

24 January 2024

VIA EMAIL

Zita Peach Chairperson Pacific Smiles Group Limited

Dear Zita

Update: disclosure of long equity derivative position in Pacific Smiles Group Limited

This notice is provided pursuant to *Guidance Note 20: Equity Derivatives* issued by the Australian Takeovers Panel (**Guidance Note 20**) and we refer to the Guidance Note 20 disclosure notice that we provided to you on 18 December 2023. Capitalised terms not otherwise defined in this notice have the meaning given to them in Guidance Note 20.

Guidance Note 20 relevantly provides that the non-disclosure of Long Positions, including long equity derivative positions, may give rise to unacceptable circumstances.

Genesis Capital Manager 1 Pty Ltd as manager of Genesis Capital Fund I, LP (**Fund**) discloses the following information.

Beam Investments Co Pty Ltd (ABN 85 673 355 658) (**Beam**) (a wholly owned subsidiary of Genesis Capital Ultimate GP Pty Ltd) advises that on 23 January 2024 it increased its economic interest in Pacific Smiles Group Limited (**PSQ**) by 1,836,117 PSQ shares and now holds an economic interest in 31,750,000 PSQ shares, representing an 19.90% economic interest in PSQ, pursuant to a cash settled total return swap, the key terms of which are set out in the Annexure to this letter.

Yours sincerely,

Dr Michael Caristo

Partner

W: www.genesiscapital.com.au

1

Annexure: Key terms of total return swap

Identity of Taker	Beam Investments Co Pty Limited
Relevant security	Fully paid ordinary shares in PSQ
Average Price	\$1.3978
Initial entry date	6 December 2023
Number of securities to which the derivative relates	31,750,000
Type of Derivative Instrument	Cash settled total return swap
Any material changes to information previously disclosed to the market	On 23 January 2024, the Taker increased its economic interest in PSQ by 1,836,117 PSQ shares ¹
Long equity derivative positions held by the taker and its associates, its relevant interests and its associates' relevant interests	Beam and its associates have no other long equity derivative positions in PSQ nor a relevant interest in any PSQ shares
Short equity derivative positions that offset long positions	None
Short positions of more than 1% that have been acquired after a long position is disclosed, whether by notice or substantial holding notice	None
Identity of the associates of the taker	Genesis Capital Manager I Pty Ltd (ACN 634 339 576)
	Genesis Capital Ultimate GP Pty Ltd (ACN 634 339 549) of Level 9, 309 Kent Street, Sydney NSW 2000 as general partner of Genesis Capital Management Partnership I, LP (ILP 1900016), the general partner of Genesis Capital Fund I, LP (ILP 2100002) (Genesis Capital)
	GFT 2 Co Pty Ltd (ACN 658 670 627) as trustee for GFT 2 Trust

Sydney NSW 2000 **W**: www.genesiscapital.com.au

¹ In the Guidance Note 20 disclosure notice to PSQ dated 18 December 2023, it was specified that Taker had acquired an economic interest in 29,913,833 PSQ shares. That disclosure contained a transcription error and the correct number is 29,913,883.