



TARGET'S STATEMENT

Issued by **Dynamic Group Holdings Limited (ACN 640 888 213)**

In relation to the on-market takeover bid made by **Australian Meat Industry Superannuation Pty Ltd (ACN 002 981 919)** as trustee for **Australian Meat Industry Superannuation Trust (ABN 28 342 064 803)** trading as **Australian Food Super** for all the ordinary Shares on issue in Dynamic Group Holdings Limited for A\$0.28 per Share.

Dynamic Group Holdings Limited's Directors unanimously recommend that you ACCEPT the Bidder's Offer, in the absence of a superior proposal

This document contains important information and requires your immediate attention.

If you are in any doubt as to how to deal with this document, you should consult a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser immediately.

If you require further information or have questions in relation to the Offer, please contact Dynamic Group Holdings Limited on 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia) between 8:30am and 7:00pm (AEST) Monday to Friday.

Legal adviser



Corporate adviser



Important information

Nature of this document

This document is a Target's Statement issued by Dynamic Group Holdings Limited (ACN 640 888 213) (**Dynamic**) dated 6 August 2024 under Part 6.5 Division 3 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in response to the on-market takeover bid announced by Australian Meat Industry Superannuation Pty Ltd (ACN 002 981 919) as trustee for Australian Meat Industry Superannuation Trust (ABN 28 342 064 803) trading as Australian Food Super (**AFS** or the **Bidder**) on 26 July 2024 for all the ordinary fully paid Shares in Dynamic.

Further information relating to AFS' Offer can be obtained from the Bidder's Statement and Dynamic's website at <https://www.dynamicgroupholdings.com.au/>.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and given to the ASX. None of ASIC, the ASX or any of their respective officers takes any responsibility for the contents of this Target's Statement.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are defined in Section 9.1. Section 9.2 also sets out some rules of interpretation which apply to this Target's Statement.

No account of personal circumstances

This Target's Statement and the recommendations and other information contained in it do not constitute financial product advice. The recommendations and other information contained in this Target's Statement should not be taken as personal, financial or taxation advice, as each Shareholder's deliberations and decision will depend upon their own financial situation, tax position, investment objectives and particular needs.

It is important that you read this Target's Statement in its entirety before making any investment decision and any decision relating to the Offer. Your Directors encourage you to obtain independent advice from your investment, financial, taxation or other professional adviser before making a decision whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement are forward looking statements. All statements other than statements of historical fact are forward looking statements and generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Shareholders should note that those forward looking statements are only predictions and are inherently subject to uncertainties, in that they may be affected by a variety of known and unknown risks, variables and other important factors, many of which are beyond the control of Dynamic. Actual values or results, performance or achievements may differ materially from those expressed or implied by such statements. Further information can be found in Section 5.5

None of Dynamic, its Subsidiaries or any of their respective officers and employees, or any person named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) or gives any assurance 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 statements, except to the extent required by law. You are cautioned not to place undue reliance on any such statement.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, Dynamic and its officers disclaim any obligation or undertaking to update or revise any forward looking statements to reflect any change in expectations in relation to them or any change in events, conditions or circumstances on which any forward looking statement is based.

Effect of rounding

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

Discrepancies between totals in tables and or in calculations are due to rounding.

Information obtained from public sources

The information in this Target's Statement about the Bidder has been compiled from or is otherwise based on information obtained from publicly available sources, including information in the Bidder's Statement, and has not been independently audited or verified by Dynamic or its advisers. If the information obtained from public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement. Accordingly, Dynamic does not, subject to the Corporations Act, make any representation or warranty (express or implied) as to the accuracy or completeness of any information in relation to Bidder. In particular, if the information has been used as the basis for forward looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward looking statements.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law 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 the laws and regulations outside Australia.

Diagrams and charts

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Privacy

Dynamic has collected your information from the register of Shareholders for the purpose of providing you with this Target's Statement. The type of information Dynamic has collected about you includes your name, contact details and information on your shareholding (as applicable) in Dynamic. Without this information, Dynamic 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 register. Your information may be disclosed on a confidential basis to external service providers (including the share registry of Dynamic and print and mail 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 Dynamic, please contact Dynamic on 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia).

No internet site is part of this Target's Statement

No internet site is part of this Target's Statement. Dynamic maintains an internet site (<https://www.dynamicgroupholdings.com.au/>). Any references in this Target's Statement to this internet site are textual references only and the information contained on the site does not form part of this Target's Statement.

Risk factors

Dynamic Shareholders should note that there are a number of risks that they should have regard to before deciding how to respond to the Offer. Further information about those risks can be found in Section 5 of this Target's Statement.

Table of contents

1.	DIRECTORS' RECOMMENDATION AND REASONS	3
1.1	<i>Directors' recommendation</i>	3
1.2	<i>Reasons why the Directors recommend that you should ACCEPT the Offer</i>	3
1.3	<i>Intentions of your Directors in relation to the Offer</i>	6
2.	REASONS WHY YOU MAY NOT CHOOSE TO ACCEPT THE OFFER	7
3.	FREQUENTLY ASKED QUESTIONS	9
4.	OVERVIEW OF DYNAMIC	14
4.1	<i>Business overview and assets</i>	14
4.2	<i>Historical financial information</i>	15
4.3	<i>Board and management</i>	15
4.4	<i>Substantial Shareholders</i>	16
4.5	<i>Historical trading prices</i>	17
4.6	<i>Capital structure</i>	18
4.7	<i>DDB Options and DDB Performance Rights</i>	18
4.8	<i>Recent Dynamic announcements</i>	19
4.9	<i>Further information</i>	21
5.	IMPORTANT MATTERS FOR DYNAMIC SHAREHOLDERS TO CONSIDER	22
5.1	<i>The Offer</i>	22
5.2	<i>Sources of funds</i>	22
5.3	<i>Your choice as a Dynamic Shareholder</i>	22
5.4	<i>Taxation consequences of accepting the Offer</i>	23
5.5	<i>Risks of remaining a Dynamic Shareholder</i>	23
5.6	<i>Not exhaustive</i>	30
5.7	<i>Bidder's intentions and minority ownership consequences</i>	30
5.8	<i>ASX delisting</i>	31
6.	KEY FEATURES OF THE OFFER	32
6.1	<i>The Offer</i>	32
6.2	<i>Offer Price</i>	32
6.3	<i>Offer Period and acceptance</i>	32
6.4	<i>Extension of the Offer Period</i>	32
6.5	<i>Withdrawal of the Offer</i>	32
6.6	<i>Effect of acceptance and any subsequent increase in Offer Price</i>	33
6.7	<i>Timing for receipt of consideration for Dynamic Shareholders who accept the Offer</i>	33
6.8	<i>Compulsory acquisition</i>	33
7.	INFORMATION RELATING TO YOUR DIRECTORS	35
7.1	<i>Interests and dealings in Dynamic Securities</i>	35

7.2	<i>Interests and dealings in AFS and its related bodies corporate</i>	35
7.3	<i>Benefits and agreements</i>	35
8.	ADDITIONAL INFORMATION	37
8.1	<i>Material litigation</i>	37
8.2	<i>Changes in financial position</i>	37
8.3	<i>Transaction costs</i>	37
8.4	<i>Consents</i>	37
8.5	<i>Reliance on information obtained from AFS or public sources</i>	38
8.6	<i>Continuous disclosure</i>	38
8.7	<i>ASIC and ASX relief, modification and waivers</i>	39
8.8	<i>Other information</i>	39
9.	DEFINITIONS AND INTERPRETATION	41
9.1	<i>Definitions</i>	41
9.2	<i>Interpretation</i>	43

Important dates

Event	Date
Offer announced and Bidder's Statement lodged with ASIC and the ASX	26 July 2024
Bidder's appointed broker commences standing in the market	26 July 2024
Date of this Target's Statement	6 August 2024
Offer Period commences	10:00am (AEST) 9 August 2024
Scheduled close of Offer Period (unless the Offer is extended or withdrawn)	4:00pm (AEST) 9 September 2024

Note: *The Offer may only be withdrawn in exceptional circumstances in accordance with the Corporations Act as summarised in Section 6.5.*

Chairman's letter

6 August 2024

Dear Shareholders

IN THE ABSENCE OF A SUPERIOR PROPOSAL, DYNAMIC'S DIRECTORS RECOMMEND YOU ACCEPT AFS' OFFER FOR YOUR DYNAMIC SHARES

On 26 July 2024, Australian Meat Industry Superannuation Pty Ltd (ACN 002 981 919) as trustee for Australian Meat Industry Superannuation Trust (ABN 28 342 064 803) trading as Australian Food Super (**AFS** or the **Bidder**) announced an unconditional on-market takeover offer for all of the Shares in Dynamic Group Holdings Limited (ACN 640 888 213) (**Dynamic**) at A\$0.28 per Share (the **Offer**).

The Offer will remain open until 4:00pm (AEST) on 9 September 2024, unless extended or withdrawn in accordance with the Corporations Act.¹

At the time of announcing the Offer and as at the Last Practicable Date, AFS held 27,633,000 Shares, representing a voting power of 19.87%.

Why you are receiving this Target's Statement

You should have now received from AFS its Bidder's Statement setting out the terms of the Offer. This Target's Statement sets out your Directors' formal response to the Offer and contains our recommendations, reasons for those recommendations, and other important information you should consider when deciding whether to accept or reject the Offer.

Directors' recommendation in relation to the Offer

Your Board of Directors recommend that you **accept** the Offer, in the absence of a superior proposal.

In reaching this conclusion, we have considered a number of commercial and strategic factors, including those outlined below:

1. the Offer is unconditional and provides certain and immediate cash consideration, at a premium to recent trading prices;
2. the liquidity of your Dynamic Shares was low prior to the Offer being made given the concentration of the Dynamic register, and it is possible that liquidity after the close of the Offer Period will be further reduced. The Offer provides Dynamic Shareholders with an opportunity to sell their Dynamic Shares;
3. there are a number of other risks in rejecting the Offer, in particular: (i) if the Offer lapses and no superior proposal emerges, the price of your Dynamic Shares is likely to fall; (ii) Dynamic Shareholders risk becoming minority shareholders in an entity controlled by AFS; and (iii) the risk of possible delisting of Dynamic; and
4. as at the date of this Target's Statement, no superior proposal has emerged.

Section 1.2 contains further information in relation to each of these reasons.

You should also read the reasons why you may not choose to accept the Offer in Section 2.

Whilst your Directors are excited by the future potential of the Dynamic platform and believe that the strategic value of our assets will grow over time, the Offer has been presented, and needs to be considered, at a point in time when there is a lack of certainty in the business having had a

¹ The Offer may only be withdrawn in exceptional circumstances in accordance with the Corporations Act as summarised in Section 6.5.

challenging year with lower than anticipated fleet utilisation impacted by market conditions, weather events, project delays, among others.

I urge you to read this Target's Statement in full and to seek any independent financial, legal, taxation or other professional advice that you require before making a decision as to whether or not to accept the Offer.

If you have any questions in relation to the Offer as a Shareholder, please contact Dynamic on 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia) Monday to Friday between 8:30am and 7:00pm (AEST).

Your Directors will continue to keep Shareholders informed of material developments in relation to the Offer. Announcements relating to the Offer and Dynamic can be found on the ASX website (www.asx.com.au) under Dynamic's ticker code (ASX: DDB).

Thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Garret Dixon', with a stylized flourish at the end.

Garret Dixon
Chairman

1. DIRECTORS' RECOMMENDATION AND REASONS

1.1 Directors' recommendation

The Directors have carefully considered the Offer. Your Directors recommend that you **accept** the Offer for the reasons given in Section 1.2 below.

The Directors' recommendation is given as at the Last Practicable Date and the Directors reserve the right to change their recommendation if circumstances change, including a superior proposal emerging.

1.2 Reasons why the Directors recommend that you should **ACCEPT** the Offer

Your Directors have carefully considered the Offer to assess whether it is in the best interests of Dynamic Shareholders.

The Dynamic Directors' reasons for recommending that Dynamic Shareholders **ACCEPT** the Offer, in absence of a superior proposal, are:

- (a) the Offer is unconditional and provides certain and immediate cash consideration, at a premium to recent trading prices;
- (b) the liquidity of your Dynamic Shares was low prior to the Offer being made given the concentration of the Dynamic register, and it is possible that liquidity after the close of the Offer Period will be further reduced. The Offer provides Dynamic Shareholders with an opportunity to sell their Dynamic Shares;
- (c) there are a number of other risks in rejecting the Offer, in particular: (i) if the Offer lapses and no superior proposal emerges, the price of your Dynamic Shares is likely to fall; (ii) Dynamic Shareholders risk becoming minority shareholders in an entity controlled by AFS; and (iii) the risk of possible delisting of Dynamic; and
- (d) as at the date of this Target's Statement, no superior proposal has emerged.

Further information in relation to each of these reasons is set out below.

Recommendation	Commentary
1. The Offer is unconditional and provides certain and immediate cash consideration, at a premium to recent trading prices.	<p>In the absence of a superior proposal, the Directors consider that the Offer Price of A\$0.28 cash per Dynamic Share provides certainty for Dynamic Shareholders that, on balance, is more attractive than remaining a Dynamic Shareholder.</p> <p>The Offer is unconditional and provides you with the opportunity to realise a certain value for all your Dynamic Shares, with 100% cash consideration.</p> <p>If you accept the Offer, you will:</p> <ul style="list-style-type: none">• be paid A\$0.28 in cash for each Dynamic Share that you hold; and• receive payment for the Offer within 2 trading days after selling your Dynamic Shares. <p>The Directors note that the Offer Price represents a premium based on</p>

Recommendation

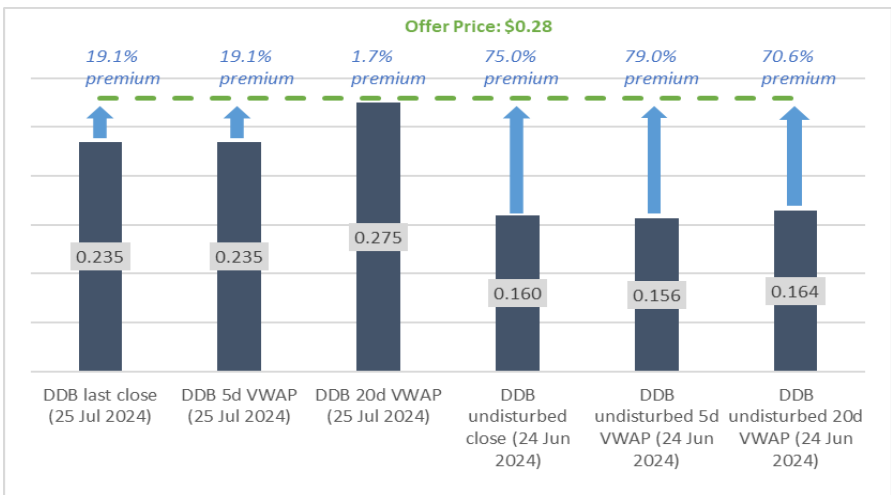
Commentary

Dynamic’s recent trading prices leading into the announcement of the Offer, and importantly, a premium based on Dynamic’s undisturbed trading prices up to 24 June 2024, the day prior to AFS beginning to acquire Dynamic Shares.

The Directors note that AFS’ acquisition of Dynamic Shares represented ~97% of total volume traded in Dynamic’s Shares between the period of 25 June 2024 and 11 July 2024 (the date when AFS became a substantial Shareholder with a Relevant Interest in 19.87% of Dynamic’s Shares). Between the period of 25 June 2024 and 10 July 2024 (the date prior to AFS becoming a substantial Shareholder), AFS’ acquisition of Dynamic Shares represented ~68% of total volume traded in Dynamic’s Shares.

The Offer Price represents a premium of:

- 19.1% to the trading price of Dynamic Shares on the ASX at the close of trading on 25 July 2024, being the last closing price before the announcement of the Offer;
- 19.1% to the 5-day VWAP of Dynamic Shares up to and including 25 July 2024;
- 1.7% to the 20-day VWAP of Dynamic Shares up to and including 25 July 2024;
- 75% to the undisturbed trading price of Dynamic Shares on the ASX at the close of trading on 24 June 2024, being the day prior to AFS beginning to acquire Dynamic Shares;
- 79% to the undisturbed 5-day VWAP of Dynamic Shares up to and including 24 June 2024; and
- 70.6% to the undisturbed 20-day VWAP of Dynamic Shares up to and including 24 June 2024.



At the same time as providing certainty of value for your Dynamic Shares, by accepting the Offer you will eliminate any exposure to the potential risks inherent in continuing to hold Dynamic Shares. As such, if you do not accept the Offer, the amount that you will be able to realise for your Dynamic Shares may be lower than A\$0.28.

Recommendation	Commentary
<p>2. The liquidity of your Dynamic Shares was low prior to the Offer being made given the concentration of the Dynamic register, and it is possible that liquidity after the close of the Offer Period will be further reduced. The Offer provides Dynamic Shareholders with an opportunity to sell their Dynamic Shares.</p>	<p>Given the high levels of ownership concentration of the Dynamic register, the liquidity of your Dynamic Shares was low prior to the Offer and prior to AFS acquiring shares in Dynamic.</p> <p>In the absence of the Offer, there is no guarantee that Dynamic Shareholders would be able to liquidate all of their shareholding in Dynamic on-market in a single transaction. In addition, it is possible that the liquidity of Dynamic Shares after the close of the Offer Period will be further reduced, if the Dynamic register becomes more concentrated.</p> <p>The Offer will allow you to dispose of all of your Dynamic Shares, in a single transaction for certain cash value.</p>
<p>3. There are a number of other risks in rejecting the Offer, in particular: (i) if the Offer lapses and no superior proposal emerges, the price of your Dynamic Shares is likely to fall; (ii) Dynamic Shareholders risk becoming minority shareholders in an entity controlled by AFS; and (iii) the risk of possible delisting of Dynamic.</p>	<p>There are risks associated with not accepting the Offer and in continuing to own Dynamic Shares, including:</p> <ul style="list-style-type: none"> • the Dynamic Share price is likely to fall in the absence of the Offer and you are unlikely to receive a premium for your Dynamic Shares; • there are risks associated with potentially becoming minority shareholders in an entity controlled by AFS. If AFS acquires more than 50% of the Dynamic Shares on issue, it will be able to control the outcome of ordinary resolutions of Dynamic Shareholders (including resolutions relating to the composition of Dynamic's Board). Further, it is possible that even if AFS holds less than 50% of Dynamic Shares on issue, it may practically be able to determine the outcome of ordinary resolutions put to Dynamic Shareholders (including resolutions relating to the appointment and removal of directors), providing AFS with effective control over Dynamic. It is possible that AFS' interests may not be aligned with other Dynamic Shareholders; • there are risks associated with the potential delisting of Dynamic. If AFS does not achieve compulsory acquisition at the end of the Offer Period, and subject to meeting eligibility requirements under the Listing Rules, AFS may seek to have Dynamic removed from the Official List of ASX. Should this occur, remaining as a minority shareholder in an unlisted company presents remaining Dynamic Shareholders with additional risks; and • there are inherent risks associated with the operations and profitability of the Dynamic business, including for example operational and safety risks, general market conditions, ability to win new contracts, potential loss of key employees, risk from adverse weather events, risk of project start delays, and various other general risks typical of a contracting business operating in a cyclical and

Recommendation	Commentary
	volatile industry.
<p>4. As at the date of this Target's Statement, no superior proposal has emerged.</p>	<p>As at the date of this Target's Statement, no competing or superior proposal has emerged to purchase your Dynamic Shares, and the Directors are not presently aware of any other party intending to make a competing or superior proposal.</p> <p>Furthermore, while a superior proposal cannot be ruled out, AFS has a voting power of 19.87% in Dynamic as at the Last Practicable Date, meaning AFS has the ability to block compulsory acquisition under any competing takeover bid and its shareholding will likely be determinative of any vote on a competing scheme of arrangement. The Dynamic Board believes this reduces the likelihood of a superior proposal emerging.</p> <p>In the event that a competing proposal does emerge during the Offer Period, the Directors will give careful consideration to the proposal and advise Dynamic Shareholders accordingly.</p>

1.3 Intentions of your Directors in relation to the Offer

Each of Garret Dixon, Matthew Freedman, Mark Davis, George Garnett and Mark Hine has a Relevant Interest in Dynamic Shares and intends to accept the Offer in relation to those Dynamic Shares that they own or control.

Details of the Relevant Interests of each Director in Dynamic Shares are set out in Section 7 of this Target's Statement.

2. REASONS WHY YOU MAY NOT CHOOSE TO ACCEPT THE OFFER

While your Directors recommend that you **accept** the Offer, there are reasons why you may not choose to accept the Offer, including the following:

(a) **You may disagree with the Dynamic Directors' recommendation**

Dynamic Shareholders may not agree with the Dynamic Directors' unanimous recommendation and are not obliged to follow that recommendation. You may believe Dynamic could generate more value as a standalone entity.

If you accept the Offer, you will no longer be a Dynamic Shareholder. This will mean that you will not participate in any potential upside that may result from Dynamic remaining a standalone entity, including any increase in the Dynamic Share price.

You will also cease to have a right to influence the future direction of Dynamic through your voting rights as a Dynamic Shareholder. By accepting the Offer for all of your Dynamic Shares, you will no longer have any economic exposure to Dynamic's future operations, results and performance.

You may believe that remaining as a shareholder of Dynamic could realise greater returns than the Offer and that you are comfortable with the implications of potentially being a minority shareholder in an entity controlled by AFS.

(b) **A superior proposal for Dynamic may emerge in the future**

As at the Last Practicable Date, no superior proposals to the Offer are under consideration by Dynamic. It is possible that, if Dynamic were to continue as a standalone entity, a superior proposal for Dynamic which is more attractive could emerge in the future.

There is nothing preventing other parties from making unsolicited competing proposals for Dynamic during the Offer Period. If a potentially superior proposal is received prior to the end of the Offer Period, this will be announced to ASX and the Dynamic Board will carefully consider the proposal and advise Dynamic Shareholders of their recommendation.

As the Offer is being made on-market, if you accept the Offer, you will not benefit if a superior proposal is received during the Offer Period.

(c) **The potential tax consequences of the Offer may not suit your current financial position or tax circumstances**

Acceptance of the Offer may have potential tax consequences for Dynamic Shareholders, which may not suit your current financial position or tax circumstances. See Section 5.4 below for further information. As this Section is a general outline only, Dynamic Shareholders are encouraged to seek their own specific advice as to the taxation implications applicable to their circumstances.

(d) **If you have accepted AFS' Offer, you will not subsequently be able to sell your Dynamic Shares or accept an increased offer from AFS**

If you accept the Offer, you will no longer be able to trade your Dynamic Shares on market. There is a possibility that the Dynamic Share price may exceed the Offer

Price, or that AFS may increase the Offer Price, after you have accepted the Offer. You may consider that you may have the opportunity to dispose of your Dynamic Shares at a price in excess of A\$0.28 per Dynamic Share in the future.

3. FREQUENTLY ASKED QUESTIONS

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

No	Question	Answer
1.	How do I ACCEPT the Offer?	<p>You should follow the instructions in section 2 of the Bidder's Statement if you wish to accept the Offer.</p> <p>Before accepting the Offer, you should read the reasons why you may not choose to accept the Offer in Section 2.</p> <p>You should note that brokerage or other fees may be payable upon acceptance of the Offer.</p>
2.	How do I REJECT the Offer?	<p>To reject the Offer, simply do nothing.</p> <p>You should take no action in relation to any calls or correspondence from or made on behalf of AFS regarding the Offer.</p>
3.	What is this Target's Statement?	<p>This Target's Statement has been prepared by Dynamic and provides Dynamic's response to the Offer, including the recommendation of your Directors.</p>
4.	What is the Bidder's Statement?	<p>The Bidder's Statement is the document prepared by AFS setting out the terms of the Offer, a copy of which was originally lodged with ASIC and released on the ASX on 26 July 2024.</p>
5.	What is the Bidder's Offer for my Dynamic Shares?	<p>The Bidder is offering A\$0.28 in cash for each Dynamic Share that you hold.</p> <p>The Offer is unconditional.</p>
6.	What choices do I have as a Dynamic Shareholder?	<p>As a Dynamic Shareholder, you have the following choices in respect of your Dynamic Shares:</p> <ul style="list-style-type: none">• do nothing, and retain your Dynamic Shares;• hold or sell some or all of your Dynamic Shares on the ASX (unless you have previously accepted the Offer); or• choose to accept the Offer (once open). You should be aware that, if you accept the Offer, you will not benefit if the Offer Price is subsequently increased. <p>You should note that brokerage or other fees may be payable upon acceptance of the Offer. Refer below to <i>'Will I need to pay brokerage or stamp duty if I accept the Offer?'</i>.</p> <p>There are several implications in relation to each of the above choices.</p>

No	Question	Answer
		If you are in any doubt as to what to do, your Directors recommend that you consult with your investment, financial, taxation or other professional adviser.
7.	What are the risks of rejecting the Offer?	<p>If you reject the Offer, you will remain a Dynamic Shareholder.</p> <p>If you remain a Dynamic Shareholder, you may become a minority shareholder if less than 90% of Dynamic Shares are acquired by the Bidder under the Offer. This has a number of possible implications which are set out in Section 5.7 of this Target's Statement.</p> <p>You should also be aware that there are risks associated with remaining a Dynamic Shareholder. Set out in Section 5.5 of this Target's Statement are the possible key risks which may affect the future operating and financial performance of Dynamic and the value of Dynamic Shares.</p>
8.	Who is the Bidder?	<p>AFS is the largest meat industry superannuation fund in Australia.</p> <p>Further information on the Bidder can be found in section 4 of the Bidder's Statement.</p>
9.	Does the Bidder currently have a Relevant Interest in Dynamic?	As at the Last Practicable Date, the Bidder had a Relevant Interest in 19.87% of Dynamic's Shares.
10.	What are the Directors recommending?	<p>Your Directors recommend that you accept the Offer for the reasons explained in Section 1.2.</p> <p>The Directors' recommendation is given as at the Last Practicable Date and the Directors reserve the right to change their recommendation if circumstances change, including a superior proposal emerging.</p> <p>If there is a change in the recommendation of any of your Directors, or there are any material developments in relation to the Offer, your Directors will make the appropriate supplementary disclosure.</p>
11.	What do Dynamic Directors intend to do with their own Dynamic Shares?	Each of the Directors have a Relevant Interest in Dynamic Shares. Each of them intends to accept the Offer in respect of the Dynamic Shares that they own or control.
12.	What are the consequences of accepting the Offer now?	If you accept the Offer now, you will be legally bound to sell those Dynamic Shares to AFS and you cannot later withdraw your acceptance or otherwise deal with your

No	Question	Answer
		<p>Dynamic Shares while the Offer remains open.</p> <p>If you accept the Offer now, you will also not benefit if the Offer Price is subsequently increased.</p>
13.	When does the Offer close?	<p>The Offer is presently scheduled to close at 4.00pm (AEST) on 9 September 2024 (unless withdrawn in accordance with the Corporations Act), but the Offer Period can be extended in certain circumstances.</p> <p>The Bidder can only withdraw in respect of unaccepted offers in exceptional circumstances, as detailed in Section 6.5 of this Target's Statement.</p>
14.	Are there any conditions to the Offer?	No, the Offer is unconditional.
15.	Can I buy Dynamic Shares during the Offer Period?	Yes. Notwithstanding the Offer, you can still continue to buy Dynamic Shares as you normally would through the ASX during the Offer Period.
16.	If I choose to accept the Offer, when will I receive my consideration?	If you accept the Offer, the usual rules for settlement of transactions which occur on market on the ASX will apply. Once you have accepted the Offer and sold your Dynamic Shares, you will receive payment within 2 trading days of selling your Dynamic Shares.
17.	Can AFS vary the Offer?	<p>AFS can vary the Offer by extending the Offer Period or increasing the Offer Price (although any increase in the Offer Price will not apply to you if you have previously accepted the Offer). If AFS extends the Offer Period, it must announce the extension to the ASX.</p> <p>AFS cannot increase the Offer Price during the last five trading days of the Offer Period.</p>
18.	Can AFS withdraw the Offer?	<p>The Corporations Act permits the withdrawal of unaccepted Offers only in exceptional circumstances.</p> <p>AFS cannot withdraw its Offer in respect of Dynamic Shares which have been accepted into the Offer.</p> <p>For further details, see Section 6.5 of this Target's Statement.</p>
19.	Will AFS increase the Offer?	<p>AFS has not declared its Offer to be final. Accordingly, AFS could increase its Offer if it chooses.</p> <p>Dynamic cannot speculate on whether AFS will increase its Offer as this is a matter for AFS.</p>

No	Question	Answer
20.	What happens if I accept the Offer now and the Offer Price is increased?	If you accept the Offer now, you will not benefit if the Offer Price is subsequently increased.
21.	What if there is a competing takeover bid?	<p>If a competing takeover bid is received prior to the end of the Offer Period, this will be announced to the ASX and the Board will carefully consider the proposal and advise Shareholders of their recommendation.</p> <p>If you have already accepted the Offer, then you will not be able to participate in a competing proposal from a third party which may emerge.</p>
22.	Can I be forced to sell my Dynamic Shares?	<p>You cannot be forced to sell your Dynamic Shares unless AFS compulsorily acquires your Dynamic Shares.</p> <p>AFS, together with its Associates, will need to obtain a Relevant Interest in 90% or more of the total issued Dynamic Shares in order to proceed to compulsory acquisition. If AFS proceeds to compulsory acquisition of Dynamic Shares from Shareholders who did not accept the Offer, those Shareholders will receive the Offer Price for their Dynamic Shares, or, if the Offer Price is increased by AFS, the increased Offer Price.</p> <p>AFS' intentions with respect to compulsory acquisition are set out in section 6.5 of the Bidder's Statement. In summary, AFS has indicated that if it becomes entitled to do so under the Corporations Act, it may compulsorily acquire any outstanding Dynamic Shares, including any Shares which are issued as a result of the vesting and exercise of DDB Options and/or DDB Performance Rights after the end of the Offer Period, in accordance with the Corporations Act.</p>
23.	What are the tax implications of accepting the Offer?	<p>A general outline of the tax implications of accepting the Offer for certain Australian residents is set out in section 8 of the Bidder's Statement.</p> <p>As the outline is a general outline only and does not take into account the particular circumstances of each Dynamic Shareholder, Dynamic Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.</p>
24.	Will I need to pay brokerage or stamp duty if I accept the Offer?	<p>As the Offer is an on-market takeover offer, Dynamic Shareholders may only accept the Offer through AFS' broker, FinClear, or any Market Participant of ASX before the end of the Offer Period.</p> <p>Brokerage charges may apply, and you should ask your</p>

No	Question	Answer
		<p>Broker or Controlling Participant if any fees or charges will apply. Any fees or other charges of such Brokers or Controlling Participants will be your responsibility, as the accepting Dynamic Shareholder.</p> <p>AFS has stated in its Bidder's Statement that no stamp duty or GST will be payable by you on the transfer of your Dynamic Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you).</p>
25.	<p>Is there a number that I can call if I have further queries in relation to the Offer?</p>	<p>If you have any further queries in relation to the Offer, you can call Dynamic on on 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia) Monday to Friday between 8:30am and 7:00pm (AEST).</p> <p>Calls to Dynamic may be recorded.</p>

4. OVERVIEW OF DYNAMIC

4.1 Business overview and assets

Dynamic is a supplier of various specialised drilling services as well as blasting services to clients in the mining and construction sectors in Western Australia. Dynamic operates under four segments:

- (a) Dynamic Drill & Blast Pty Ltd – provides drilling and blasting services to clients in the mining and construction industry, within a range of commodity sectors including iron ore, lithium and gold. Dynamic also undertakes short term specialised drilling and blasting projects.
- (b) Orlando Drilling Pty Ltd (acquired in 2021) – provides grade control, exploration and resource definition drilling services to the mining industry, utilising its fleet of air core, reverse circulation and diamond drill rigs.
- (c) Welldrill (consists of two entities: PDC Drilling Pty Ltd and Delmoss Nominees Pty Ltd) (acquired in 2022) – provides water related drilling and services.
- (d) Airwell Flow Testing (acquired in 2024) – provides geophysical logging and pump testing, and flow testing services.

Dynamic services a broad range of customers having provided services to such project owners as Rio Tinto, FMG, Galaxy Resources, Water Corporation, Atlas Iron, Mt Gibson Iron, Northern Star, First Quantum, Pilbara Minerals, Carey Mining, BHP, Liontown, Goldfields, Silver Lake, among others.

Dynamic enters into both short term and long term multi-year contracts. As at 31 March 2024, Dynamic has a total contracted order book of over \$172 million.

In the 9 months of the year to date up to 31 March 2024, Dynamic generated \$58.2 million in revenue and \$10.0 million in EBITDA (unaudited). As at 31 March 2024, Dynamic had a cash balance of \$6.5 million and gross debt of \$26.5 million (unaudited).

As at the Last Practicable Date, Dynamic fleet of rigs was comprised as follows:

Type	Business Unit	Number of rigs
Drill & Blast Rigs (Epiroc, Atlas Copco)	Drill & Blast	24 ⁽¹⁾
Reverse Circulation (Atlas Copco, Schramm)	Orlando	10
Aircore (Rotamec, Austex)	Orlando	2
Diamond (Atlas Copco)	Orlando	1

Type	Business Unit	Number of rigs
Water well (Fraste, Atlas Copco, Schramm)	Welldrill	8

Note: Of this number, one rig is leased to the Company pursuant to a lease agreement for a term of 36 months (commenced 1 August 2024).

4.2 Historical financial information

Dynamic's last published audited financial statements (audited by BDO Audit (WA) Pty Ltd) are for the financial year ending 30 June 2023 and were lodged with the ASX on 29 August 2023.

Dynamic's last published unaudited financial statements were for the half year ended 31 December 2023 and were lodged with the ASX on 28 February 2024.

Copies of these reports may be obtained from Dynamic's website at <https://www.dynamicgroupholdings.com.au/>.

4.3 Board and management

(a) Dynamic Board

As at the Last Practicable Date, Dynamic's Board of Directors comprised:

Name and position	Biography
Garret Dixon <i>Non-Executive Chairman</i>	<p>Garret is an experienced and accomplished senior executive with extensive experience in the resources, transport and contracting sectors in Australia and overseas. His work in both private and ASX listed companies spans more than three decades.</p> <p>Garret's career since graduation in 1981 includes time with a Federal Government construction department, Executive General Manager for civil construction and contract mining group Henry Walker Eltin Ltd, Managing Director of logistics company Mitchell Corporation, Managing Director & CEO of ASX listed Gindalbie Metals Ltd and Vice President Business Development for rail freight operator Aurizon. Until recently, Garret held the position of Executive Vice President Alcoa & President Bauxite where he was responsible for the global bauxite mining business for the NYSE listed Alcoa Corporation</p>
Matthew Freedman <i>Managing Director & Chief Executive Officer</i>	<p>Matthew is an experienced mining and mining services executive. Matthew's earlier roles include working for Rio Tinto, Worley Parsons and Emeco in the areas of project & contract management, procurement and business development.</p>

Name and position	Biography
Mark Davis <i>Non-Executive Director</i>	Mark has over 25 years' experience in the sector and has worked with Action Drill & Blast, Ausdrill and was part of the founding management team at Rock on Ground as Operations Manager. Mark was also Managing Director of MTD Drill & Blast Consulting providing specialised blasting expertise to Tier 1 operators.
George Garnett <i>Non-Executive Director</i>	George is an experienced corporate finance executive, having originated, advised on the formation and execution of numerous transactions in emerging companies. George has held senior roles within the Corporate Finance teams of Canaccord Genuity (Australia) Limited and Patersons Securities Limited.
Mark Hine <i>Non-Executive Director</i>	<p>Mark is a mining engineer and experienced Non-Executive Director and has extensive global mining experience with over 30 years of senior management roles in both surface and underground mining operations across Australia, New Zealand, Turkey, and China.</p> <p>Mark is currently a non executive director with St Barbara Limited and previously a non executive director with Perenti. Mr Hine graduated from the Western Australia School of Mines and is a member of the Australian Institute of Company Directors and the Australian Institute of Mining and Metallurgy.</p>

4.4 Substantial Shareholders

As at the Last Practicable Date or as otherwise known to the Company through substantial holding notices provided subsequent to the Last Practicable Date, the substantial holders of Dynamic Shares are as follows:

Shareholder	Number of Shares	Percentage¹
Australian Meat Industry Superannuation Pty Ltd (ACN 002 981 919) as trustee for Australian Meat Industry Superannuation Trust (ABN 28 342 064 803) trading as Australian Food Super	27,633,000	19.87%
Goldfire Enterprises Pty Ltd, Temorex Pty Ltd as trustee for Nitram Family Trust	18,197,919	13.09%
Joel Francis McKenna Skipworth as trustee for the Tigerdrill Trust	16,250,000	11.69%
Laurence Cowley Freedman, Valentino Holdings Pty Ltd as trustee for the Enrica Family Trust, Ganan Capital Pty Ltd	16,000,000	11.51%

Mark Davis, Jezac Pty Ltd as trustee for the MJAC SIVAD Family Trust	9,614,553	6.91%
Matthew Freedman, Rangehill Holdings Pty Ltd as trustee for the Calypso Family Trust	9,614,553	6.91%
David Matthew Kinnersley as trustee for the Milligan Trust	8,524,500	6.13%
Harvest Lane Asset Management Pty Ltd	7,148,223	5.14%

Notes:

1. Based on 139,039,899 Dynamic Shares on issue as at the Last Practicable Date.
2. The shareholdings listed above are as disclosed to the Company by Shareholders in substantial holding notices or as otherwise known to the Company. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to the Company, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above.

4.5 Historical trading prices

Dynamic Shares are listed on the ASX under the ticker 'DDB'.

Dynamic's trading price performance between August 2023 and July 2024 is illustrated below in Figure 1.

Figure 1 – Historical trading prices of Dynamic Shares (August 2023 to July 2024)



Event	Dynamic Share price
Last trading day prior to the announcement of the Offer	\$0.235
Last Practicable Date	\$0.290

Event	Dynamic Share price
Minimum Dynamic Share price in the three month period up to the Last Practicable Date	\$0.140
Maximum Dynamic Share price in the three month period up to the Last Practicable Date	\$0.295

4.6 Capital structure

As at the date of this Target's Statement, Dynamic had the following Securities on issue:

- (a) 139,039,899 fully paid ordinary Shares;
- (b) 4,126,781 Performance Rights; and
- (c) 3,446,000 Options with varying exercise prices and expiry dates, as detailed below:
 - (i) 562,500 Options exercisable at \$0.82 and expiring on 10 December 2024;
 - (ii) 423,500 Options exercisable at \$0.58 and expiring on 10 November 2025;
 - (iii) 395,000 Options exercisable at \$0.64 and expiring on 10 November 2026;
 - (iv) 395,000 Options exercisable at \$0.72 and expiring on 10 November 2027;
 - (v) 562,500 Options exercisable at \$0.92 and expiring on 10 December 2025;
 - (vi) 372,500 Options exercisable at \$0.69 and expiring on 25 November 2025;
 - (vii) 362,500 Options exercisable at \$0.62 and expiring on 25 November 2024; and
 - (viii) 372,500 Options exercisable at \$0.77 and expiring on 25 November 2026.

4.7 DDB Options and DDB Performance Rights

(a) DDB Performance Rights

Dynamic currently has 4,126,781 DDB Performance Rights on issue, comprised of:

- (i) 215,460 DDB Performance Rights issued prior to the Company's admission to the Official List of ASX, all of which have vested but remain unexercised as at the Last Practicable Date; and
- (ii) 3,911,321 DDB Performance Rights issued under the Company's Employee Securities Incentive Plan (**ESIP**).

Subject to the satisfaction of certain vesting conditions (if any), each Performance Right will be exercisable over one Dynamic Share. The relevant Dynamic Shares will be issued upon exercise of the Performance Rights for nil consideration.

Under the terms of the Dynamic ESIP, the Dynamic Board has a discretion to determine that some or all of the Performance Rights issued under the Dynamic ESIP will (amongst other things) vest where a change of control (which includes a takeover bid) occurs in relation to the Company, or the Dynamic Board determines that such an event is likely to occur. The Board has not yet exercised its discretion in respect of the unvested DDB Performance Rights but intends to make a decision as to vesting during the Offer Period having regard to acceptances under the Offer at that time. For the avoidance of doubt, the Board reserves the right to determine the manner in which the unvested Performance Rights will be dealt with in accordance with the terms of the ESIP.

The Offer does not extend to the DDB Performance Rights, but it does extend to Dynamic Shares that are issued on the exercise of the Performance Rights between 26 July 2024 and the end of the Offer Period. As a result, holders of such DDB Performance Rights will be entitled to participate in the Offer in respect of the Shares issued in connection with the vesting and exercise of those rights prior to the end of the Offer Period. Additionally, AFS has stated that if it becomes entitled to do so under the Corporations Act, it may give compulsory acquisition notices for (among others) any outstanding Dynamic Shares which are issued as a result of the vesting and exercise of DDB Performance Rights after the end of the Offer Period.

(b) **DDB Options**

Dynamic currently has 3,446,000 Options on issue with varying exercise prices and expiry dates. The Offer does not extend to the DDB Options, but it does extend to Dynamic Shares that are issued on the vesting and exercise of the Options between 26 July 2024 and the end of the Offer Period. As a result, holders of such DDB Options will be entitled to participate in the Offer in respect of the Shares issued in connection with the vesting and/or exercise of those Options prior to the end of the Offer Period. Additionally, AFS has stated that if it becomes entitled to do so under the Corporations Act, it may give compulsory acquisition notices for (among others) any outstanding Dynamic Shares which are issued as a result of the vesting and exercise of DDB Options after the end of the Offer Period.

4.8 Recent Dynamic announcements

The following table lists Dynamic's announcements to the ASX since the lodgement of Dynamic's 2023 Annual Report on 29 August 2023.

Date	Description
05/08/2024	Becoming a substantial holder
26/07/2024	Dynamic Group acknowledges on-market takeover offer
26/07/2024	On Market Takeover Offer for Dynamic Group Holdings Limited
26/07/2024	Change in substantial holding
26/07/2024	Takeover Bid by Australian Meat Industry Super
18/07/2024	Change in substantial holding

Date	Description
18/07/2024	Change in substantial holding
12/07/2024	Becoming a substantial holder
30/04/2024	Operational Update & Contracts Secured
19/04/2024	Change of Auditor
9/04/2024	Change of Director's Interest Notice - MD – MF
9/04/2024	Notification of cessation of securities – DDB
8/04/2024	Change of Director's Interest Notice
5/04/2024	Cleansing Statement
5/04/2024	Application for quotation of securities – DDB
28/03/2024	Long Term Drill & Blast Contract Award
28/03/2024	Leadership Transition
29/02/2024	Cleansing Statement
29/02/2024	Notification regarding unquoted securities – DDB
29/02/2024	Application for quotation of securities – DDB
28/02/2024	Dynamic Corporate Presentation - First Half FY24 Results
28/02/2024	Appendix 4D and Half Year Financial Report
20/02/2024	Operations Update
19/02/2024	Completion of Airwell Flow Testing Acquisition
17/01/2024	Acquisition of Airwell Flow Testing
01/12/2023	Initial Director's Interest Notice
1/12/2023	Final Director's Interest Notice
29/11/2023	Appointment of Independent Non-Executive Director
29/11/2023	Notification regarding unquoted securities – DDB
15/11/2023	Results of Meeting
26/10/2023	Quarterly Update
11/10/2023	Letter to Shareholders
11/10/2023	Notice of Annual General Meeting/Proxy Form
15/09/2023	Date of AGM and Closing Date for Director Nominations

Date	Description
29/08/2023	Investor Presentation - FY23 Results
29/08/2023	Appendix 4G and 2023 Corporate Governance Statement

4.9 Further information

Further information about Dynamic is contained in electronic form on the Dynamic website at <https://www.dynamicgroupholdings.com.au/>.

5. IMPORTANT MATTERS FOR DYNAMIC SHAREHOLDERS TO CONSIDER

5.1 The Offer

AFS announced an on-market takeover offer to acquire all of the Dynamic Shares on 26 July 2024. A summary of the key features of the Offer is contained in Section 6 of this Target's Statement.

5.2 Sources of funds

As set out in section 7.2 of the Bidder's Statement, AFS will fund the Offer through its existing cash reserves.

AFS has stated that it has available to it cash reserves in excess of the maximum cash consideration required under the Offer, and therefore it will be able to pay the cash consideration including any relevant transaction costs pursuant to the Offer.

5.3 Your choice as a Dynamic Shareholder

Your Directors recommend that you **accept** the Offer, in the absence of a superior proposal. However, as a Dynamic Shareholder you have three choices currently available to you, which are detailed below.

The Board encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Dynamic Shares.

(a) Choice 1: Accept the Offer

You may choose to accept the Offer.

This is the approach recommended by all of your Directors, for the reasons set out in Section 1.2 of this Target's Statement.

Details of the payment that you will receive if you accept the Offer is set out in Section 6.2 as well as in the Bidder's Statement.

The reasons why you may not choose to accept the Offer are discussed in Section 2. If you accept the Offer, then you will not be able to participate any other competing proposal which may emerge, and you will not be able to sell your Dynamic Shares on market.

If you accept the Offer, then you may be liable for capital gains or income tax as a result of your acceptance. An overview of the taxation consequences for Shareholders of selling their Shares under the Offer is provided in section 8 of the Bidder's Statement.

(b) Choice 2: Sell your Dynamic Shares on market

During the Offer Period, you may sell your Shares through ASX for cash, provided you have not accepted the Offer or any other offer for those Shares (or, if you have accepted another offer, provided you have validly withdrawn that acceptance).

If you sell your Dynamic Shares on market, then you may receive the consideration for your Shares sooner than if you accept the Offer.

If you sell your Dynamic Shares on market, you will lose the ability to accept the Offer and receive the Offer Price of A\$0.28 per Share (and any subsequent increase in the Offer Price) in relation to those Shares pursuant to the Offer.

You should contact your broker for information on how to sell your Shares on ASX and your tax adviser to determine your tax implications from such a sale.

(c) Choice 3: Take no action

If you do not wish to sell your Shares on market and do not wish to accept the Offer, then you should take no action. Simply disregard the documents sent to you by AFS in relation to the Offer.

You should note that:

- (i) if you choose not to accept the Offer, then you will not receive any money from AFS unless AFS and its Associates have Relevant Interests of at least 90% of the Shares at the end of the Offer Period. In that event, AFS will become entitled to compulsorily acquire those Shares that it does not already own. AFS has stated that it may exercise this right (refer to Section 6.8 for further information regarding compulsory acquisition); and
- (ii) if AFS acquires more than 50% but less than 90% of the Shares, and you continue to hold Dynamic Shares, then you will be exposed to the risks associated with being a minority shareholder of Dynamic. Some of these risks are detailed in Section 5.7 of this Target's Statement.

5.4 Taxation consequences of accepting the Offer

Accepting the Offer may trigger taxation consequences for you. The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Offer are set out in section 8 of the Bidder's Statement.

You should carefully read section 8 of the Bidder's Statement and consider the taxation consequences of accepting the Offer. The outline provided in the Bidder's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

5.5 Risks of remaining a Dynamic Shareholder

There are a number of risks which are specific to Dynamic, and other risks which apply to investments generally, which may materially and adversely affect the future operating and financial performance of Dynamic and the value of Dynamic Shares. Those risks (and other risks) will continue to be relevant to Dynamic Shareholders who reject the Offer and retain their current investment in Dynamic. These risks will also continue to be relevant to all Dynamic Shareholders if the Offer is withdrawn in accordance with the Corporations Act. While some of these risks can be mitigated, some are outside the control of Dynamic and the Dynamic Directors and cannot be mitigated.

The major risks associated with an investment in Dynamic are summarised below. Dynamic identifies and actively manages the Company's material risks as part of its risk management governance framework and internal control systems.

Prior to deciding whether to do nothing, sell your Dynamic Shares on the ASX or accept the Offer in the present circumstances, you should carefully consider this Section 5.5 as well as other information contained in this Target's Statement. Before making a decision in relation to the Offer, you should also carefully consider the Bidder's Statement.

(a) **Implications of the Offer on the Company's material contracts**

A significant number of Dynamic's customer and financier contracts are subject to change of control and termination for convenience clauses which may be triggered if a change of control event takes place, effectively allowing the counterparty to terminate these contracts or require repayment of the debt facility. In the event any of these contracts are terminated, this may have an adverse effect on Dynamic's business, financial performance and position, results of operations and prospects.

(b) **Customer demand and outlook for the minerals exploration and mining industry**

Changes in the levels of mineral production, as well as mineral exploration and development, undertaken by mining and minerals exploration companies will impact Dynamic's business. A reduction in mining and exploration activities could cause a decline in the demand for mining services, which could in turn have an adverse effect on Dynamic's business, financial performance and position, results of operations and prospects.

Dynamic's revenues are associated with and influenced by long-term decisions of mine owners to continue producing at their current levels. Activity levels and results of operations are dependent on production levels at clients' mines and mining remaining economic to continue production at current mines. Growth is dependent on mine operators seeking to expand production at existing mines or bringing new mines into production.

The operations and financial results of Dynamic may be materially and adversely affected by declines in the price of gold, lithium and iron ore and other commodities. Commodity prices fluctuate widely and are affected by numerous factors beyond Dynamic's control, including the sale and purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing countries throughout the world.

Prevailing and projected commodities prices are a major influence on the mineral exploration, development and production activity levels, and planned expenditures, of Dynamic's customers. If the price of particular commodities falls below the level at which any client's project is profitable, the owner may suspend or close the project, in which case the mining services contract would likely be terminated. While there may be significant variation among projects as to the commodity price at which a project ceases to be profitable, in the event of a significant fall in the price of the relevant commodity, several projects may close around the same time. A fall in commodity pricing could also lead to a decrease in exploration activities. The exploration business is dependent on exploration drill campaigns. This, in turn, could lead to a

decline in demand for Dynamic's services, which may have a material and adverse effect on Dynamic's business, financial position, results of operations and prospects.

It is possible that the effects of any change of the kind described in this risk factor may be felt suddenly or immediately by Dynamic because, consistent with industry practice, its customer contracts are typically terminable at the discretion of the customer at any time.

(c) Contract renewals and termination

Dynamic's results from operations are directly affected by the activities and decision making of its clients, including the number of new contracts that are awarded to Dynamic, the extent to which existing contracts are extended or renewed and whether contracts on foot expire or are otherwise terminated.

Generally, in the mining industry, most contracts can be terminated by the customer for convenience at short notice and without penalty. As a result, there can be no assurance that work in hand will be realised as revenue in any future period.

If Dynamic is unable to perform its obligations under a contract in accordance with the terms of the contract or in line with the customer's expectations, there is risk that the contract will be terminated or not renewed. Any such performance issue may result in contract guarantees (where applicable) being relied upon by clients and could also adversely affect Dynamic's reputation in the marketplace, which could adversely impact the ability to secure new contracts.

(d) Increased competition from new and existing competitors

The mining services industry is competitive and may be subject to increasing competition. Due to this competition, there is a risk that Dynamic may not compete as successfully in the future as it has in the past.

Mining services contracts and drilling contracts are generally awarded following a competitive tender process. There is no assurance that Dynamic will be able to continue to win new work on terms which are acceptable to Dynamic. It is possible that Dynamic may lose business for various reasons which could include Dynamic being unable to demonstrate reliable performance, technical competence or competitive pricing as part of the tender process, or if its customers elect not to undertake a competitive tender process.

In the context of increased competition, it is difficult to predict whether and when new contracts will be awarded due to multiple factors influencing how clients evaluate potential service providers. These include rates, qualifications, experience, reputation, technology, customer relationships, financial strength, and ability to provide the relevant services in a timely, safe, and cost-efficient manner.

Dynamic faces competition from a number of international, national and regional competitors. The fragmented nature of the industry in which Dynamic operates provides potential opportunities for competitors to consolidate, which may reduce any scale advantages that Dynamic enjoys. Customers may also choose to undertake the work themselves, rather than engage a third-party service provider to do the work. Any erosion of Dynamic's competitive position would have a material and adverse effect on Dynamic's business, operations, financial position and growth prospects.

The entry of additional competitors could result in a reduction of operating margins and loss of market share. This would adversely affect Dynamic's operations and financial performance.

(e) **Contract delay**

Dynamic's performance will be influenced by its ability to win new contracts and the successful commencement and completion of those contracts in a timely and efficient manner. Where new or existing contracts are delayed, the recognition of revenue and cash receipts for those contracts may be deferred to later accounting periods. This may adversely impact the financial performance and/or financial position of Dynamic.

(f) **Performance of new contracts**

New contracts typically underperform during their ramp up phase compared to mature contracts and may even operate at a loss for a period of time. This is due to additional expenses associated with mobilising equipment and labour, training, and the commitment of additional staff. Such operating issues are usually resolved within six months from the commencement of a new contract but can take longer depending on the mine plan and structure of the contract.

When work commences under new contracts, a number of risks associated with the transition of mining operations from the owner or other mining services company to the Company may result in unexpected costs for a period of time. These risks include delays in the delivery of equipment to site due to manufacturer or logistical constraints, shortages of skilled labour during contract start-up and unanticipated issues with mine infrastructure and ground conditions.

(g) **New contracts, tendering accuracy and pricing**

Dynamic's revenue will be dependent on winning new contracts, however the tender process and timing for performing these contracts are not within Dynamic's control.

Mining services contracts and drilling contracts are typically awarded following a tender process and the preparation of a tender document involves making certain assessments and assumptions about the work to be undertaken. Even for those projects that are not put out to tender, Dynamic must negotiate the pricing of the contract with the client.

When pricing for tenders, Dynamic utilises the extensive skills, knowledge and expertise of its personnel together with a structured approval process and work procurement practices, and to use all reasonable efforts to ensure that Dynamic's tender or proposal accurately reflects the scope of work with commensurate returns for the risks taken.

Despite this, there is a risk that a tender or proposal may not be accurately priced or scoped. If any of the assumptions made during modelling of the contract pricing subsequently turn out to be materially incorrect, then Dynamic could be locked into a long-term contract with unfavourable economics that could adversely affect its margins and results of operations. There may be no right to renegotiate the contract with the client should the economics become unfavourable.

(h) **Business interruptions**

Dynamic operates in an industry where contract operations are vulnerable to the risk of interruption as a result of a variety of factors, many of which are beyond Dynamic's control. These factors include (but are not limited to):

- (i) environmental issues, including inclement weather, which may delay contract performance or result in a complete shutdown of a project;
- (ii) extreme weather events such as cyclones, heavy rainfall, floods or fire;
- (iii) global health epidemics and pandemics;
- (iv) geological instability, including strong seismic activity, landslides, mudslides, rock falls, cave-ins or unstable ground surfaces, or conditions that threaten to result in such an event;
- (v) regulatory intervention;
- (vi) delays in necessary approvals and permits;
- (vii) delays in necessary approvals and permits;
- (viii) supply bottlenecks or a scarcity of materials and equipment;
- (ix) equipment breakdowns or unavailability due to scheduled maintenance;
- (x) accidents or unsafe conditions;
- (xi) industrial relations issues (including potential labour shortages);
- (xii) variations to the nature or extent of contracted work;
- (xiii) an inability to access a customer's site for any other reason; and
- (xiv) an inability to source diesel fuel or water for our operations.

The manifestation of any such factors could adversely affect Dynamic's operations and productivity and may also cause a deferral or prevent receipt of anticipated revenues and/or result in Dynamic incurring additional costs. Such issues may ultimately have an adverse effect on the financial performance and/or financial position of Dynamic.

(i) **Access to equipment and drilling rigs**

Many of the drilling services that are intended to be provided by Dynamic require the use of purpose-built drilling rigs and equipment. There is a risk that Dynamic may have difficulty in gaining access to or obtaining the purpose-built rigs or equipment necessary to meet customer requirements, or adequate supplies of equipment at appropriate prices and in a timely manner, or that the quality of the available equipment may not be suitable for its intended use. There is also a risk that Dynamic may have difficulty gaining access to or obtaining the subcomponents necessary for Dynamic to manufacture its own drilling rigs. Any of these factors may constrain

Dynamic's ability to provide services and may ultimately have an adverse effect on its growth opportunities, financial performance and/or financial position.

Further, some mining services contracts may give the client an option (which may be exercisable on default or on termination for convenience) to purchase the equipment used to perform the mining services at an agreed market price. This means that a customer may terminate its contract with Dynamic and exercise an option to purchase the equipment. The price at which equipment can be purchased by a client in these circumstances will generally vary according to the particular contract, but will often be the greater of the equipment's market value or the written down value. Even if the purchase price is above market value for such equipment, this may have an adverse impact on Dynamic's revenues and profits given the substantial lead time to obtain new equipment. This may reduce Dynamic's available fleet of unutilised equipment to service other clients.

(j) **Key personnel**

Dynamic depends on the experience and expertise of its key personnel to oversee the day-to-day activities of Dynamic and to implement its strategic plans. There is a risk that Dynamic may lose the service of one or more of its key personnel and be unable to replace them or do so on terms that are equivalent to existing arrangements. Business operations and the ability to implement the strategies could be materially disrupted.

If one or more of Dynamic's key personnel were to exit the business, Dynamic's capacity to effectively compete with its competitors may be impaired and its financial results may be adversely affected, potentially to a material extent.

(k) **Ability to retain and attract appropriately skilled labour in competitive labour market**

Dynamic's ability to remain productive, profitable and competitive, and to affect its planned growth initiatives will depend on Dynamic's ability to attract and retain appropriately skilled and experienced personnel.

Specific factors that affect Dynamic's ability to attract and/or retain such personnel include:

- (i) the remote geographic location of some of Dynamic's mining services projects, which will necessarily involve employees enduring harsh working conditions and travelling significant distances to service the needs of Dynamic's clients. The nature of these working conditions and travel requirements can give rise to industry wide labour shortages to which Dynamic is exposed and which may make it challenging to recruit employees with relevant industry and technical experience who are willing to relocate, "fly in and fly out" from a city to a remote location, or otherwise endure such conditions. An increase in utilisation of rigs may further tighten the labour market in key regions due to a shortage of skilled labour;
- (ii) the tightening of the labour market in key regions due to a shortage of skilled labour, together with the high industry turnover rate and the significant competition to recruit appropriately skilled and experienced personnel; and

- (iii) a failure to attract appropriately skilled and experienced personnel, or an inability to deploy such personnel at customers' sites for any other reason, may have a material and adverse impact on the financial performance, financial condition, cash flows, operations and growth prospects of Dynamic, and in particular its ability to expand its business.

Changes to labour laws, regulations and enforcement policies (including, for example, in relation to maximum hours of service rules) may also limit productivity and increase costs of labour. Any increases in remuneration paid to personnel will impact Dynamic's profit margins if Dynamic is unable to pass on those increases to its customers.

(l) **Health and safety**

Site safety and occupational health and safety outcomes will be critical to the reputation of Dynamic and its ability to be awarded contracts in the mining services sector. A serious site safety incident (including those pertaining to physical and psychosocial safety) or deterioration in Dynamic's health and safety record could harm relationships with clients, make it less likely for clients to contract with members of Dynamic, and ultimately impact upon operations, reputation and brand, and financial outcomes for Dynamic.

Given the industry and environment in which Dynamic operates, industrial accidents may occur in the course of Dynamic's operations. The consequences of such an event could result in substantial liability for Dynamic, including as a result of claims brought against Dynamic. An incident of this nature could also result in injuries, loss of life, environmental harm, disruption to business activities and reputational and brand damage and could adversely affect the financial performance and/or financial position of Dynamic.

Operations are subject to a variety of general workplace and industry-specific health and safety laws and regulations. Failure to comply with health and safety laws and regulations could result in enforcement actions which could disrupt operations and result in monetary penalties or suspension or closure of operations altogether. Any significant governmental investigation or enforcement of health and safety requirements could damage Dynamic's reputation as a responsible mining services provider and employer. Customers place a premium on safety, and any reputational damage may have an adverse effect on the ability to win new contracts or retain existing contracts. A deterioration in Dynamic's safety record or reputation for providing employees a healthy and safe work environment could make it difficult to hire or retain skilled labour.

(m) **Capital and maintenance expenditure**

Dynamic requires access to sufficient capital to fund the maintenance and replacement of its fleet of rigs, plant and equipment and any future expansion of its fleet. A failure or inability to obtain sufficient capital on favourable terms may hinder Dynamic's ability to maintain and/or expand its fleet, and reduce Dynamic's competitiveness. This may have an adverse effect on the financial performance and/or financial position of Dynamic.

(n) **Finance**

Dynamic operates in a dynamic industry and there is the risk that Dynamic may need additional debt or equity funding. There can be no guarantee that such funding will be available to Dynamic on reasonable terms or at all. Any such failure to obtain funding on reasonable terms may adversely impact Dynamic's ability to meet its strategic objectives, and may result in a loss of business opportunity and/or excessive funding costs, including dilution to shareholders if equity funding is pursued.

Dynamic seeks to manage funding risk through a disciplined capital allocation process targeted at maintaining an appropriate capital structure and allocation of capital in accordance with Dynamic's capital management framework.

5.6 Not exhaustive

The above list of risk factors is not an exhaustive list of the risks relevant to Dynamic, its performance and the value of Dynamic Shares. These risks (and others not specifically referred to above) may materially affect the financial performance of Dynamic and the value of Dynamic Shares. In particular, additional risks and uncertainties not currently known may also have an adverse effect on Dynamic's business and the value of Dynamic Shares.

5.7 Bidder's intentions and minority ownership consequences

(a) **If AFS acquires 50% or less of Dynamic Shares**

If AFS owns or controls less than 50% of Dynamic Shares, it will not control Dynamic. However, it is possible that AFS will seek to use its voting power to influence decision making within Dynamic. The scale of such influence may depend on what Relevant Interest AFS ultimately has in Dynamic.

AFS has indicated at section 6.3 of the Bidder's Statement that if it acquires less than 50% of the Dynamic Shares, its intentions are to procure the appointment of an AFS nominee or nominees to the Dynamic Board.

AFS has also stated that it may not wish to participate in future capital raisings of Dynamic if it does not agree with the existing strategy of Dynamic, noting that it has reserved the right to make such decisions at the relevant time.

(b) **If AFS acquires more than 50% but less than 90% of Dynamic Shares**

As at the Last Practicable Date, AFS had a Relevant Interest in 19.87% of Dynamic Shares. If AFS acquires more than 50% but less than 90% of Dynamic Shares pursuant to the Offer, Dynamic Shareholders who do not accept the Offer (or otherwise sell their Shares on ASX) will remain minority shareholders in Dynamic. This has a number of possible consequences, including:

- (i) AFS will be in a position to cast the majority of votes at a general meeting of Dynamic. This will enable AFS to control the composition of the Board and senior management and control the strategic direction of the businesses of Dynamic and its Subsidiaries;
- (ii) the price of Dynamic Shares may fall immediately following the end of the Offer Period;

- (iii) the liquidity of Dynamic Shares may remain low, and there is a risk that Dynamic may not be eligible for inclusion in certain S&P/ASX indices due to lack of free float and/or liquidity in the future;
- (iv) there may be limited institutional support for Dynamic Shares;
- (v) there may be fewer analysts providing coverage of Dynamic Shares; and
- (vi) AFS has stated in the Bidder's Statement that it may consider the removal of Dynamic from the Official List of ASX with such consideration being subject to factors including (but not limited to) AFS' interest and voting power in Dynamic, the spread and volume of Dynamic Shareholders at the end of the Offer Period and whether all requirements to delist Dynamic can be satisfied.

The Offer Period may be extended in limited circumstances, further details of which are set out in Section 6.4 of this Target's Statement.

(c) If AFS acquires more than 75% but less than 90% of Dynamic Shares

If AFS acquires more than 75% but less than 90% of the Dynamic Shares all of the minority ownership consequences outlined in Section 5.7(a) will apply. In addition, if AFS acquires at least 75% of the Dynamic Shares it will be able to pass a special resolution of Dynamic.

This will enable AFS to, among other things, change the Dynamic Constitution.

(d) If AFS acquires more than 90% of Dynamic Shares

If AFS acquires more than 90% of Dynamic Shares, AFS will be entitled to compulsorily acquire any Dynamic Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer. AFS has also indicated in section 6.5(a) of its Bidder's Statement that, if it acquires more than 90% of the Dynamic Shares, it may seek to compulsorily acquire any outstanding Dynamic Shares. See Section 6.8 of this Target's Statement for further details.

AFS has stated in its Bidder's Statement that upon acquiring 100% of Dynamic Shares, it may seek to change the status of Dynamic from a public company to a proprietary company.

5.8 ASX delisting

AFS has stated in sections 6.4 and 6.5 of its Bidder's Statement that (respectively):

- (a) if AFS acquires less than 90% of Dynamic Shares but 50.1% or more of Dynamic Shares, it may consider the removal of Dynamic from the Official List of ASX with such consideration being subject to factors including (but not limited to) AFS' interest and voting power in Dynamic, the spread and volume of Dynamic Shareholders at the end of the Offer Period and whether all requirements to delist Dynamic can be satisfied; and
- (b) if AFS acquires 100% of the Dynamic Shares, AFS may seek to have Dynamic removed from the Official List of ASX.

6. KEY FEATURES OF THE OFFER

6.1 The Offer

AFS is offering to acquire all of your Dynamic Shares.

AFS has appointed FinClear Execution Limited (ACN 061 751 102) to acquire Dynamic Shares on-market at the Offer Price.

The Offer is unconditional.

You may accept the Offer in respect of all or some of your Dynamic Shares.

6.2 Offer Price

AFS is offering A\$0.28 for every Dynamic Share that you hold.

6.3 Offer Period and acceptance

Unless the Offer is extended or withdrawn in accordance with the Corporations Act, it is open for acceptance from 10:00am (AEST) on 9 August 2024 until 4:00pm (AEST) on 9 September 2024.

The circumstances in which the Bidder may extend or withdraw the Offer are set out in Sections 6.4 and 6.5 respectively of this Target's Statement.

As the Offer is an on-market takeover offer, AFS is required to instruct its broker to stand in the market and purchase Dynamic Shares at A\$0.28 per Dynamic Share during the Offer Period.

If you choose to accept the Offer, then your acceptance must be received by AFS before the end of the Offer Period.

6.4 Extension of the Offer Period

Pursuant to the Corporations Act, AFS may announce an extension to the Offer Period, or an increase in the Offer Price, at any time up until five trading days before the end of the Offer Period.

An extension to the Offer Period may only be announced during those last five trading days of the Offer Period in limited circumstances prescribed by the Corporations Act, in particular if another person makes an offer under a takeover bid for Dynamic Shares.

AFS must extend the Offer Period if, within the last seven days of the Offer Period, AFS' voting power in Dynamic increases to more than 50%. If that happens, then the Offer must be extended so it ends 14 days after that event.

6.5 Withdrawal of the Offer

AFS may not withdraw the Offer if you have already accepted it.

AFS may only withdraw the Offer in respect of any unaccepted offers in the following circumstances:

- (a) with the written consent of ASIC and subject to the conditions (if any) specified in that consent;
- (b) where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence AFS' voting power in Dynamic is at or less than 50%; and
- (c) upon the occurrence of an Insolvency Event in relation to Dynamic.

Any withdrawal of the Offer must be announced to the ASX.

6.6 Effect of acceptance and any subsequent increase in Offer Price

Once made, an acceptance of the Offer cannot be withdrawn. If you accept the Offer and AFS subsequently improves the Offer Price, you will not be entitled to the benefit of that improved Offer Price. Similarly, if you accept the Offer, you will forfeit the opportunity to benefit from any superior offer made by another bidder for your Dynamic Shares, if a superior offer were to eventuate.

6.7 Timing for receipt of consideration for Dynamic Shareholders who accept the Offer

The usual rules for settlement of transactions which occur on-market with the ASX will apply in respect of acceptance of the Offer. This means that if you accept the Offer, settlement will occur for the A\$0.28 cash consideration for each Dynamic Share on a T + 2 basis (being the second trading day after the date of the transaction) in accordance with the ASX Settlement Operating Rules.

6.8 Compulsory acquisition

(a) Introduction

The Bidder has indicated in section 6.5(a) of its Bidder's Statement that if it satisfies the required thresholds, it may seek to compulsorily acquire any outstanding Dynamic Shares (including any Dynamic Shares issued after the end of the Offer Period as a result of the vesting and exercise of DDB Options and/or DDB Performance Rights), in accordance with the Corporations Act.

(b) Compulsory acquisition within one month after the end of the Offer Period

The Bidder will be entitled to compulsorily acquire any Dynamic Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer, if, during or at the end of the Offer Period, the Bidder and its Associates have a Relevant Interest in at least 90% (by number) of the Dynamic Shares.

If this threshold is met, the Bidder will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Dynamic Shareholders who have not accepted the Offer. Dynamic Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Dynamic Shareholder to establish to the satisfaction of a court that the consideration under the Offer is not 'fair value' for their Dynamic Shares.

Shareholders should be aware that if their Shares are acquired compulsorily they are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

(c) **General compulsory acquisition**

AFS' general compulsory acquisition rights may be triggered in the future even if AFS does not reach the 90% compulsory acquisition threshold described in Section 6.8(b) at the end of the Offer Period.

Under Part 6A.2 of the Corporations Act, AFS will be entitled to compulsorily acquire any Dynamic Shares if AFS (either alone or together with a related body corporate) holds full beneficial interests in at least 90% (by number) of Dynamic Shares at some time after the end of the Offer Period.

If this threshold is met, AFS will have six months after AFS becomes a 90% holder within which to give compulsory acquisition notices to the relevant Shareholders. The compulsory acquisition notices sent to the Shareholders must be accompanied by an independent expert's report and an objection form.

The independent expert's report must set out whether the terms of the compulsory acquisition give 'fair value' for the Shares concerned and the independent expert's reasons for forming that opinion.

If Shareholders with at least 10% of the Shares covered by the compulsory acquisition notice object to the acquisition before the end of the objection period (which must be at least one month), AFS may apply to the court for approval of the acquisition of the Shares covered by the notice. The costs incurred by any Shareholder who objects in legal proceedings in relation to the compulsory acquisition must be borne by AFS, unless the court is satisfied that the Shareholder acted improperly, vexatiously or otherwise unreasonably.

7. INFORMATION RELATING TO YOUR DIRECTORS

7.1 Interests and dealings in Dynamic Securities

(a) Interests in Dynamic Securities

The Dynamic Directors' Relevant Interests in Dynamic Securities as at the Last Practicable Date are detailed in the table below.

Director	Shares	Options	Performance Rights
Garret Dixon	925,556	-	-
Matthew Freedman	9,614,553	1,077,500	-
Mark Davis	9,614,553	1,235,000	-
George Garnett	1,598,614	316,540	335,460
Mark Hine	75,000	-	250,000

(b) Dealings in Dynamic Securities

No Dynamic Director has acquired or disposed of a Relevant Interest in any Dynamic Securities in the four month period ending on the date immediately before the date of this Target's Statement.

7.2 Interests and dealings in AFS and its related bodies corporate

(a) Interests in securities of AFS and related bodies corporate

As at the Last Practicable Date, no Dynamic Director had a Relevant Interest in the securities of AFS or a Related Body Corporate of AFS.

(b) Dealings in securities of AFS and related bodies corporate

No Dynamic Director acquired or disposed of a Relevant Interest in any securities of AFS or a Related Body Corporate of AFS in the four month period ending on the date of this Target's Statement.

7.3 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Dynamic or a related body corporate of Dynamic.

(b) **Agreements connected with or conditional on the Offer**

There are no other agreements made between any Dynamic Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Dynamic Securities.

(c) **Benefits from AFS or a related body corporate of AFS**

None of the Dynamic Directors has agreed to receive, or is entitled to receive, any benefit from AFS or a related body corporate of AFS which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Dynamic Securities.

(d) **Interests of Dynamic Directors in contracts with AFS or a related body corporate of AFS**

None of the Dynamic Directors has any interest in any contract entered into by AFS or a related body corporate of AFS.

8. ADDITIONAL INFORMATION

8.1 Material litigation

Dynamic does not believe that it is involved in any litigation or dispute which is material in the context of Dynamic and its Subsidiaries as a whole.

8.2 Changes in financial position

So far as is known to any Director, the financial position of Dynamic has not materially changed since 31 December 2023 (the date of Dynamic's latest financial report) and the date of this Target's Statement, except for expenditures by Dynamic of available cash in the ordinary course of business and otherwise as disclosed in this Target's Statement and in Dynamic's announcements to the ASX since 31 December 2023, other than as described elsewhere in this Target's Statement.

8.3 Transaction costs

As at the Last Practicable Date and based on current circumstances, Dynamic estimates that external takeover related costs (including legal and financial advisory fees) associated with the Offer will be between approximately \$810,000 (excluding GST).

8.4 Consents

The following persons have given and have not, before the date of issue of this Target's Statement, withdrawn their consent to be named in this Target's Statement in the form and context in which they are named.

Name of person	Named as	Report or statements
Hamilton Locke	Legal adviser	N/A
Sternship Advisers Pty Ltd	Corporate adviser	N/A
Automic Pty Ltd	Share Registry	N/A

Each of the above persons:

- (a) has not caused or authorised the issue of this Target's Statement;
- (b) does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with the person's consent.

As permitted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or the ASX (in compliance with the Listing Rules). Pursuant to this

Instrument, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Target's Statement.

If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) please contact Dynamic on 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia) between 8:30am and 7:00pm (AEST) Monday to Friday during the Offer Period. The copy will be provided within 2 business days of the request.

Additionally, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person;
- (b) is a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) is a correct and fair copy of, or extract from, a statement which has been published in a book, journal or comparable publication.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement also contains trading data obtained from IRESS without its consent.

8.5 Reliance on information obtained from AFS or public sources

The information in this Target's Statement about AFS has been prepared by Dynamic using publicly available information, including information in the Bidder's Statement, and has not been independently verified by Dynamic or its advisers. Accordingly, Dynamic does not, subject to the Corporations Act, make any representation or warranty, express or implied as to the accuracy or completeness of this information. The information on AFS in this Target's Statement should not be considered comprehensive. Please refer to the Bidder's Statement for further information in respect of AFS.

8.6 Continuous disclosure

Dynamic is a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Dynamic to notify the ASX of information about specified matters and events as they arise for the purposes of the ASX making that information available to participants in the market. In particular, Dynamic has an obligation under the Listing Rules (subject to limited exceptions) to notify the ASX immediately upon becoming aware of any information concerning it, which a reasonable person would expect to have a material effect on the price or value of the Shares.

Pursuant to the Corporations Act, Dynamic is required to prepare and lodge with ASIC and the ASX both annual and half yearly financial statements accompanied by a Directors' statement and report, with an audit or review report.

In addition, Dynamic will make copies of the following documents available for inspection at its registered office (between 9:00am and 5:00pm on Business Days):

- (a) the annual report for the financial year ended 30 June 2023;

- (b) the Constitution of Dynamic; and
- (c) any continuous disclosure document lodged by Dynamic with the ASX between the lodgement of its 2023 annual report on 29 August 2023 and the date of this Target's Statement. A list of these documents is included in Section 4.8 of this Target's Statement.

Copies of the documents are also available on the ASX website at www.asx.com.au and on Dynamic's website at <https://www.dynamicgroupholdings.com.au/>, or may be requested to be provided free of charge by contacting Dynamic on 1300 972 485 (within Australia) or +61 2 9068 1924 (outside Australia) between 8:30am and 7:00pm (AEST) Monday to Friday.

Copies of documents lodged with ASIC in relation to Dynamic may be obtained from, or inspected at, an ASIC office.

8.7 ASIC and ASX relief, modification and waivers

Dynamic has not been granted any relief, modifications or waivers by the ASX or ASIC in relation to this Target Statement or the Offer.

8.8 Other information

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

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

The Dynamic Board is of the opinion that the information that Dynamic Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- (a) 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);
- (b) the information which has been previously disclosed by Dynamic as a disclosing entity in accordance with its continuous disclosure and reporting obligations to the ASX and ASIC, including the information contained in the 2023 annual report;
- (c) the information contained in this Target's Statement.

The Dynamic Board has 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 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 statements contained in it.

In deciding what information should be included in this Target's Statement, the Dynamic Board has had regard to:

- (a) the nature of the Dynamic Shares;
- (b) the matters Dynamic Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of Dynamic Shareholders; and
- (d) the time available to Dynamic to prepare this Target's Statement.

9. DEFINITIONS AND INTERPRETATION

9.1 Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A\$	means Australian dollars.
AEST	means Australian Eastern Standard Time.
AFS or the Bidder	Australian Meat Industry Superannuation Pty Ltd (ACN 002 981 919) as trustee for Australian Meat Industry Superannuation Trust (ABN 28 342 064 803) trading as Australian Food Super.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given in the Corporations Act.
ASX	means the ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Settlement	means ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	mean the operating rules of ASX Settlement.
Bidder's Statement	means the bidder's statement dated 26 July 2024 lodged by AFS with ASIC in relation to the Offer.
Broker	means a person who is a share broker and a participant in CHESS.
CHESS	means Clearing House Electronic Sub-Register System which provides for electronic transfer, settlement and registration of securities in Australia.
CHESS Holding	has the meaning given to it in the ASX Settlement Operating Rules.
Controlling Participant	means the person who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
DDB Options	means an option to acquire a Dynamic Share.
DDB Performance Rights	means a right to acquire a Dynamic Share.

Directors	means the directors of the Dynamic.
Drill & Blast	means Dynamic Drill & Blast Pty Ltd (ACN 153 894 403), a Subsidiary of the Company.
Dynamic Board or Board	means the board of directors of Dynamic from time to time.
Dynamic or Company	means Dynamic Group Holdings Limited (ACN 640 888 213).
Dynamic Share	means a fully paid ordinary Share in the capital of the Company.
Dynamic Shareholder	means a holder of a Share in the Company.
ESIP	means the Dynamic Employee Securities Incentive Plan.
FinClear	means Finclear Execution Limited (ACN 061 751 102).
Insolvency Event	has the meaning given in the Bidder's Statement and which are set out below: <ul style="list-style-type: none"> (a) a liquidator or provisional liquidator of Dynamic or a subsidiary being appointed; (b) a court makes an order for the winding up of Dynamic or of a subsidiary; (c) an administrator of Dynamic, or of a subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act; (d) Dynamic or a subsidiary executes a deed of company arrangement; or (e) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Dynamic or a subsidiary.
Last Practicable Date	means 2 August 2024.
Market Participant	has the meaning given by the ASX Settlement Operating Rules.
Offer	means the offer by AFS to acquire all Dynamic Shares on the terms set out in the Bidder's Statement.
Offer Period	means the period that the Offer is open for acceptance.
Offer Price	means A\$0.28.
Prescribed Occurrence	has the meaning given in the Bidder's Statement and which are set out below: <ul style="list-style-type: none"> (a) Dynamic converting all or any of the Dynamic Shares into larger or smaller numbers of shares under section 254H of the Corporations Act; (b) Dynamic or any of its subsidiaries resolving to reduce its

share capital in any way;

- (c) Dynamic or any of its subsidiaries entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Dynamic or any of its subsidiaries issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option;
- (e) Dynamic or any of its subsidiaries issuing, or agreeing to issue, convertible notes;
- (f) Dynamic or any of its subsidiaries disposing or agreeing to dispose of the whole, or a substantial part, of its business or property;
- (g) Dynamic or any of its subsidiaries granting, or agreeing to grant, a security interest in the whole, or a substantial part, of its business or property; and
- (h) Dynamic or any of its subsidiaries resolving to be wound up.

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.
Section	means a section of this Target's Statement.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Target's Statement	means this document being the statement of Dynamic under Part 6.5 Division 3 of the Corporations Act.
VWAP	means volume weighted average price.

9.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

- (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a section is a reference to a section of this Target's Statement.
 - (vi) A term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules (as is appropriate to the context).
 - (vii) A reference to an agreement or document (including a reference to this Target's Statement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Target's Statement or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
 - (viii) A reference to a party to any agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
 - (xi) A reference to dollars or \$ is to Australian currency.
 - (xii) A reference to time is to time in Perth, Australia, unless stated otherwise.
- (c) All numbers in this Target's Statement, unless otherwise stated, have been rounded to two decimal places.