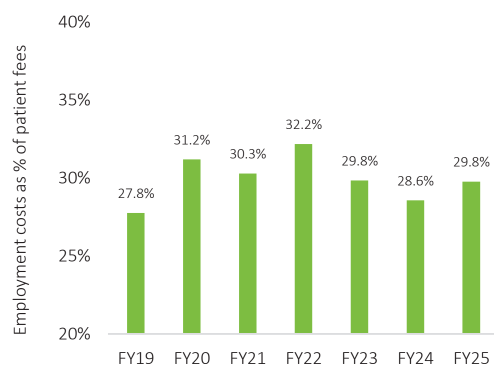
Whilst maintaining a low staff to practitioner ratio remains a key priority for Management, employment costs as a percentage of patient fees have increased in FY25 reflecting the Fair Work Commission determinations. These determinations are likely to continue to place upward pressure on the employee costs to patient fee ratio (refer to Section 3.2.2).

Figure 9: Staff to practitioner ratio



Source: Management

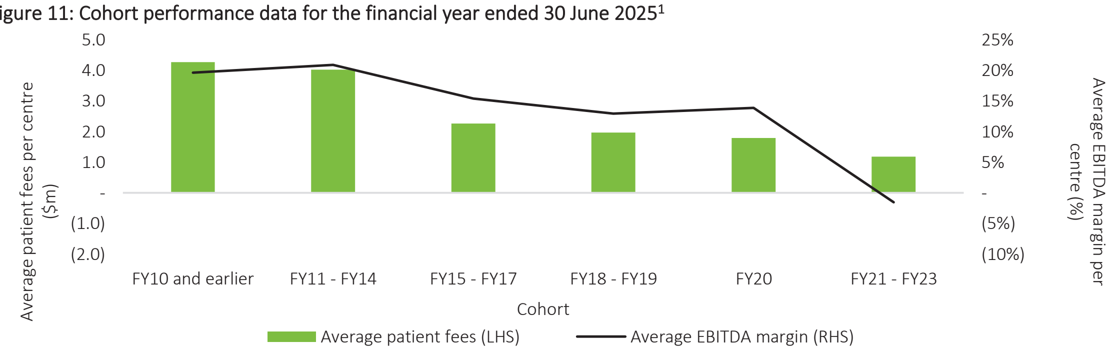
Figure 10: Employment costs % patient fees



Source: Annual reports

Given the greenfield model for growth, there is a distinction between the profitability of centres depending on the period of time they have been open. The financial performance of centre cohorts, grouped by the financial years in which they opened, is set out in the figure below.

Figure 11: Cohort performance data for the financial year ended 30 June 2025[1]



Note:
1. excludes HBF dental centres
2. EBITDA margin calculated as a percentage of patient fees.
Source: Management

As illustrated in the figure above, the more mature cohorts achieve higher revenue (as measured by average patient fees) and higher profitability (as measured by EBITDA margin) as compared to newer cohorts. Centres typically take a period of five years to ramp up to being operationality efficient as discussed in Section 3.3, with profitability and margins of new centres expected to improve over that period as the number of appointments increases and chair utilisation improves.

Centres that were opened between FY20 and FY23 also experienced a delay in achieving their ramp up profile due to COVID-19 disruptions, which impacted their ability to attain target profitability. Post-pandemic, these newer cohorts have been gradually moving towards the expected ramp up profile (outlined in the section below) with fees and profit margins trending towards the five-year target, noting that these new centres have now had c. four years of post-pandemic trading.

3.3 The greenfield model for growth

PSQ's growth model is focused on opening new centres rather than acquisitions. Management considers such a growth model to be a predictable and repeatable formula for network expansion. Key attributes of the model include:

- convenience proposition: based on location and community by targeting regions under-serviced by dentists and localised regions and clusters to create scale and efficiency
- standardisation: of centre layout, brand, culture, people and systems including implementation of a common patient management system across all centres
- mobility of staff, patients and dentists: by sharing resources between centres to increase efficiency, streamline labour management and achieve greater satisfaction for both practitioners and patients
- growth focus: driven by establishment of new centres, adding capacity in existing centres, and uplifting utilisation by retention of existing patients and acquisition of new patients.

PSQ's greenfield model is premised on detailed site selection and assessment prior to investment decision. PSQ also follows a well-developed pre-marketing campaign targeting new patients when a new centre opens. Typically, PSQ targets 400+ appointments pre-opening of a new centre and 1,500 appointments within the first six months of opening a new centre.

New centres typically open with three chairs and have a capacity for five. Depending on utilisation and centre growth, a 4th chair will be added in years two to four and a 5th chair in year five, with capacity for further growth beyond year five. Profitability (as measured by EBITDA) is targeted to be achieved after 12 months of operation with capital payback after five years. New centres are expected to reach target patient fees of $2.5m per annum by year five and target EBITDA margin (pre corporate overheads) of c. 20% by year 10.

3.4 Key management and directors

Management has undergone considerable change in recent years, with Gary Carroll being appointed Chief Executive Officer (**CEO**) in October 2024, Martin White appointed Chief Financial Officer (**CFO**) in April 2025, Lisa Skene appointed to Chief Operating Officer (**COO**) in April 2025 and Troy Wright appointed Chief People Officer in April 2025.

Set out below is the leadership team of PSQ:

Table 6: PSQ's management team

Name and current position	Experience	Time in role
Gary Carroll Managing Director & CEO (until 31 October 2025)	Gary Carroll has over 15 years' experience in senior leadership/executive roles across consumer, education, and health-related sectors. Gary was previously CEO of MindChamps Australia, operating childcare and early learning centres in NSW and Victoria. Prior to that, he was CEO and Managing Director of G8 Education Ltd from 2017 to 2022, having first joined the company as CFO in 2016. Earlier in his career, Gary held executive roles at Super Retail Group, including CFO and General Manager of Group Development. On 3 October 2025, PSQ announced that Mr Carroll's resignation, effective 31 October 2025	11 months
Michelle Dries CEO (effective 20 October 2025)	Michelle Dries is an experienced senior executive with experience across ASX-listed and private equity-owned companies healthcare and consumer businesses. Michelle was most recently Chief Operating Officer of Greencross Vet Services, leading one of Australia's largest veterinary services networks. She has also previously held senior roles at Qantas Loyalty and Qantas Insurance. Her earlier career includes strategy consulting at Boston Consulting Group, senior government and university executive roles, and serving as CEO of Early Start.	n/a
Martin White Chief Financial Officer	Martin White has over 20 years of finance and commercial experience across healthcare, not-for-profit, manufacturing, and mining services. He joined PSQ in 2021 and was appointed as Chief Financial Officer in April 2025. Prior to this, Martin held senior finance roles at organisations including Life Without Barriers, General Electric, and REMA TIP TOP, with responsibilities spanning financial management, corporate governance, and business transformation.	5 months
Lisa Skene Chief Operating Officer	Lisa Skene has over 20 years' experience in operations and business transformation across retail, veterinary care, and FMCG sectors. Prior to joining PSQ, Lisa held senior roles including COO at VetPartners, Petbarn, and The Coffee Emporium, where she led multi-site operations, strategic initiatives, and growth programs.	5 months
Troy Wright Chief People Officer	Troy Wright has over 20 years of experience in human resources, specializing in people and culture management across healthcare and animal health sectors. Prior to joining PSQ, Troy served as Head of People and Culture (Australia and New Zealand) at Sonova Group and held senior HR roles at Covetrus, including Vice President of HR for North America.	5 months

Source: Annual report, ASX announcements, PSQ website

PSQ has six directors:

- the Managing Director and CEO, Gary Carroll
- two independent non-executive directors – Steven Rubic and Brent Cubis
- three representatives of Genesis Capital – Michael Caristo (also Chairman of the Board), Christopher Yoo and Tara Hariharan.

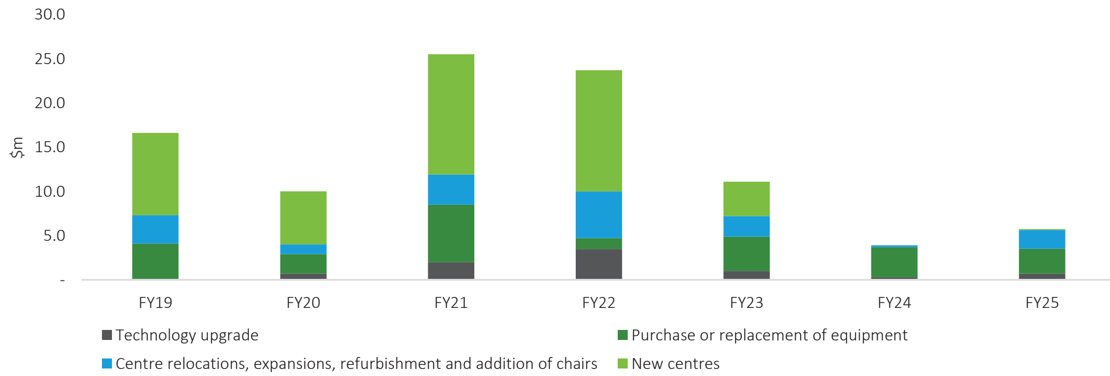
Following the resignation of Gary Carroll, Genesis Capital representatives will comprise the majority of the board of PSQ.

3.5 Capital expenditure

3.5.1 Centre capital expenditure

Set out in the figure below is the capital expenditure incurred by PSQ in recent years.

Figure 12: Capital expenditure profile



Source: Annual reports, FY23 Results presentation, Management

The opening of new centres has contributed to the largest proportion of capital expenditure. As noted earlier, new centre capital expenditure was moderated in FY24 following the significant expansion profile in previous years. While no new centres were opened in FY25, construction of the Cheltenham centre commenced in FY25, and this centre was opened in September 2025.

3.5.2 Systems and technology program

In recent years, PSQ has strengthened its core technology foundations and expanded the available digital products and services. As shown in Figure 12, PSQ has invested $8.2m in technology upgrades since FY20 across cloud infrastructure, cyber security and data governance. These upgrades are beneficial to both patient and practitioner experiences allowing enhanced efficiency and cost effectiveness across the network. Recently, PSQ implemented a single patient record and management system which consolidates records into one system, enabling patients to manage their health information, book appointments at any PSQ centre and have their records be digitally available to both the centre and practitioner. PSQ has also implemented Salesforce’s Agentforce AI platform in FY25 to automate patient inquiries, assist with scheduling and predicting patient needs. This investment in technology is expected to improve the patient experience to deliver personalised care (thereby assisting with attraction and retention of patients) and improve efficiency (which should also assist in recruiting and retaining dentists and other employees).

3.6 Payroll tax

During 2023, PSQ received notices from various state revenue offices claiming payment shortfalls on the basis that the revenue offices considered fees charged to patients and retained by dentists who operate their practice within PSQ under an SFA should be subject to payroll tax. As at 30 June 2025, PSQ has made a provision of $0.7m to cover this potential payroll tax liability in QLD and VIC. From FY23 onwards, PSQ has been making payroll tax payments based on legal advice relating to the apportionment method for valuing services provided to PSQ under and SFA contracts. Further detail is provided in section 7.2 of the Target’s Statement.

3.7 Financial performance

The summarised financial performance of PSQ for the financial years ended 30 June 2023 to 30 June 2025 is set out below:

Table 7: Summary of historical financial performance of PSQ

$m (unless otherwise stated)	FY23	FY24	FY25
Dental service fee	163.3	177.5	193.2
Dental product sales	0.5	0.4	0.4
Management fees[1]	1.4	1.8	2.4
Other income	2.5	0.8	0.3
Total revenue	**167.8**	**180.6**	**196.3**
Direct expenses[2]	(8.3)	(8.9)	(7.6)
Employee expenses[3]	(80.7)	(83.3)	(94.4)
Consumables	(13.2)	(11.9)	(13.2)
Occupancy expenses	(3.9)	(4.7)	(5.0)
Marketing	(3.6)	(5.1)	(5.4)
Administration and other	(19.7)	(21.9)	(35.6)
Statutory EBITDA	**38.5**	**44.7**	**35.3**
Depreciation and amortisation	(30.2)	(30.3)	(28.5)
Net finance costs	(4.3)	(3.7)	(3.0)
Income tax	(1.5)	(2.7)	(1.8)
NPAT	**2.4**	**8.0**	**2.0**
Dividends paid	0.6	7.0	5.2
Dividends per share (cents)	0.3	4.4	3.2
Operating metrics			
Revenue growth (%)	19.2%	7.6%	8.7%
Statutory EBITDA margin (%)[4]	23.3%	24.9%	18.0%
Number of centres (No.)[5]	130	128	126
Number of chairs (No.)[5]	545	543	543
Chair utilisation (%)[6]	49.1%	50.8%	53.1%
Average patient fees per centre ($m)	2.1	2.3	2.5
Staff to practitioner ratio[7]	2.2	2.1	2.0

Notes:
1. relates to the fees generated through the management services agreement with HBF
2. includes the cost of sale of dental products and payroll tax expenses for independent dentists operating under SFAs
3. includes direct employee expenses which relates to dental practitioner employment costs
4. statutory EBITDA divided by revenue (excluding other income)
5. excludes HBF dental centres and chairs
6. billing hours as a percentage of total effective productive capacity of each dentist chair
7. measured by number of staff hours to dentist practitioner hours.

Source: Annual Reports, FY24 Results presentation, Management, Deloitte Corporate Finance analysis

The growth in dental service revenue of 19.2% observed in FY23 reflects PSQ's operations coming out of pandemic-influenced operating challenges, such as reduced appointment attendance and increased practitioner absences. As outlined in Section 3.2.4, centre numbers declined across FY23 to FY25 and dentist chair numbers have remained broadly consistent. This reflected efforts to close unprofitable centres whilst also increasing capacity in profitable centres (through more chairs). The key driver of the increase in revenue in both FY24 and FY25 (7.6% and 8.7%, respectively) was improvements in utilisation (refer to Section 3.2.4 for further analysis of historical utilisation).

Management fees increased from $1.8m in FY24 to $2.4m in FY25 due to growth in appointment numbers across the network, including from the two new HBF dental centres that opened.

The decline in direct expenses observed between FY24 and FY25 of 14.7%, despite revenue growth, was due to FY24 including $1.0m of payroll tax payments for SFAs to the ACT Revenue Office (refer to Section 3.6 for further details on payroll tax payments).

Increases in employee expenses across the historical period can be attributed to several factors, including the Fair Work Commission decision of a 5.75%[1] increase to modern award rates applicable to employees in the majority of PSQ dental centres in FY24. Additional contributing factors include ongoing wage inflation in FY25 and the continued growth in the proportion of weekend appointments, which incur higher employee-related costs.

The significant increase in administration and other costs between FY24 and FY25 was largely driven by costs of $11.6m associated with takeover offers received. We have analysed these costs further in our normalisation of EBITDA in the following section.

Depreciation largely relates to right-of-use-assets (i.e. leases over the centres) and, to a lesser extent, leasehold improvements, plant and equipment. Amortisation expenses relate to acquired software, rights and licenses.

Net finance costs mainly comprise of interest on lease liabilities which have continued to decline across the historical period (refer to Table 10 for further details).

Whilst a dividend was paid in FY25, this was in respect of FY24 results. The Board of PSQ resolved to pay no dividend in respect of FY25, recognising the need to fund growth and to create a suitable cash buffer.

3.7.1 Underlying EBITDA

Set out in the table below is Management's assessment of underlying EBITDA for the financial years ended 30 June 2023 to 30 June 2025:

Table 8: Underlying EBITDA

$m (unless otherwise stated)	FY23	FY24	FY25	Note
Statutory EBITDA[1]	**38.5**	**44.7**	**35.3**	
Adjustment to pre-AASB 16 basis	(16.6)	(17.3)	(17.8)	1
Executive long-term incentive plan	0.7	(1.8)	2.1	2
One-off payments for historical payroll tax assessments	1.2	1.2	0.0	3
Additional costs associated with change of ownership	-	2.3	11.6	4
Change in accounting estimate for consumables	-	(1.4)	-	5
Other	0.4	0.4	0.3	6
Underlying EBITDA[1]	**24.1**	**28.2**	**31.6**	
Underlying EBITDA margin[2]	8.9%	9.7%	11.0%	

Notes:
numbers in the table may not add due to rounding
1. as disclosed in the Annual reports
2. underlying EBITDA divided by patient fees.
Source: Annual Reports, Deloitte Corporate Finance analysis

[1] In addition to a 0.5% superannuation uplift

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Presented in the table below is an overview of Management's underlying EBITDA adjustments in the table above.

Table 9: Adjustments to arrive at underlying EBITDA

Note	Overview
1	Primarily reflects the cash lease expenses related to dental centre leases, which are not reflected under AASB 16.
2	FY24 statutory earnings include a credit (i.e., income) related to unvested incentives. The $2.1m FY25 expense is due to all performance rights vesting as part of the Genesis Capital takeover.
3	Payments made to state revenue offices for retrospective payroll tax amounts and associated legal costs
4	Costs, including break fees and adviser fees, associated with the takeover offers from Genesis Capital and NDC to acquire PSQ.
5	In FY24, PSQ implemented revised processes and internal controls for recording dental centre consumables, including enhanced estimations of cost and inventory quantities at individual clinic locations. The application of these revised methodologies resulted in a non-cash accounting credit.
6	Includes one-off or abnormal expenses such as termination and redundancy severance expenses, costs associated with the extraordinary general meeting, write-offs and insurance recoveries relating to flooding at the Lismore dental centre.

Source: Annual Reports, Management, Deloitte Corporate Finance analysis

The underlying EBITDA margin has continued to increase from 8.9% in FY23 to 11.0% in FY25. The improvement in margin is a function of PSQ not having opened new centres (which are typically loss-making during the ramp up phase), the closure of unprofitable centres and increased utilisation at existing centres.

In addition to the above, the following items which are not expected to be incurred as part of normal business operations but were incurred in FY25:

- SaaS implementation costs of $1.3m
- recruitment and termination costs of $0.7m
- consulting costs paid to Bain & Company associated with the development of the Value Creation Plan (VCP) of $0.8m. Refer to Section 3.10.1 for further details on the VCP
- fees paid to Genesis Capital for consulting and advisory services related to cost reduction and process improvement projects of $0.4m.

3.8 Financial position

The summarised financial position of PSQ as at 30 June 2023 to 30 June 2025 is set out below.

Table 10: Summary of historical financial position of PSQ

$m	30 June 23	30 June 24	30 June 25
Trade and other receivables	2.9	4.7	3.8
Inventories	6.2	7.7	7.8
Trade and other payables	(9.7)	(9.9)	(12.7)
Other current assets/(liabilities) – net[1]	(3.1)	(3.6)	(2.5)
Net working capital	**(3.7)**	**(1.1)**	**(3.6)**
Property, plant and equipment	62.0	51.2	44.8
Right-of-use assets	71.5	62.4	52.7
Lease liabilities	(84.0)	(75.3)	(65.7)
Intangible assets	14.6	12.9	11.7
Other non-current assets/(liabilities) – net[2]	2.3	6.0	10.5
Funds employed	**66.4**	**57.2**	**54.0**
Cash and cash equivalents	18.6	17.7	21.4
Payments due to dentists[3]	(8.5)	(8.3)	(9.3)
Borrowings	(9.0)	-	-
Net income tax receivable/(payable)	(1.4)	(4.4)	(2.4)
Payroll and other tax provisions	(1.0)	(0.5)	(0.7)
Net cash/(debt)	**(1.4)**	**4.5**	**9.0**
Net assets	**61.3**	**60.6**	**59.5**

Notes:
1. comprise of prepayments, employee benefits, other current assets
2. comprise of deferred tax assets, rental sublease receivables and non-current provisions
3. this item is presented within the trade and other payables balances in the annual reports
Source: Annual reports, Deloitte Corporate Finance analysis

The 29.0% increase in trade and other payables observed between FY24 and FY25 was driven by a combination of new facility investment costs, employee related expenses associated with revenue growth and one-off expenses which we have considered in Section 4.3.1.

Other current assets and liabilities primarily comprise of prepayments and employee benefits provisions.

Property, plant and equipment primarily comprise of plant and equipment and leasehold improvements. Property, plant and equipment declined across FY23 to FY25 reflecting the impact of the slowdown in the rollout of new centres, which has resulted in lower capital expenditure additions, relative to the depreciation of existing centres.

Right-of-use assets and lease liabilities relate to the operating lease agreements in respect of dental centres, as described in Section 3.2.3.

Other non-current assets and liabilities primarily comprise deferred tax assets and lease make good provisions. Deferred tax assets primarily relate to lease liabilities and right-of-use assets. Lease make good provisions represents the costs associated with the future restoration of leased premises (e.g. removal of leasehold improvements and repair of any associated damage) at the end of the respective lease terms of PSQ's operated premises.

Net cash, as set out above, comprises of cash, payments due to dentists, borrowings, and net income tax receivable and payable. Payments due to dentists relates to amounts owing to dentists under the SFA contracts. The increase in the balance is due to larger amounts owing to dentists as a result of increased patient fees. Borrowings have historically been used to finance the roll-out of new centres. However, in FY23, the borrowings were paid down due to Management's slowdown of centre roll out and the improvement in financial performance.

Net cash also includes a payroll tax liability related to notices referred to in Section 3.6. As at 30 June 2025, PSQ has accrued a tax liability of $0.7m, primarily in respect of the ACT assessment and estimated potential payroll tax liability in other states. PSQ had no borrowings as at 30 June 2025, however, had access to an undrawn bank facility with a $0.5m limit.

3.9 Shareholders and capital structure

3.9.1 Substantial shareholders

The substantial shareholders are set out below.

Table 11: Substantial shareholders

Holder	Securities held (m)	Ownership (%)
Genesis Capital	144.3	89.27%
Dr Alison J Hughes	16.2	10.01%
Subtotal – Substantial holders	**160.5**	**99.28%**
Other shareholders	1.2	0.72%
Total ordinary shares on issue	**161.6**	**100.00%**

Note: numbers may not reconcile due to rounding.
Sources: Management, ASX announcements

On 18 December 2023, Genesis Capital indicated that they held an economic interest of 18.75% of PSQ shares.

In December 2023, Gensis Capital initially proposed a takeover offer for 100% of Pacific Smiles Group shares at $1.40 per share. They subsequently increased the offer to $1.75 per share in March 2024. Following a competing proposal from NDC, PSQ entered into a scheme of arrangement with NDC in April 2024 under which all shares would be acquired at $1.90 per share. This was later revised to $1.91 per share in July 2024. We note that under the scheme implementation deed, PSQ agreed to conduct business in the ordinary and usual course consistent with the prior 24 months until implementation. This included restrictions on committing to new sites as well as other transformative corporate actions without bidder consent.

In response, Genesis Capital submitted a counteroffer of $1.90 per share. NDC then increased its offer to $2.05 in August 2024, however NDC was unable to obtain the requisite level of shareholder support and the scheme of arrangement was terminated later that month.

In October 2024, Genesis Capital made an offer of $1.95 per share (excluding a $0.0325 fully franked dividend that was declared by PSQ) payable in cash, stub equity in a new holding company or a combination of both. Through a combination of on-market acquisitions and acceptances of its offer, Genesis Capital controlled 89.27% of PSQ shares by the time the takeover offer closed in February 2025.

In June 2025, PSQ undertook an unmarketable parcels buyback offer where it bought back unmarketable parcels of shares for $1.6886 per share. As a result of this offer, the number of shares on issue reduced slightly and the number of shareholders reduced from 349 to 252.

3.9.2 Capital structure

The issued shares as at the date of this report are set out below.

Table 12: Number of securities in PSQ

Security type	Total (m)
Ordinary shares	161.6
Total	**161.6**

Sources: Annual reports

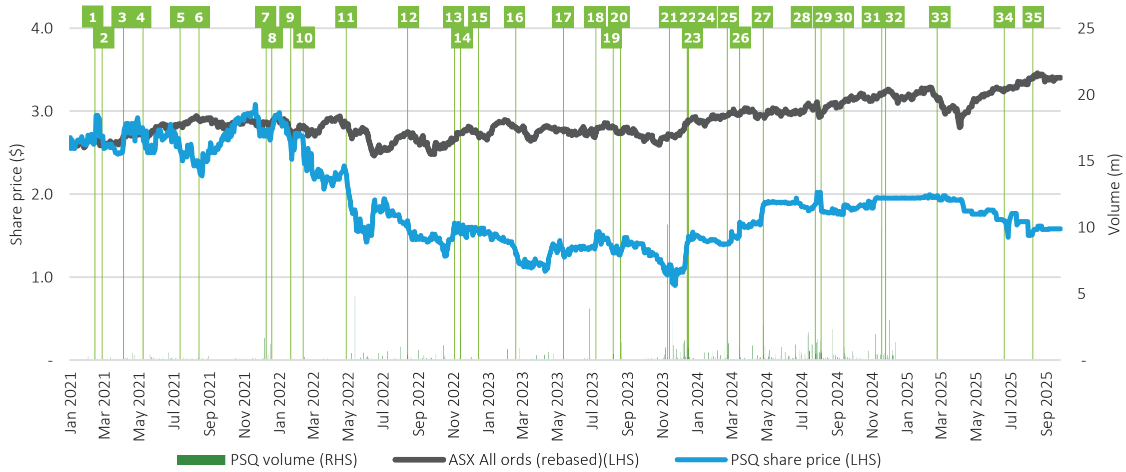
Historically, PSQ has issued performance rights to employees. During FY25, all outstanding performance rights either vested or lapsed due to the off-market takeover bid from Genesis Capital.

As at 30 June 2025, PSQ had a $20m variable rate loan facility (all funds drawn during the year were repaid). The facility is due to expire on 30 September 2027. As at 30 June 2025, PSQ also had an undrawn bank facility ($0.5m limit) and had given bank guarantees of $3.7m to various landlords as security for leased premises.

3.9.3 Share price performance

The share price has underperformed the broader Australian share market, largely due to the financial impact of COVID-19 and lower than expected profitability of newer centre cohorts, partially offset by takeover offers. The share price has declined from a high around $1.90 during the takeover period in mid-2024 and was trading between $1.55 and $1.70 prior to the announcement of the current offer. This is summarised in the figure and table below.

Figure 13: PSQ share price performance up to 30 September 2025



Source: S&P Capital IQ, ASX announcements, Deloitte Corporate Finance analysis

Table 13: Key events and announcements

Ref	Announcement
1	H1 FY21 results announced with underlying EBITDA increasing by 65% from the prior corresponding period. An interim dividend of 2.4 cents per share was declared, in line with the prior corresponding period.
2	Capital raising of $20m at an offer price of $2.60 announced to provide funding to accelerate growth opportunities and increase liquidity. The offer price represents a 3.7% discount to last closing price of $2.70 on 1 March 2021 and 9.4% discount to the 5-day volume weighted average price.
3	FY21 earnings guidance affirmed, with expectation to report underlying EBITDA at the top end of the previously advised range.
4	Change of interests of substantial shareholder TDM Growth Partners Pty Ltd from 25% to 15%.
5	Updated earnings guidance provided for FY21. Underlying EBITDA was anticipated to be at the low end of previously advised range, with patient attendance being impacted by COVID-19 lockdown restrictions.
6	FY21 results announced in line with prior earnings guidance announcements. No dividend was declared and no FY22 earnings guidance was provided due to continued uncertainty as a result of COVID-19.
7	Disposal of shares by substantial shareholder TDM Growth Partners. HBF became a substantial shareholder by acquiring 10% interest in PSQ
8	FY22 earnings guidance provided and expectation for PSQ to pay interim dividend for FY22.
9	Trading update provided for H1 FY22 with underlying EBITDA anticipated to be below earnings guidance, largely due to the sudden onset and rapid spread of the COVID-19 Omicron variant. Given uncertain trading conditions, PSQ withdrew previously advised earnings guidance for FY22.
10	H1 FY22 results announced with PSQ reporting an underlying net loss of $1.5m for the period. No interim dividend declared for H1 FY22.
11	Decreases reflect the market’s reaction to monthly patient fee performance disclosures. Furthermore, equity markets were impacted by central banks globally signalling tightening of monetary policy to curb inflation. There was an expectation that consumer sentiment would soften, resulting in a decline in the share price of companies that provide discretionary products and services.
12	FY22 results announced with underlying EBITDA decreasing by 66% from the prior corresponding period, largely attributed to ongoing COVID-19 disruptions. No final dividend was declared.
13	PSQ announced that it received a notice from Dr. Abrahams requesting the convening of a general meeting (an Extraordinary General Meeting) to consider the removal of each of the current seven directors and proposed appointment of four new directors. In December 2022, following the EGM, PSQ announced that all the resolutions proposed were not carried with the exception of one resolution relating to the removal of one director.

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Ref	Announcement
14	PSQ confirmed its earnings guidance for FY23, with trading conditions recovering from previous COVID-19 related lockdowns. Newer centres remain unprofitable due to slower ramp up profile as a result of COVID-19 disruptions.
15	PSQ announced voting results at Extraordinary General Meeting that the resolutions to remove the directors were not successful, with the exception of removal of Andrew Knott as a director.
16	H1 FY23 results announced with an update on expectations that full year earnings would sit at the low end of the earnings guidance due to slower than expected recovery from COVID-19 and earnings drag related to new centres. An interim dividend of 0.35 cents per share was declared.
17	PSQ announced that it received a determination letter from Revenue NSW in relation to payroll tax (refer to Section 3.6 for further details).
18	Trading updated provided for FY23, reaffirming previous earnings guidance.
19	PSQ announced the resignation of Managing Director and CEO, Mr Phil McKenzie.
20	FY23 results announced with underlying EBITDA increasing by 20% from the prior corresponding period. Patient volumes recovered as operating conditions return to post COVID-19 levels.
21	PSQ announced that it received a reassessment letter from ACT Revenue Office in relation to payroll tax (refer to Section 3.6 for further details).
22	PSQ received non-binding indicative offer from Genesis at a price of $1.40 per share.
23	PSQ announced appointment of Mr Andrew Vidler as CEO.
24	PSQ announced rejection of proposal from Genesis Capital. PSQ also provided separate earnings guidance for FY24.
25	H1 FY24 results announced with underlying EBITDA increasing by 10% from the prior corresponding period, reaffirming prior earnings guidance. PSQ announced an interim dividend of 2.1 cents per share.
26	PSQ received revised non-binding proposal from Genesis Capital at a price of $1.75 per share.
27	PSQ entered into a Scheme Implementation Deed with NDC to acquire 100% shares in PSQ by way of a scheme for cash consideration of $1.90 per share.
28	Genesis Capital submitted a proposal to acquire all of the shares of PSQ via a scheme arrangement for cash consideration of $1.90 per share, following which NDC submitted a counterproposal at $2.05 per share.
29	Shareholders of PSQ voted against the NDC Scheme and the Board announced the resignation of Non-Executive Director Mark Bloom with immediate effect.
30	Genesis Capital proposes to acquire 100% of the shares in PSQ by way of an off-market takeover bid for $1.90 per PSQ share.
31	Following an initial recommendation to reject the Genesis Capital offer at $1.90 per share, the Board unanimously recommend, in the absence of a superior proposal emerging, that PSQ shareholders accept the Genesis Capital cash offer.
32	Genesis Capital disclosed that it has voting power of approximately 59.2% in PSQ and company intends to appoint three nominees of Genesis Capital following three directors of the Board stepping down.
33	PSQ reported strong financial performance for H1 FY25, improving operational efficiency and utilisation within existing centres.
34	PSQ announced it intends to undertake minimum holding buy-back of ordinary shares for shareholders of less than a marketable parcels of shares in the company.
35	FY25 Results were released, with patient fees up 8.7% and underlying EBITDA up 12.1% compared to FY24.

Source: ASX announcements, Deloitte Corporate Finance analysis

3.9.4 Share trading liquidity

Liquidity in PSQ shares has always been low due to the founders having historically held a substantial number of shares. ASX trading of PSQ shares reduced further in FY24 when Genesis Capital initially acquired a 19.9% interest and subsequently increased their interest to 89.27% by February 2025. As a reflection of this, during the 6-month period to 30 September 2025, the average number of shares traded was 1,967 (0.001% of the shares on issue) and there were 70 days where there was no trading in PSQ shares.

3.10 Strategy and outlook

3.10.1 Value Creation Plan

After Genesis Capital acquired its 89.27% interest in PSQ in early 2025 they, together with external advisers, commenced working with Management on a VCP which is based upon the following key levers:

- effective patient acquisition and retention strategies
- optimising the mix of high value dental work
- optimisation of private health insurance relationships and reimbursement rates through strategic negotiation and rate analysis
- dentist recruitment and improvement of broader recruitment strategies
- development and implementation of employee value propositions
- ensuring best pricing practices and cost improvement

- network optimisation and expansion.

The aim of the VCP is to provide support for Management's broader future growth drivers:

- **embedded capacity**: increase utilisation of existing centres and grow higher value procedures in well-established centres
- **cohort maturation**: adopt similar strategy and invest in more chairs to increase capacity of newer centres
- **network growth**: achieve self-funded growth through new centres.

3.10.2 FY26 Budget

In developing their annual budgets, Management undertakes a detailed review of operations and financial performance. The PSQ budgeting process typically commences in March prior to financial year end. Budgets are prepared at a bottom-up, centre-by-centre level, having regard to centre-specific performance and opportunities. This is developed by the Finance team (at the corporate level), before it is socialised with the Board for initial feedback. This also involves consideration around strategic initiatives and the investment required to support such initiatives. After this, and following input from each centre, the budgets at the centre level are consolidated and reviewed by the field leaders within each region. It is then presented to the Board for final approval.

Set out below are the key considerations in Management's development of the FY26 budget:

- Management intends to remain focused on its current portfolio optimisation strategy, which prioritises increasing appointment volumes within existing centres. This approach is expected to involve limited growth in the number of chairs within existing locations. In parallel, Management plans to pursue expansion through new centres, consistent with its greenfield growth model
- while labour cost inflation is expected to drive overall cost growth, Management is targeting EBITDA margin accretion primarily through increased growth in attended appointments per chair and higher service fees per appointment. Margin improvements are also expected to be supported by active management of staff utilisation, control of the broader operating cost base and corporate cost efficiencies arising from the implementation of the VCP
- capital expenditure is expected to increase from FY25 as a result of a higher level of refurbishments and proposed centre relocations.

The FY26 Budget was approved by the Board of PSQ on 25 June 2025.

Whilst FY25 has been, and FY26 is expected to be, largely focused on improving utilisation of existing centres and improving profitability of the existing network, there is an expectation of a return to opening of new centres. In line with this, at the time of development of the FY26 Budget, there was an expectation of the opening of 3 new centres in FY26 and then 5 new centres per annum from FY27 onwards. PSQ management is of the view that whilst one new centre was opened in September 2025, it is currently unlikely that another 2 new centres will have opened by the end of FY26.

3.10.3 Equity research analysts' forecasts

Since Genesis Capital acquired 89.27% of PSQ, no equity research analyst forecasts have been published.

4 Valuation approach and assumptions

4.1 Valuation summary

We have estimated the enterprise value of PSQ to be in the range of $330m to $400m. After adding net cash, this implies a value of between $2.13 and $2.56 per share. A summary of our valuation is set out in the following table:

Table 14: PSQ valuation summary

	Section	Low	High
Market multiples approach (primary approach)	4.3	324.0	360.0
Discounted cash flow approach (secondary approach)	4.4	360.0	400.0
Enterprise value (selected)		**330.0**	**400.0**
Add/(less): Surplus assets/(liabilities)	4.5	-	-
Add: Net cash	4.6	13.5	13.5
Equity value (control basis)		**343.5**	**413.5**
Number of shares	4.7	161.6	161.6
Equity value per share		**2.13**	**2.56**

Source: Deloitte Corporate Finance analysis

In estimating the enterprise value of PSQ, we have had primary regard to the market multiples approach but have also considered the discounted cash flow approach. Our rationale for selecting these approaches is as follows:

- the market multiples approach confers the benefit of having valuation reference points of comparable businesses. However, it still requires exercise of judgement to reflect the differences between the comparable businesses
- the discounted cash flow approach allows for significantly more flexibility in evaluating medium to long-term financial projections. However, it presents challenges with respect to being able to accurately project medium to long-term cash flows, especially due to difficulties with forecasting the impact of future centre growth and profitability.

We have selected an enterprise value range of between $330m and $400m. We consider that the top end of this range reflects the value of the platform embedded in PSQ which could be realised over the medium to long term.

The selected enterprise valuation range is higher than that assessed by us in June 2024 of $280m to $340m. The improvement in PSQ's earnings in the interim period has resulted in our assessed EBITDA increasing from $29m to $36m (c. 24%) and on this basis we consider the increase on our assessed enterprise valuation range to be reasonable.

We have added to this enterprise value the estimated value of net cash to arrive at the equity value of PSQ. The equity value has then been translated into a value per PSQ share based on the number of shares expected to be on issue. This valuation considers market participant benefits, which includes listed company cost savings and cost synergies which PSQ shareholders do not benefit from.

The analysis supporting the valuation is set out in the following sections.

4.2 Selection of valuation methodologies

We estimated the enterprise value of PSQ using the market multiples method as the primary approach and discounted cash flow method as the secondary approach, before adding net cash. Refer to Appendix 2 for a brief discussion of the various valuation methodologies which can be adopted in valuing entities and businesses.

The market multiples approach involves applying an appropriate multiple to estimated earnings. In this regard, we note:

- there have been two transactions involving businesses with operations sufficiently comparable to PSQ from which a meaningful comparison can be made and an appropriate multiple can be ascertained. Furthermore, there are a number of ASX listed companies in the Australian health services industry against which comparisons can be made

- as outlined in Section 3.9.1, Genesis Capital increased its ownership of PSQ to 89.27% in early 2025. Given the recency of this transaction and the competitive bidding process undertaken with NDC, we have considered this transaction in our analysis
- PSQ is a mature and established business and, although there is an element of maturity and growth potential in the existing portfolio, we consider this can be reflected in the market multiples methodology.

Our discounted cash flow analysis has incorporated cash flow projections initially developed by Management. We considered various scenarios to reflect the various cash flow (and consequently value) drivers in the business and uncertainty related to future business performance.

Our valuation of PSQ has been undertaken on a control basis, consistent with the requirements of ASIC RG111.

4.3 Market multiples approach

Set out below is a summary of the valuation outcome under the market multiples approach.

Table 15: Valuation based on earnings multiple

	Section	Unit	Low	High
EBITDA	4.3.1	$m	36.0	36.0
Earnings multiple	4.3.3	Times	9.0x	10.0x
Enterprise value		**$m**	**324.0**	**360.0**

Source: Deloitte Corporate Finance analysis

We have selected EBITDA as an appropriate measure of earnings because earnings multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on EBIT or NPAT. This allows for a better comparison with earnings multiples of other comparable companies.

Notwithstanding that PSQ is required to adopt prevailing accounting standards under IFRS (including AASB 16), we selected EBITDA on a pre-AASB 16 basis (i.e. after deducting rent expense) given PSQ leases a number of stores and that the expenses associated with these leases are material. EBITDA on a pre-AASB 16 basis is based on statutory EBITDA less rent expense which is a real cost to the business. Excluding this rent expense (by adopting statutory EBITDA) has a disproportionate impact on PSQ's EBITDA relative to the comparable businesses which could lead to an inaccurate valuation of PSQ's shares. Consequently, adopting a pre-AASB 16 EBITDA as the basis of valuation allows for a better comparison with the earnings multiples of other comparable companies.

The adopted EBITDA reflects a market participant level of earnings (i.e. including cost savings and synergies that may be available to a market participant) and differs from the earnings achieved by PSQ under the current operating environment.

4.3.1 Assessment of EBITDA

Set out in the table below is our assessment of normalised underlying EBITDA for the periods ended 30 June 2023 to 30 June 2025 based on the underlying EBITDA of PSQ, adjusted for abnormal or non-recurring revenue and expenses:

Table 16: Normalised underlying EBITDA

$m (unless otherwise stated)	FY23	FY24	FY25	Note
Underlying EBITDA[1]	**24.1**	**28.2**	**31.6**	
Executive long-term incentive plan	(0.7)	-	-	1
Project management and other expenses paid to Genesis Capital	-	-	0.4	2
One-off SaaS implementation costs	-	-	1.3	3
One-off consulting costs	-	-	0.8	4
Other one-off costs	-	-	0.7	5
Normalised underlying EBITDA	**23.4**	**28.2**	**34.7**	
Normalised underlying EBITDA margin[2]	8.7%	9.7%	11.0%	

Notes:
numbers in the table may not add due to rounding
1. as disclosed in the annual reports of PSQ. Refer to Section 3.7.1 for a summary of PSQ's underlying EBITDA as per historical results
2. normalised underlying EBITDA divided by patient fees.
Source: Annual Reports, Deloitte Corporate Finance analysis

Presented in the table below is an overview of the normalisation EBITDA adjustments in the table above:

Table 17: Adjustments to arrive at normalised underlying EBITDA

Note	Overview
1	While long-term management incentive costs are excluded in Management's assessment of FY23 underlying EBITDA, we have not excluded such costs in the normalised underlying EBITDA as we consider these costs to be incurred as a result of normal business operations and should be captured within employee expenses.
2	Fees paid to Genesis Capital for consulting and advisory services related to cost reduction and process improvement projects. We consider these to be once-off in nature and therefore have disregarded them in our calculation of normalised underlying EBITDA.
3	Software as a Service (SaaS) implementation costs incurred during FY25 associated with Workday and Salesforce Practitioner Portal. We consider these to be once-off in nature and therefore have disregarded them in our calculation of normalised underlying EBITDA.
4	Consulting fees paid to Bain & Company associated with the development of the VCP. We consider these to be once-off in nature and therefore have disregarded them in our calculation of normalised underlying EBITDA.
5	Recruitment and termination costs incurred in FY25, that were not adjusted back in calculating underlying EBITDA. These costs relate to an unusually high amount of turnover in the senior management team and consequently we consider it appropriate to adjust for them when considering normalised underlying EBITDA.

Source: Annual Reports, Management, Deloitte Corporate Finance analysis

In selecting the EBITDA to apply in our valuation of PSQ, we considered the following:

- the historical normalised underlying financial performance of PSQ from FY23 through to FY25, as presented above
- Management's FY26 budget that was approved by the Board
- FY26 year-to-date financial performance
- the potential to reduce costs that PSQ currently incurs as a result of being a listed company
- cost synergies that market participants may be able to achieve.

We also highlight the following in respect of our assessment of EBITDA:

- does not include any future acquisitions or disposals
- represents EBITDA on a pre-AASB 16 basis, that is, inclusive of cash rental costs.

Based on the above considerations, we have selected EBITDA of $36.0m for the purpose of our valuation. Our selected EBITDA of $36.0m is higher than the FY25 normalised underlying EBITDA of $34.7m as it considers the impact of listed company cost savings, market participant synergies and FY26 year-to-date financial performance. Our selected EBITDA does not reflect the potential upside in respect of the maturation of newer centre cohorts or the opportunities and risks associated with PSQ resuming its greenfield model for growth on the basis that we consider these factors are reflected in the assessment of the earnings multiple.

4.3.2 Assessment of earnings multiple

In selecting an appropriate earnings multiple, we considered multiples observed from share market prices of listed companies with operations in the health services industry and the implied multiples paid to acquire companies with operations similar to PSQ.

There are two recent transactions involving Australian dental service providers (1300smiles and Abano) which we consider very comparable to PSQ, as well as the recent transaction in PSQ by Genesis Capital. We have also identified transactions and listed companies in the broader Australian health services sector, which we consider provide relevant valuation reference points. In respect of transactions, we limited transactions to those after 2020, due to the impact that COVID-19 has had on the sector.

The transactions and listed companies that we consider most relevant are set out in the table below, and the full list is set out in Appendix 3 and Appendix 4.

Table 18: Selected valuation metrics

	Metric type	Revenue ($m)	EBITDA margin[1]	EBITDA multiple[1]	
		Historical	Historical	Historical	Adjusted[2]
Pacific Smiles	Transaction (Nov-2024)	180	16%	10.4x	
Abano	Transaction (Dec-2020)	244	7%	15.8x	8.2x
1300smiles	Transaction (Dec-2021)	45	27%	13.5x	11.5x
SILK	Transaction (Nov-2023)	98	19%	9.9x	
Healthia	Transaction (Dec-2023)	256	15%	9.5x	
		Historical	Historical	Historical	Current
Ramsay Health Care[3]	Listed company	8,452	10%	9.9x	9.0x
Integral Diagnostics	Listed company	627	15%	13.9x	9.3x
Pathology service providers (Healius, Australian Clinical Labs and Sonic)	Listed company	742 – 9,624 (Avg = 3,903)	2% – 14% (Avg = 8%)	7.2x – 20.1x (Avg = 12.4x)	6.8x – 9.1x (Avg = 8.2x)

Notes:
1. on a pre-AASB 16 basis
2. refer to commentary in the below paragraphs for context to the adjusted amount
3. adjusted to exclude Ramsay Sante.
Source: Financial reports, Capital IQ broker consensus, Deloitte Corporate finance analysis

As noted above in the note to the table, the references to EBITDA in the table above are to EBITDA after deductions for rent expenses (referred to as pre-AASB 16 EBITDA). Further discussion as to why we have adopted this approach is set out in Section 4.3 above. The basis of calculation is also set out in Appendix 3 and Appendix 4.

The EBITDA multiples implied by the comparable transactions would likely include premiums paid by the acquirers to access cost and revenue synergies, part of which may be specific to them. In contrast, the EBITDA multiples implied by listed companies typically would not include premiums for control. However, we note that the concept of control premium should not be confused with takeover premiums (which are evident in takeovers of listed companies) and it would be inappropriate to attempt to translate a takeover premium into a control premium other than to highlight that a control premium would be lower than a takeover premium.

Our key considerations in respect of the comparable transactions are:

- PSQ operates and manages 127 centres across Eastern Australia, plus 10 HBF dental centres managed in Western Australia. Based on FY25 historical results, PSQ achieved revenue of c. $196m, and an underlying EBITDA margin of c. 16% of revenue
- as outlined in Section 3.9.1, the Genesis Capital acquisition of PSQ shares for $1.95 per share in late 2024 was the outcome of a highly competitive process with NDC. The $1.95 offer price per share implies a 10.4x EBITDA multiple, based on PSQ's FY24 underlying EBITDA of $28.2m but, based on normalised underlying EBITDA as assessed by us in our previous independent expert report, it was 10.1x. In addition, the earnings growth that was expected in FY25 at that

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time has been realised and so, all things being equal, this would suggest that the multiple that should apply to the business today should be lower

- acquired in December 2022, Abano was larger than PSQ with 239 centres, a portfolio balanced between New Zealand and Australia and ownership of c. 45% of its centres
- Abano's FY20 margins were low at 7%, reflecting the impacts of COVID-19 during that period. In the preceding financial year, Abano achieved an underlying EBITDA margin of 12%. Additionally, the business had high levels of gearing (50%), impacting the free cash available to reinvest in growth
- Abano's observed multiple of 15.8x reduces to 8.2x when based on FY19 underlying EBITDA, which we consider a more accurate reflection of the business's normalised earnings
- 1300smiles was acquired in December 2021. At the time of the transaction, it was smaller than PSQ with 32 centres, however, it generated a higher EBITDA margin (27%), which the independent expert in the transaction attributed to a leaner corporate structure (than PSQ) and active management of underperforming centres. The 1300smiles business was also heavily weighted to the QLD market which, at the time of the transaction, was relatively less impacted by COVID-19 lockdowns
- the multiple implied for 1300smiles of 13.5x reflects FY21 underlying EBITDA, which 1300smiles management adjusted to exclude the Jobkeeper subsidy. If this subsidy was included, on the basis that it was a subsidy to support employee costs (which were not adjusted), this would result in an EBITDA multiple of 11.5x. With the change in interest rates and economic environment, we consider the multiple would translate into a lower multiple today
- we also had regard to the acquisition of Healius GP and dental clinics which share similar operating dynamics, being health services provided by qualified healthcare professionals. General practitioner services are considered non-discretionary and funded by Medicare (as opposed to private health insurance). In addition, the transaction was completed in the midst of COVID-19 with GP appointments increasing during this period due to patients experiencing COVID-19 symptoms and the roll-out of the vaccine. Whilst no EBITDA multiple was disclosed for this transaction, Healius management disclosed that the transaction implied an EBIT multiple of 13.3x, which we estimate translates to an EBITDA multiple of 8.2x
- of the remaining transactions, we had regard to Healthia and SILK. Healthia is a network of healthcare services providers, including optometry, podiatry and physiotherapy clinics across Australia and New Zealand. SILK is a network of beauty clinics, providing various non-surgical products and services, including cosmetic injectables, laser hair removal, skin treatment and fat reduction. SILK owns c. 50% of the clinics it operates, and, all other things being equal, ownership of property would result in a higher multiple. Overall, these businesses could be viewed as being broadly comparable to PSQ given they involve the provision of health-related services from qualified professionals, but with greater exposure to consumer discretionary spending. These transactions occurred at valuations implying multiples of historical EBITDA of 9.5x and 9.9x
- we also note that Integral and Capitol Health merged in December 2024 (further information on this transaction is set out in Appendix 4). Whilst these businesses also operate in the health services sector, we do not consider the multiple implied by their merger relevant as the merger only involved scrip (being shares in Integral) consideration and because radiology businesses are more capital-intensive enterprises (as compared to a dental services business).

We have also considered listed comparable companies. Apart from PSQ, there are currently no other listed Australian dental services providers, and, as such, we had regard to the broader Australian health services sector. We summarise our considerations in respect of these companies below:

- operators in this group are generally exposed to similar macro-economic factors, including an ageing population and, more recently, cost inflation driven by wage increases in the health sector. Having said this, dental services business such as PSQ have greater exposure to consumer discretionary expenditure when compared to providers of other health services
- Ramsay is a hospital operator and provider of health services, including acute care, imaging and diagnostics, primary care, pharmacy and out of hospital care. The business operates across Australia, UK, Europe and Asia. Relative to PSQ, Ramsay is significantly larger, more diversified, and has a significant amount of owned land and buildings. All else being equal, these factors suggest that a higher multiple would be applicable to Ramsay. However, this business is significantly more capital intensive and has a higher level of gearing, which would partially offset the support for a higher multiple
- Sonic, Healius, and Australian Clinical Labs, all of which are considerably larger than PSQ as measured by enterprise value, are pathology services providers with operations in Australia. Sonic also has operations in North America and Europe. Compared to dental services, pathology has less discretionary demand and a different funding structure. The earnings of these companies have historically benefited from the impacts of COVID-19 which resulted in an increase in COVID-19 related testing
- Integral Diagnostics, which operates in Australia, provides medical imaging services, such as X-ray, MRI and ultrasounds. Compared to dental services, radiology has less discretionary demand and a different funding structure with a different capital intensity of operations. In addition, the multiples quoted are unlikely to take account of the full benefit of synergies expected to be realised from the merger of Integral and Capitol which occurred in December 2024. On this basis, we have placed less emphasis on this business as a benchmark.

4.3.3 Selected multiple

We have selected an EBITDA multiple in the range of 9.0x to 10.0x having regard to the following:

- it has been selected by us inclusive of a control premium but also noting that some of the direct benefits associated with control have been factored into our assessment of EBITDA in Section 4.3.1 above. In respect of this, we highlight that we have been cognisant of the risk of double-counting the control premium (through the selected EBITDA and the selected multiple). Further, we note the quantification of a control premium is judgemental in nature given the inability to determine the portion of a takeover premium is attributable to a control premium from the comparable transactions, or to observe what portion of a comparable company's share price may already reflect a control premium
- as outlined in Section 3.9.1, a takeover offer from Genesis Capital was made in October 2024. The 10.1x implied EBITDA multiple we have calculated is based on a normalised underlying EBITDA assessed by us in our previous independent expert report. The PSQ FY25 budget outlined a portfolio optimisation strategy focusing on increasing appointment volumes within existing centres, with minimal expansion in chair numbers or new centre openings. We consider that the 10.1x multiple incorporated the upside associated with this strategy which has, in part, been realised in FY25. This is evidenced by the 12.1% increase in underlying EBITDA in FY25, relative to FY24, despite no growth in centres or chairs
- at the time of the transaction, Abano was larger and more diversified than PSQ from a centre perspective, however, operated with higher levels of gearing, reducing free cashflow for investment. The EBITDA margin achieved by PSQ in FY25 of 16% was considerably greater than the 12% achieved by Abano in the period preceding the transaction. Based on the factors note above, we consider that PSQ would warrant a higher multiple than the adjusted 8.2x
- compared to 1300smiles, PSQ is larger, more diversified and has higher embedded capacity. However, PSQ's FY25 underlying EBITDA margin of 16% is substantially lower than the 27% achieved by 1300smiles at the time of the transaction. The relatively lower margins can largely be attributed to centres that opened within the COVID-19 period not yet having reached maturity. Since the Genesis Capital transaction, loss making centres have been actively managed (two centres closed in FY25) and improvements to the corporate cost structure have started being implemented
- PSQ's greenfield growth model has historically moderated margins, as newer centres are unprofitable during their ramp-up phase. This creates embedded earnings growth potential both in existing chairs that have yet to ramp up and in existing centres with further upside potential, where additional utilisation would generate higher marginal profitability. Despite no new centres being opened in FY24 and FY25, several centres opened within the COVID-19 period are still yet to reach maturity. These factors warrant a slightly higher multiple as they have not been reflected in the selected EBITDA
- notwithstanding improvements in the financial performance of Integral Diagnostics following its merger with Capitol Health, and Australian Clinical Labs which operates as a more specialised business, EBITDA multiples of listed health services providers more broadly have declined over the past 18 months as a result of underperformance relative to expectations. Wage inflation has exceeded expectations while reimbursement rates from insurers and government programs have generally not increased in line with inflation
- we note that it would be inappropriate to directly compare any listed company multiple with our selected multiple because the earnings base used in respect of the calculation of the multiple for the listed company does not include the benefits of control which have been factored into our assessment of earnings (specifically our selected EBITDA for PSQ as set out in Section 4.3.1 includes listing and other cost savings).

The selected range of multiples is slightly lower than the range we selected when evaluating the offer from NDC in June 2024. We consider this reasonable as valuation multiples in the healthcare services sector, on the whole, have reduced due to concerns over payor reimbursement inflation not keeping pace with staff wage inflation.

4.4 Discounted cash flow method

The discounted cash flow approach estimates enterprise value by discounting future cash flows to their net present value provided that the future cash flows that are expected to be derived from a business are capable of being estimated with a reasonable degree of confidence.

The discounted cash flow method requires the determination of the following:

- future cash flows of the business
- an estimate of the terminal value growth rate
- an appropriate discount rate to be applied to the future cash flows.

Our considerations on each of these factors are presented below.

4.4.1 Future cash flows

The starting point of the cash flow projections was the PSQ Board approved FY26 budget. The cash flows are then projected, having regard to key drivers, for a period of 3 years and are extrapolated for a further 5 years.

In assessing the enterprise value of PSQ under the discounted cashflow approach we have had regard to forecast cashflow profiles provided by Management. In considering the future cashflows, we considered various scenarios which capture the value under different possible outcomes. The scenarios are set out in the table below.

Table 19: Valuation scenarios

Scenario name	New centres (FY25 to FY35)	Active chairs to chair capacity ratio[1]	Growth in number of attended appointments (FY25 to FY29 CAGR[2])
Scenario A	3 in FY26 and 5 each year thereafter	89.4% by FY29	5.3%
Scenario B	3 in FY26	89.4% by FY29	4.0%
Scenario C	3 in FY26	85.7% by FY29	3.3%
Scenario D	3 in FY26	85.7% by FY29	2.7%
Scenario E	3 in FY26	85.7% by FY29	2.2%

Notes:
1. ratio only considers centres forecast to open in FY26 and those opened before FY26
2. compound annual growth rate.
Source: Deloitte Corporate Finance analysis

- We note the following with respect to the scenarios adopted:
- PSQ has opened 37 centres between FY19 and FY25 (net of closures), noting that the greenfield model for growth was paused following COVID-19 and more specifically from FY23 to FY25
- at 30 June 2019 (pre-COVID-19) and 30 June 2025, active chairs as a percentage of chair capacity was 80.0% and 84.4%, respectively
- the compound annual growth rate (CAGR) in the number of appointments between FY19 and FY25 was 6.2% and between FY23 and FY25 (period during which no new centres were opened and few chairs were added) was 4.3%
- utilisation across all centres decreased from 62.0% in FY19 to 53.1% in FY25
- Scenario A reflects the most aggressive growth scenario. In addition to the increase in chair capacity and a 5.9% CAGR in the number of attended appointments between FY25 to FY29, this scenario includes the impact of the opening of 3 new centres in FY26 and 5 centres per annum between FY27 and FY35. For each new centre, we assume a ramp up profile consistent with Management's view (as described in Section 3.3), and additional capital expenditure and corporate overheads to support the new centres. Utilisation is expected to increase marginally to 54.8% in FY29, impacted by new centres and new chairs ramping up
- Scenario B reflects a more moderate growth scenario, when compared to Scenario A, with no new centres opened after FY26, the same growth in active chairs and a lower FY25 to FY29 number of attended appointments CAGR of 4.0%. Utilisation is expected to increase to 55.4% in FY29, impacted by new chairs ramping up
- Scenario C assumes no new centres are added after FY26, fewer chairs are added to existing centres and a lower FY25 to FY29 number of attended appointments CAGR of 3.3%. Utilisation is expected to increase to 55.7% in FY29, impacted by fewer new chairs ramping up
- Scenarios D and E are variations of Scenario C, with the same assumptions but lower CAGRs over FY25 to FY29 for the number of attended appointments of 2.7% and 2.2%, respectively. Utilisation is expected to increase to 54.5% in FY29 under Scenario D and 53.3% under Scenario E

The high and low range within each scenario reflects the low and high of the adopted discount rate range.

4.4.2 Terminal growth rate

We have estimated a terminal value at the end of the forecast period using the perpetuity growth formula and a long-term growth rate of 2.5%. Our assessment of the terminal growth rate has had regard to long term inflation forecasts in Australia.

4.4.3 Discount rate

The discount rate used to equate the future cash flows to a present value reflects the risk adjusted rate of return demanded by a hypothetical investor.

Discount rates are determined based on the cost of an entity's debt and equity weighted by the proportion of debt and equity selected. We have used the modified Capital Asset Pricing Model to assess the cost of equity. This model calculates the minimum rate of return that the company must earn on the equity financed portion of its capital. We are of the opinion that the modified Capital Asset Pricing Model is appropriate as this takes account of company specific factors though the company specific risk premium. We used the following inputs in applying this model:

- a cost of equity of 11.4% to 12.4% based on:
  - a risk-free rate of 4.3% based on the five-day average of the ten-year Australian government bond as at 30 September 2025. A risk-free rate compensates the investor for the time value of money and the expected inflation rate over the investment period
  - an equity market risk premium of 5.25% based on Deloitte Corporate Finance's current view on the market cost of equity
  - an unlevered beta of 0.8 to 0.9 having regard to the betas of the comparable companies identified in Appendix 3. We also had regard to the industry betas published by Aswath Damodaran[2] for the Hospitals/Healthcare and Healthcare Support Services sectors. Whilst the comparable companies have different risk profiles, this has been reflected in the company specific risk premium (below). This results in a levered beta of 0.9 to 1.0
  - company specific risk premium of 2.5% to 3.0% to reflect factors not otherwise reflected in the discount rate inputs referred to above, including PSQ being less diverse, the risks associated with reliance on key partnerships, and the discretionary nature of the services offered by PSQ and more generally the dental sector. The increase in the company specific risk premium range of 0.5%, relative to our previous independent expert report, reflects the relative inherent risk associated with the more aggressive cashflow projections and limited evidence to date that such growth can be sustained over the medium to long-term
- a net debt to enterprise value ratio of 10% based on gearing levels observed for comparable companies (noting that a number of these companies own substantial property, plant and equipment which is available as asset backing for debt funding), current and projected levels of PSQ net cash, gearing levels of 1300smiles at acquisition (c. 0%), as well as capacity to service debt
- a pre-tax cost of debt of 5.8%. We had regard to Deloitte's long-term view on base rates, along with the spreads we normally observe for similar companies and the cost of debt on PSQ's existing debt facilities
- a tax rate of 30%, which is consistent with the Australian corporate tax rate at the date of this report.

We also had regard to:

- the discount rate adopted by PSQ for impairment testing purposes (10.5% in FY25). We note that the cash flow projections this discount rate was applied to were prepared in line with accounting standards, assuming no new centres are opened from FY26 onwards, and therefore reflect a different risk profile
- the discount rate adopted in the independent expert's report for 1300smiles of 8.0% to 8.5%, noting that this was assessed in a different economic environment, and specific to the opportunities and risk of 1300smiles.

Based on the above, we have selected a base discount rate in the range of 10.5% to 11.5%.

[2] Aswath Damodaran's industry betas as at 5 January 2025

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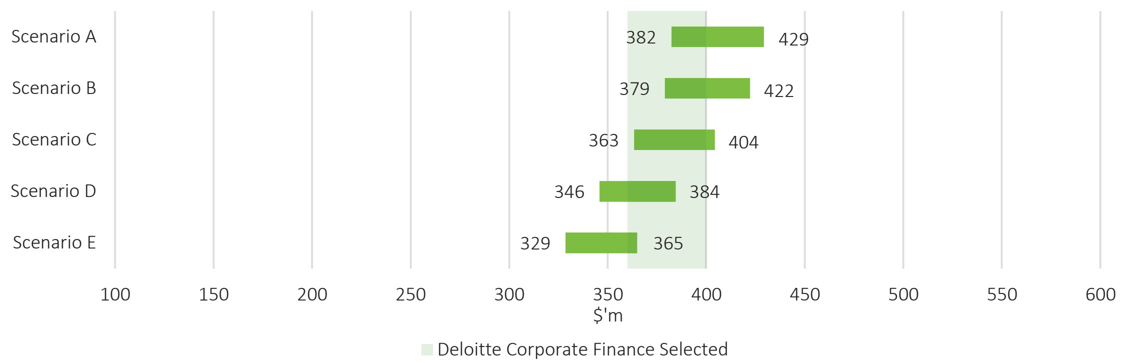
4.4.4 Conclusion on discounted cash flow valuation

The valuation range for each of the scenarios described above is presented in the figure below.

Figure 14: Outputs of discounted cash flow valuation



Source: Deloitte Corporate Finance analysis

The selected enterprise value using a discounted cash flow approach ranges from $360m to $400m. In selecting this range, we had regard to the following:

- since FY23, Management has paused the roll out of new centres and addition of chairs to existing centres. Scenario A, which assumes the immediate roll-out of several new centres and the addition of chairs to existing centres in the short-term can be considered optimistic and presents the most aggressive view of future performance. Our selected range captures the bottom end of Scenario A reflecting a balanced view that considers both Management's historical capability in rolling out new centres and the relatively aggressive nature of the forecast centre rollout profile, particularly in light of only one new centre having been opened over the past three years
- our selected range captures more of Scenario B than Scenario A, acknowledging that whilst no new chairs were added to existing centres in FY24 and FY25, the utilisation of latent chair capacity is considered a reasonable assumption. Compared to the addition of new centres, the addition of chairs is relatively capital-light and can be perceived as lower risk
- our selected range captures the majority of Scenario C and Scenario D and the top of Scenario E. These scenarios assume no new centres will be opened and that chair additions to existing centres will occur at a slower rate. Under these scenarios, Management can continue to focus on the existing portfolio optimisation strategy, which has proven successful throughout FY24 and FY25. The forecast number of appointments CAGR from FY25 to FY29 is also considered to be reasonable, given the historical growth rates. However, it is important to acknowledge that the majority of this growth is expected to be derived from mature centres that have been operating for several years and have traded in a post-COVID-19 environment for the past four years
- in addition to the above, each scenario presents a unique EBITDA margin profile, all of which capture expected operational efficiencies and corporate cost savings as the VCP initiatives continue to be implemented. The projected EBITDA margins under each scenario have also informed our selected range.

4.5 Other assets/(liabilities)

No surplus assets or liabilities have been identified.

4.6 Net cash

PSQ's net cash position, inclusive of cash (less restricted cash) and payroll tax provisions, is projected to be $13.5m. This reflects expectations on operational cash flows, payments to dentists, STI payments to senior executives and payment of costs related to the Takeover that will be incurred regardless of whether the transaction proceeds.

4.7 Number of shares outstanding

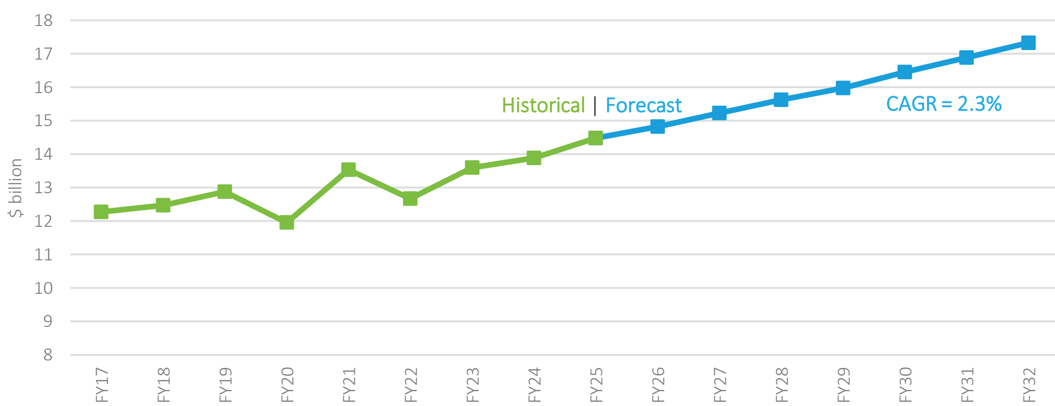
As discussed in Section 3.9.2, the number of shares issued is 161.6m with no performance rights in existence.

Appendix 1: Industry considerations

COVID-19 impacts on the sector

Early in the COVID-19 pandemic, the Australian Health Protection Principal Committee issued advice to the National Cabinet that dental practices implement restrictions to defer all routine examinations and treatments unless treatments do not generate aerosols or generate limited aerosols. While these restrictions were implemented and eased at various times over the course of the pandemic, many Australians deferred dental visits in light of Government mandated restrictions and regional lockdown measures. It was estimated that around 1 in 8 (12%) adults aged 15 years and over delayed seeing or did not see a dental professional at least once in the last 12 months due to COVID-19 disruptions during 2020 to 2021[3]. This resulted in a backlog of appointments and residual demand, including more expensive restorative procedures as a result in delayed dental appointments. This also led to volatility in industry revenue and growth, as illustrated in Figure 15.

Figure 15: Industry revenue (FY25 real basis)



Source: IBISWorld

Growing and ageing population

Compared to younger cohorts, older people have higher rates of tooth decay and tooth wear. This is partly due to lower dental health standards of the older generations and lack of preventative care when they were younger. As a result, older people tend to require more expensive dental work when compared to younger demographics. With the Australian population set to increase at an annual rate of between 1% to 2% until June 2032 and the median age projected to increase from approximately 39 years to between 44 to 48 years[4], an ageing and growing Australian population is anticipated to provide growth opportunities to the dental services industry.

Industry structure

The Australian dental services industry is highly fragmented, predominantly made up of independent sole proprietors that operate relatively small-scale dental practices, with approximately 93% of dental services enterprises generating less than $2.0m in annual revenue[5]. As such, competition is fragmented. Set out in the table below are key peers of PSQ.

[3] Australian Institute of Health and Welfare, Oral health and dental care in Australia report, dated 21 November 2023

[4] Australian Bureau Statistics, Population Projects, dated 23 November 2023

[5] IBISWorld, Dental Services in Australia industry report, dated September 2025

Table 20: Key corporate dental centre groups

Company	Number of centres
Abano Healthcare (including 1300smiles)	220+
Bupa Dental	145+
PSQ (HBF dental centres managed by PSQ)	137
National Dental Care	90+
Primary Dental	62
Ekera Dental	54

Source: Management, Deloitte Corporate Finance analysis

Whilst dental costs are largely privately funded, the industry structure is supported by certain factors, including:

- private Health Insurance participation rates. In Australia private health insurance is voluntary, with 55.1% of the population having some form of general treatment cover (including dental)[6]. Depending on the type of cover, private health insurance can cover additional costs not covered by Medicare, such as dental extras, making the costs associated with dental treatments more affordable
- access to preferred provider agreements provides health fund members with favourable rates, which helps limit out of pocket expenses for members and thereby increasing the likelihood to dental visits
- child dental benefit scheme provides financial support funded by the Government for eligible children to access dental care
- cosmetic dentistry continues to increase demand for orthodontic procedures, teeth whitening, veneers and crowns.

Industry margin pressure

The Australian dental services industry revenue grew at a compound annual growth rate (real) of 3.1% in 2025, and 3.5% across the five-year period to 2025[7]. Industry revenue growth has historically been below CPI. With dental services largely privately funded, consumers often have a choice of dental service provider. Furthermore, the industry's high fragmentation maintains price pressure on operators.

The current cost of living crisis has also led to consumers taking steps to reduce health expenses, while the same inflationary pressure elevates operating costs of dental services operators. In particular, rising employee costs, with recent Fair Work Australia award rate increases has challenged margins in the industry. In response, industry players have been focused on streamlining systems and processes to drive efficiencies and implementing cost-reduction measures.

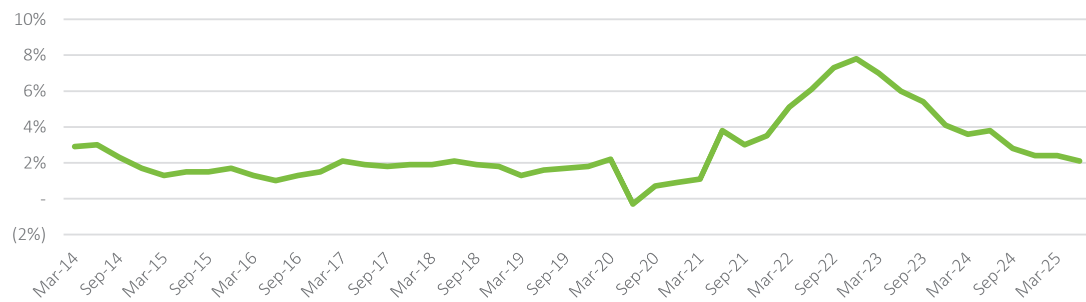
Cost of living pressures

In the period following COVID-19, the consumer price index (**CPI**) increased significantly, with key underlying drivers including housing, utilities, food, and transport costs. This illustrates the rising cost of living in Australia, putting pressure on household finances and discretionary income. For sectors such as the dental services sector, where expenditure is largely considered discretionary, such pressures may impact sector volumes going forward. Although CPI has eased in recent quarters reverting back to pre-pandemic levels, certain cost categories are still elevated compared to what households were used to before the pandemic. Many households are still feeling the cost-of-living effects and this sentiment may be having a lagged effect on discretionary spending.

[6] APRA, Quarterly private health insurance statistics, June 2025

[7] IBISWorld, Dental Services in Australia industry report, dated September 2025

Figure 16: Historical consumer price index growth



Source: ABS, Consumer Price Index, Australia June Quarter 2025

Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses can be categorised under one of the following three approaches.

Market approach

The market approach involves the determination of fair value having regard to pricing and other metrics implied by market trading or transactions of comparable assets. Valuation methods commonly adopted under the market approach include:

- earnings multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The earnings multiple method estimates fair value as the product of an entity's earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market trading and/or transactions involving comparable companies. The earnings multiple method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the fair value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income approach

The income approach involves the determination of fair value based on the present value of future amounts. The discounted cash flow method estimates fair value by discounting an entity's future cash flows using an appropriate cost of capital to reflect the risks of the cash flows, to a net present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence, and is commonly used to value early stage companies or projects with a finite life.

Other methods under the income approach include option pricing models (such as Black Scholes-Merton formula or a binomial model) and the multi-period excess earnings method in the case of valuing intangible assets.

Cost approach

The cost approach involves the determination of fair value based on the cost of replacement. Valuation methods under the cost approach estimate the fair value of an entity's shares based on the realisable value of its identifiable net assets, and typically comprise:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method, except that it assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the fair value of the net assets of an entity, after deduction for the costs of operating the net assets of the business but does not take account of realisation costs.

These methods ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill which may not be recognised on the balance sheet. Asset based methods are appropriate when companies are not profitable, or a significant proportion of an entity's assets are liquid, or for asset holding companies.

Appendix 3: Comparable entities

We identified the following listed companies that operate within the Australian health services industry.

Table 21: Comparable company financial performance and valuation metrics

	Segment	EV[1] ($m)	Debt / EV[1]	EBITDA multiple[1]		EBITDA margins[1]		Beta (ungeared)	
				Historical	Current	Historical	Current	2 year[3]	4 year[4]
Ramsay Health Care	Hospitals	13,014	37%	9.9x[2]	9.0x[2]	10%[2]	10%[2]	0.75	0.66
Sonic Healthcare	Pathology	13,562	21%	10.1x	8.6x	14%	15%	0.76	0.85
Healius	Pathology & Radiology	487	(12)%	20.1x	9.1x	2%	4%	1.19	n/m
Integral Diagnostics	Radiology	1,315	22%	13.9x	9.3x	15%	18%	n/m	0.75
Monash IVF Group	IVF	363	27%	6.9x	7.8x	19%	18%	n/m	0.72
Australian Clinical Labs	Pathology	491	4%	7.2x	6.8x	9%	9%	0.97	1.25
Average			**16%**	**11.3x**	**8.4x**	**12%**	**12%**	**0.92**	**0.85**
Median			**21%**	**10.0x**	**8.8x**	**12%**	**12%**	**0.87**	**0.75**

Notes:
EV = Enterprise value, n/m = not meaningful
1. EV and EBITDA are presented on a pre-AASB 16 basis, i.e. excluding lease liabilities from EV, and including cash rent costs in EBITDA. Where no AASB 16 disclosures have been made, we have estimated the cash rental cost based on financial report disclosures
2. adjusted to exclude Ramsay Sante
3. calculated on a weekly basis
4. calculated on a monthly basis.
Source: Publicly available announcements, S&P Capital IQ, Deloitte Corporate Finance analysis

Appendix 4: Comparable transactions

We identified the following transactions involving businesses in the Australia and New Zealand dental, and broader Australian health services industry.

Table 22: Comparable transactions

Date	Target	Acquirer	Enterprise value ($m)	EBITDA multiple (times)	EBITDA multiple (adjusted) (times)	Basis	Notes
Australia & New Zealand dental services							
Nov-24	Pacific Smiles	Gensis Capital	294	10.4x		Pre-AASB 16	
Dec-21	1300smiles	Abano	165	13.5x	11.5x	Pre-AASB 16	1
Dec-20	Abano Healthcare	Adams NZ Bidco	257	15.8x	8.2x	Pre-NZ IFRS 16	2
Australian health services							
Dec-24	Capitol Health	Integral Diagnostics	463	13.4x		Pre-AASB 16	
Dec-23	Healthia	Pacific Equity Partners	358	9.5x		Pre-AASB 16	
Nov-23	SILK	Wesfarmers	185	9.9x		Pre-AASB 16	
Nov-22	Future Medical Imaging	Capitol Health	54	8.1x		Pre-AASB 16	3
Jul-22	Virtus	BGH	829	11.6x		Pre-AASB 16	4
Jul-22	Horizon Radiology	Integral Diagnostics	27	7.9x		Pre-AASB 16	5
Jul-22	Peloton Radiology	Integral Diagnostics	75	9.4x		Post-AAS 16	6
Nov-21	The X-Ray Group	Integral Diagnostics	38	7.1x		Pre-AASB 16	7
May-21	SunDoctors	Australian Clinical Labs	77	8.7x		Pre-AASB 16	8
Nov-20	Healius GP and Dental Clinics	BGH	500	n/a		Not applicable	9
Sep-20	Ascot Radiology	Integral Diagnostics	48	8.4x		Pre-AASB 16	10

Notes:
n/a = not available
1. EBITDA represents underlying operating pre-AASB 16 EBITDA, as disclosed by Management. Management excludes Jobkeeper support from their EBITDA disclosure. The adjusted multiple includes Jobkeeper support in EBITDA
2. EBITDA based on Management pre-NZ IFRS 16 disclosure. Adjusted multiple was calculated using FY19 underlying EBITDA (based on the view that such earnings were more reflective of normalised earnings for the business)
3. enterprise value and EBITDA based on disclosures by Capitol management
4. pre-AASB 16 EBITDA estimated based on disclosures by the company
5. based on disclosures by Integral management, and excludes earn-outs and contingent consideration
6. based on disclosures by Integral management and excludes earn-outs and contingent consideration. Disclosures do not specify treatment of AASB 16
7. enterprise value based on disclosures by Integral management and excludes earn-outs and contingent consideration. EBITDA is based on mid-point of disclosed range
8. based on disclosures by Australian Clinical Labs' management and excludes earn-outs and contingent consideration. Disclosures do not specify treatment of AASB 16
9. based on disclosure by Healius (seller) management
10. enterprise value based on disclosures by Integral management and excludes earn-outs and contingent consideration. EBITDA is based on mid-point of disclosed range.
Source: Company disclosures

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Appendix 5: Context to the report

The report has been prepared at the request of the IBC and is to be included in the Target's Statement to be given to PSQ shareholders. Accordingly, it has been prepared only for the benefit of the IBC and the Non-Associated Shareholders in their assessment of the Takeover and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Non-Associated Shareholders and the IBC, in respect of this report, including any errors or omissions however caused.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Takeover is fair and reasonable to Non-Associated Shareholders as a whole.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Individual circumstances

We have evaluated the Takeover for Non-Associated Shareholders as a whole and have not considered the effect of the Takeover on the particular circumstances of individual shareholders. Due to their particular circumstances, individual shareholders may place a different emphasis on various aspects of the Takeover from the one adopted in this report. Accordingly, shareholders may reach different conclusions to ours on whether the Takeover is fair and reasonable. If in doubt shareholders should consult an independent adviser, who should have regard to their individual circumstances.

Limitations

Our opinion is based on the prevailing economic, market and other conditions as at the date of this report. Such conditions can change significantly over relatively short periods of time.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by PSQ and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to Management for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by PSQ and its officers, employees, agents or advisors, PSQ has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which PSQ may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by PSQ and its officers, employees, agents or advisors or the failure by PSQ and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte Corporate Finance's consideration of this information consisted of enquiries of PSQ personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for PSQ included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of PSQ referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

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Qualifications

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employee of Deloitte Corporate Finance principally involved in the preparation of this report was Tapan Parekh, Authorised Representative, B.Bus, M.Comm, CA, F.Fin. Tapan has many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 50 Bridge Street, Sydney, NSW, 2000 acknowledges that:

- PSQ proposes to issue a Target's Statement in respect of the Takeover
- the Target's Statement will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Target's Statement (Draft Target's Statement) for review
- it is named in the Target's Statement as the 'independent expert' and the Target's Statement includes its independent expert's report in Attachment A of the Target's Statement.

On the basis that the Target's Statement is consistent in all material respects with the Draft Target's Statement received, Deloitte Corporate Finance Pty Limited consents to it being named in the Target's Statement in the form and context in which it is so named, to the inclusion of its independent expert's report in Attachment A of the Target's Statement and to all references to its independent expert's report or references to statements made in its independent expert's report in the form and context in which they are included, whether the Target's Statement is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Target's Statement and takes no responsibility for any part of the Target's Statement, other than any references to its name and the independent expert's report as included in Attachment A.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- Draft Bidder's Statement
- Draft Target's Statement
- audited financial statements for PSQ for the years ending 30 June 2020 to 30 June 2025
- management analysis and information in respect of operating metrics of centres/cohorts
- financial models prepared by PSQ
- budget for PSQ for the year ending 30 June 2026
- PSQ board reports dated from April 2022 to August 2025.

We also used information available in the public domain and information available through subscription services.

In addition, we have had discussions and correspondence with the IBC and executives of PSQ in relation to the above information and to current operations and prospects.

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