



Pacific Smiles Group Limited (ASX: PSQ)
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ASX ANNOUNCEMENT

Pacific Smiles Group Limited (ASX: PSQ)

17 November 2023

ACT PAYROLL TAX

Dentist service organisation Pacific Smiles Group (ASX:PSQ) advises that it has received a Payroll Tax Notice of Reassessment Letter ("**Reassessment**") from the ACT Revenue Office dated 15 November 2023. The Reassessment is in respect of the four financial years from 2019 to 2022 (inclusive) and pertains to the treatment of its Service and Facility Agreements with dentists for payroll tax purposes. The Reassessment specifies that Pacific Smiles is to remit a total of \$884,003 in payroll tax shortfalls.

The Commissioner for ACT Revenue determined that it was appropriate for penalty tax and interest to be remitted in full.

Pacific Smiles is reviewing the Reassessment in detail and is considering its position. It remains open to Pacific Smiles to object to the Reassessment within 60 days of the Reassessment date.

As previously advised, Pacific Smiles sought early engagement with the ACT Revenue Office following the Assessment received from Revenue NSW (see the ASX announcements dated 16 May 2023 and 14 June 2023). The Reassessment is the outcome of that engagement.

The ACT Revenue Office has also requested information regarding the 2023 financial year. Pacific Smiles estimates an additional payroll tax reassessment in the order of \$350,000 to \$400,000 in respect of that year.

Pacific Smiles notes that payroll tax imposed on dentist service organisations, and other medical clinic operators, is a cost that on a go forward basis will need to flow through to patients in the form of higher fees and charges. This will adversely impact the millions of Australians who require access to primary health care each year, including dental services.

Pacific Smiles will continue to keep the market and investors apprised of developments in relation to this matter in line with its continuous disclosure obligations.

ENDS

Authorised for release by the Board of Directors.

For further information, please contact:

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Forward looking statements

This announcement contains certain forward-looking statements. Forward looking statements should not be relied on as an indication or guarantee of future events. Forward looking statements involve inherent known and unknown risks and may involve significant elements of subjective judgment and assumptions as to future events which may or may not prove to be correct, which can cause actual results to differ materially. As such, undue reliance should not be placed on any forward-looking statement. No representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements. Pacific Smiles does not undertake any obligation to update or review any forward-looking statements (other than to the extent required by applicable law).