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Flight Centre Travel Group Limited

Independent Expert's Report

Opinion:
The Proposed Transaction is Fair and Reasonable

02 April 2026

FINANCIAL SERVICES GUIDE

Dated: 02 April 2026

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;

b) Arranging to deal in financial products in relation to securities; and

c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of Flight Centre Travel Group Limited ('Flight Centre' or 'the Company') in relation to the proposed divestment of its 47.01% stake in Pedal Group Pty Ltd ('Pedal' or 'the Group') by way of a selective share buyback from Pedal and direct share purchase by the Turner Family and/or related entities ('the Proposed Transaction').

Further details of the Proposed Transaction are set out in Section 4. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Proposed Transaction is 'fair and reasonable' to the non-associated Flight Centre shareholders ('the Non-Associated Shareholders') and has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Transaction. Other important information relating to this Report is set out in more detail in Section 3.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately $95,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Australia Limited, a parent entity of BDOCF. All directors and employees of BDO Australia Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Australia Limited, the person is entitled to share in the profits of BDO Australia Limited.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. While BDOCF has not provided any professional services to Flight Centre in the last two years, we note that related entities have provided professional services including BDO Services Pty Ltd providing forensic and advisory services and BDO Audit Pty Ltd providing treasury-related advisory support. Further, while BDOCF has not provided any professional services to Pedal in the last two years, we note that related entities have provided professional services including BDO Audit Pty Ltd acting as Pedal's external auditor, and BDO Services Pty Ltd providing accounting, taxation and advisory services.

The signatories to this Report do not hold any shares in Flight Centre and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints Resolution

Internal Complaints Resolution Process

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the BDO Complaints Policy available on our website.

Referral to External Dispute Resolution Scheme

BDO Corporate Finance is a member of Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited
Mail: GPO Box 3, Melbourne VIC 3001
Online Address: http://www.afca.org.au
Email: info@afca.org
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter Service: 131 450

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

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PART I: ASSESSMENT OF THE PROPOSED TRANSACTION

The Shareholders
C/- The Non-Associated Directors
Flight Centre Travel Group Limited
275 Grey Street
South Brisbane QLD 4101

02 April 2026

Dear Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Non-Associated Shareholders') of Flight Centre Travel Group Limited ('Flight Centre' or 'the Company') in relation to the proposed divestment of its 47.01% stake in Pedal Group Pty Ltd ('Pedal' or the 'Group') by way of a selective share buyback undertaken by Pedal and direct share sale to entities associated with the Turner Family ('Turner Consortium') ('the Proposed Transaction').

The Proposed Transaction is to be implemented pursuant to:

- A binding Share Sale Deed between Flight Centre, as seller, and the Turner Consortium, as purchaser(s) ('Share Sale Deed'); and
- A binding buy-back agreement between Flight Centre and Pedal in respect of a selective buy-back of shares held by Flight Centre ('Buy-Back Agreement'),

which are inter-conditional and are together referred to as the Transaction Documents.

Under the terms of the Transaction Documents, Flight Centre will dispose of all of its shares in Pedal for total cash consideration of $61.7 million ('Transaction Consideration'), comprising approximately $26.7 million payable under the Share Sale Deed and approximately $35.0 million payable pursuant to the Buy-Back Agreement. The deemed value per Pedal share, based on the Transaction Consideration, is $5.23 per share. Following completion of the Proposed Transaction, Flight Centre will cease to hold any equity interest in Pedal.

A more detailed description of the Proposed Transaction is set out in Section 4.

In this Report, BDOCF has expressed an opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to the Non-Associated Shareholders. This Report has been prepared solely for use by the Non-Associated Shareholders to provide them with information relating to the Proposed Transaction. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders including the Notice of Meeting and Explanatory Memorandum dated on or around 8 April 2026 ('the Notice of Meeting') in relation to the general meeting to be held on or around 14 May 2026 ('the Meeting').

2.0 Assessment of the Proposed Transaction

This section is set out as follows:

- Section 2.1 sets out the methodology for our assessment of the Proposed Transaction;
- Section 2.2 sets out our assessment of the fairness of the Proposed Transaction;
- Section 2.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- Section 2.4 provides our assessment of whether the Proposed Transaction is fair and reasonable to the Shareholders.

2.1 Basis of evaluation

This Report has been prepared for the purpose of meeting certain requirements of the Australian Securities Exchange ('ASX') Listing Rules (refer to Section 3.4 below).

The ASX Listing Rules do not provide guidance in relation to the definition of 'fair and reasonable'. In determining whether the Proposed Transaction is considered fair and reasonable we have had regard to the guidance provided by the Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111: *Content of Expert Reports* ('RG 111') and Regulatory Guide 76: *Related Party Transactions* ('RG 76'). RG 111 provides guidance as to what matters an independent expert report should consider to assist security holders to make an informed decision about transactions. RG 76 provides guidance on the operation of the related party provisions of the Corporations Act 2001 (Cth) ('the Corporations Act') and their interaction with the ASX Listing Rules.

RG 111 suggests that where an expert is to assess whether a related party transaction is 'fair and reasonable' for the purpose of complying with ASX Listing Rule 10.1, the assessment should not be applied as a composite test. That is, the expert should assess separately whether the transaction is 'fair' and whether it is 'reasonable'. The expert's report should explain how the particulars of the transaction were evaluated as well as the results of the examination and evaluation.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 2.2 and 2.3 below and concluded on our opinion of the Proposed Transaction in Section 2.4 below.

2.2 Assessment of fairness

2.2.1 Basis of assessment

RG 111 states that a related party transaction is fair if the value of the financial benefit to be provided by the entity is equal to or less than the value of the consideration being provided to the entity.

Under RG 111, in the case of the Proposed Transaction, the Transaction Consideration constitutes the consideration to be received by Flight Centre for the disposal of its 47.01% equity interest in Pedal.

In our view, it is appropriate to assess the fairness of the Proposed Transaction to the Non-Associated Shareholders as follows:

a) Determine the value of Flight Centre's 47.01% equity interest in Pedal;

b) Determine the value of the Transaction Consideration to be received by Flight Centre under the Proposed Transaction; and

c) Compare the value of a) above with the value determined in (b) to determine if the Proposed Transaction is fair.

In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Non-Associated Shareholders if the value determined in b) above (i.e. the Transaction Consideration) is equal to or greater than the value determined in a) above (Flight Centre's interest in Pedal).

2.2.2 Value of the Transaction Consideration to be received by Flight Centre under the Proposed Transaction

Under the Proposed Transaction, Flight Centre will dispose of its entire 47.01% equity interest in Pedal for $61.7 million (i.e. the Transaction Consideration), comprising consideration received under the Share Sale Deed and the Buy-Back Agreement.

For the purposes of this Report, we have adopted the face value of the Transaction Consideration as the value of the consideration to be received by Flight Centre. This value represents the financial benefit to be received by Flight Centre for the purposes of RG 111.

We note that the Transaction Consideration is payable entirely in cash and is not subject to any earn-out, scrip consideration or post-completion performance adjustments.

2.2.3 Value of Flight Centre's interest in Pedal

To assess the fairness of the Proposed Transaction, it is necessary to determine the value of Flight Centre's 47.01% equity interest in Pedal on a standalone basis.

For the purposes of this Report, we have undertaken a valuation of Pedal using methodologies we consider appropriate having regard to Pedal's operating performance, risk profile and industry context, including:

- An earnings-based multiple applied to Pedal's assessed maintainable earnings, with reference to comparable listed retail and wholesale distribution businesses; and
- Market-based valuation approaches, including reference to comparable company trading multiples and precedent transactions, where available.

These approaches have been applied to determine a valuation range for Pedal, which has then been used to derive the value of Flight Centre's 47.01% equity interest, having regard to the minority nature of the shareholding.

Our valuation of Pedal, and Flight Centre's interest in Pedal, is set out in Section 9 of this Report. For the purpose of this fairness assessment, we have adopted a value in the range of $49.7 million to $70.7 million for Flight Centre's 47.01% equity interest in Pedal.

We consider this range to reflect the value of Flight Centre's interest in Pedal on a going-concern basis, assuming a knowledgeable and willing, but not anxious buyer and seller acting at arm's length.

2.2.4 Assessment of the fairness of the Proposed Transaction

In order to assess the fairness of the Proposed Transaction, we have compared the value of the Transaction Consideration to be received by Flight Centre with the value of Flight Centre's 47.01% equity interest in Pedal. RG 111 provides that a related party transaction is fair if the value of the consideration received by the entity is equal to or greater than the value of the interest being disposed of.

Table 2.1 below summarises our assessment of the fairness of the Proposed Transaction.

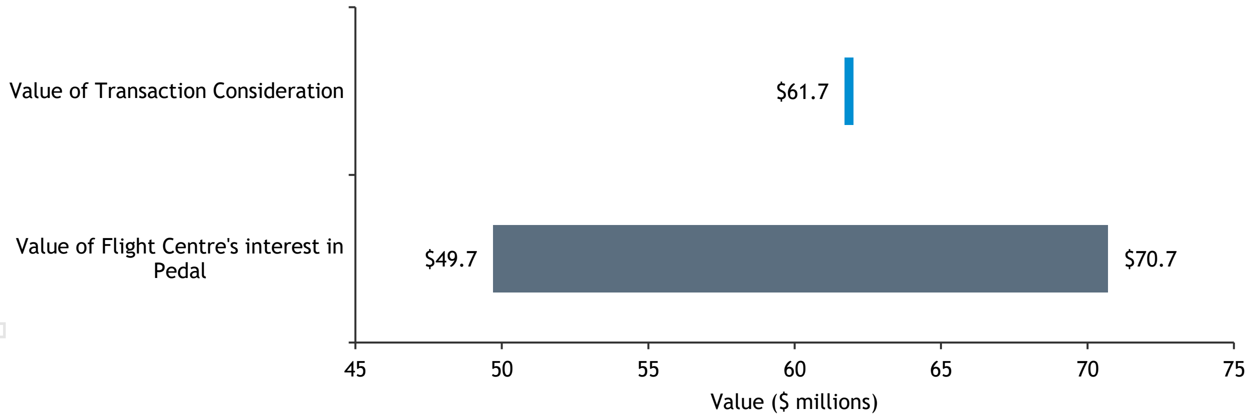
Table 2.1: Assessment of the fairness of the Proposed Transaction

	Low	High
Value of the Transaction Consideration	$61.7 million	$61.7 million
Value of Flight Centre's interest in Pedal	$49.7 million	$70.7 million

Source: BDOCF Analysis

To assist the Non-Associated Shareholders in visualising this comparison, Figure 2.1 below presents the respective valuation range and consideration to be received graphically.

Figure 2.1: Fairness of the Proposed Transaction



Source: BDOCF analysis

With reference to Table 2.1 and Figure 2.1, we note the Transaction Consideration of $61.7 million falls within the assessed market value range of $49.7 million to $70.7 million for Flight Centre's equity interest in Pedal.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is **Fair** to the Non-Associated Shareholders as at the date of this Report.

2.3 Assessment of reasonableness

2.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Proposed Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages approving the Proposed Transaction with the position of a Non-Associated Shareholder if the Proposed Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- Section 2.3.2 sets out the advantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 2.3.3 sets out the disadvantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 2.3.4 sets out the position of the Non-Associated Shareholders if the Proposed Transaction is not approved; and
- Section 2.3.5 provides our opinion on the reasonableness of the Proposed Transaction to the Non-Associated Shareholders.

2.3.2 Advantages of the Proposed Transaction

Table 2.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.2: Potential advantages of the Proposed Transaction

Advantage	Explanation
The Proposed Transaction is Fair	For the reasons summarised in Section 2.2.4 above, the Proposed Transaction is Fair to the Non-Associated Shareholders as at the date of this Report.
Certainty of value through all-cash consideration	The Proposed Transaction provides Flight Centre with immediate cash proceeds of $61.7 million. The consideration is payable entirely in cash and is not subject to earn-outs, scrip consideration or post-completion performance adjustments, providing certainty of value to Flight Centre.
Removal of exposure to Pedal's operating performance and simplification of group structure	Following completion of the Proposed Transaction, Flight Centre will no longer be exposed to the operating performance, capital requirements or business risks of Pedal. This includes removing exposure to a business operating in a different industry segment to Flight Centre's core travel operations, allowing Flight Centre to streamline its focus as a pure-play travel business. The Proposed Transaction also results in Flight Centre ceasing to have any equity interest in Pedal. This simplifies Flight Centre's corporate structure and removes ongoing governance, shareholder agreement and minority protection considerations associated with the investment.
Exit from a minority, non-controlling investment	Flight Centre is disposing of a 47.01% equity interest in Pedal, which does not confer control over strategic or operational decisions. The Proposed Transaction enables Flight Centre to exit a minority investment where its ability to influence strategy, capital allocation and distributions is inherently limited.
Release from guarantees, contingent obligations and insurance arrangements with Pedal	Under the Transaction Documents, completion of the Proposed Transaction is conditional on the release of Flight Centre from material seller guarantees, including guarantees in respect of leases, and supply arrangements. Completion is also conditional on Pedal being removed from Flight Centre's group insurance arrangements. These conditions reduce Flight Centre's contingent liabilities, insurance exposure and off-balance sheet obligations following completion.
Management focus on core operations and reallocation of capital to growth initiatives	The non-associated Flight Centre directors ('the Non-Associated Directors') considers its current shareholding in Pedal to be outside of Flight Centre's core operations. Completion of the Proposed Transaction will streamline the Company's portfolio and enable management to maintain a stronger focus on driving performance within Flight Centre's primary travel operations. The cash proceeds will also provide Flight Centre with the ability to redeploy capital into growth initiatives aligned with the Company's core strategy.

Source: BDOCF analysis

2.3.3 Disadvantages of the Proposed Transaction

Table 2.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.3: Potential disadvantages of the Proposed Transaction

Disadvantage	Explanation
Loss of future upside (if it materialises) and crystallisation of tax	Following completion of the Proposed Transaction, Flight Centre will no longer participate in any future growth, earnings or value creation associated with Pedal. If Pedal's performance exceeds expectations, the value realised under the Proposed Transaction may be lower than the value of continued ownership. Completion of the Proposed Transaction may result in the crystallisation of any taxable gain associated with Flight Centre's investment in Pedal.
Reinvestment risk	The ultimate benefit of the cash proceeds will depend on Flight Centre's ability to effectively redeploy the proceeds. If capital is redeployed into initiatives that do not generate returns commensurate with expectations, the benefits of the Proposed Transaction may be diminished.

Source: BDOCF analysis

2.3.4 Position of the Shareholders if the Proposed Transaction is not approved

Table 2.4 below outlines the potential position of individual Flight Centre shareholders if the Proposed Transaction is not approved.

Table 2.4: Position of Non-Associated Shareholders if the Proposed Transaction is not approved

Position of Shareholders	Explanation
Continued minority ownership of Pedal	If the Proposed Transaction does not proceed, Flight Centre would retain a 47.01% minority interest in Pedal. Flight Centre would continue to be exposed to Pedal's operating performance, capital requirements and business risks without having control over strategic, operational or capital allocation decisions.
Ongoing governance, contractual and relationship considerations	If the Proposed Transaction does not proceed, Flight Centre would remain subject to the Pedal shareholders' agreement and ongoing governance arrangements. This would continue to require management attention and limit Flight Centre's ability to unilaterally influence key decisions relating to Pedal.
Continued contingent liabilities, guarantees and insurance arrangements	If the Proposed Transaction does not proceed, Flight Centre may continue to be exposed to existing guarantees and contingent obligations in respect of Pedal, including guarantees relating to leases, insurance programs and other contractual commitments, until such time as alternative release arrangements are negotiated.
Uncertainty regarding timing and terms of any future exit	If the Proposed Transaction does not proceed, there is no certainty that an alternative transaction to dispose of Flight Centre's interest in Pedal would emerge in the near term, or that any future exit would be achieved on terms that are comparable or superior to the Proposed Transaction. Any future disposal may also be subject to different market conditions, valuation outcomes and execution risks.

Source: BDOCF analysis

2.3.5 Assessment of the reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is **Fair and Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, Shareholders must:

- Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 3;
- Consult their own professional advisers; and
- Consider their specific circumstances.

3.0 Important information

3.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Non-Associated Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting.

3.2 Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Non-Associated Shareholders as a whole. BDOCF has not considered the impact of the Proposed Transaction on the particular circumstances of individual Non-Associated Shareholders. Individual Non-Associated Shareholders may place a different emphasis on certain elements of the Proposed Transaction relative to the emphasis placed in this Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable in their individual circumstances.

The decision of an individual Non-Associated Shareholder to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances and accordingly, the Non-Associated Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Proposed Transaction is a matter for individual Non-Associated Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Non-Associated Shareholders should carefully consider the Notice of Meeting. Non-Associated Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

With respect to the taxation implications of the Proposed Transaction, it is strongly recommended that the Non-Associated Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

3.3 Scope

In this Report we provide our opinion on whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders.

This Report has been prepared at the request of the Non-Associated Directors for the sole benefit of the Non-Associated Shareholders entitled to vote, to assist them in their decision to vote in favour of or against the Proposed Transaction. This Report is to accompany the Notice of Meeting to be sent to the Non-Associated Shareholders to consider the Proposed Transaction and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Non-Associated Directors and the Non-Associated Shareholders without our written consent. We accept no responsibility to any person other than the Non-Associated Directors and the Non-Associated Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting or any other document associated with the Proposed Transaction. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Non-Associated Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act 2001 (Cth) ('the Corporations Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by ASIC, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- We have performed our analysis on the basis that the conditions precedent to the Proposed Transaction are satisfied;
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- All information which is material to the Non-Associated Shareholders' decision on the Proposed Transaction has been provided and is complete, accurate and fairly presented in all material respects;
- ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;

- If the Proposed Transaction is approved, that it will be implemented in accordance with the stated terms outlined in the Notice of Meeting;
- The legal mechanism to implement the Proposed Transaction is correct and effective;
- There are no undue changes to the terms and conditions of the Proposed Transaction or complex issues unknown to us; and
- A range of other assumptions as outlined in this Report have also been adopted in forming our opinion.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Proposed Transaction. Flight Centre has engaged other advisors in relation to those matters.

Flight Centre has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Non-Associated Directors, executives and management of all the entities.

3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.4.1 and 3.4.2 below.

3.4.1 Requirements of the Corporations Act

This Report has not been prepared for the purposes of meeting any requirements of the Corporations Act.

3.4.2 Listing requirements

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, a substantial holder or a related party without the approval of non-associated shareholders.

ASX Listing Rule 10.2 defines an asset as substantial if its value or the consideration for it is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity, as set out in the latest accounts given to the ASX in accordance with the ASX listing rules ('Substantial Asset'). Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company ('Substantial Holder').

According to ASX Listing Rule 19, the definition of 'acquire' includes increasing an economic interest.

Under ASX Listing Rule 10.5, where shareholder approval is sought for the purpose of complying with ASX Listing Rule 10.1, the notice of meeting distributed to shareholders in relation to the transaction must include a report prepared by an independent expert, which states the expert's opinion as to whether the transaction is fair and reasonable to the non-associated shareholders.

Shareholder approval under ASX Listing Rule 10.1 is required before the Company can proceed with the Proposed Transaction because:

- The Proposed Transaction involves the disposal by Flight Centre of shares in Pedal to entities associated with Mr Graham Turner and members of his family, which constitutes a disposal to related parties for the purposes of ASX Listing Rule 10.1.1; and
- The Proposed Transaction also involves a selective buy-back by Pedal (a child entity of Flight Centre) and therefore constitutes a disposal to a child entity for the purposes of ASX Listing Rule 10.1.2.

In addition, based on the latest accounts given to ASX, the aggregate consideration payable under the Share Sale Deed and the Buy-Back Agreement is $61.7 million, which exceeds the 5% Substantial Asset threshold (as set out in the Notice of Meeting) and therefore constitutes a Substantial Asset for the purposes of ASX Listing Rule 10.2

Flight Centre is therefore seeking shareholder approval under ASX Listing Rule 10.1, and this Report has been prepared to comply with the requirements of ASX Listing Rules 10.1, 10.1.3, 10.2 and 10.5, having regard to the Proposed Transaction.

3.5 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the Meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to Flight Centre. BDOCF is not responsible for updating this Report following the Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

3.6 Reliance on information

Flight Centre recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by Flight Centre, its management ('Management'), and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Proposed Transaction is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Non-Associated Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by Flight Centre (either by Management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Non-Associated Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, Flight Centre has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix A.

All dollar ('$') references in this Report are in Australian dollars unless otherwise stated.

3.8 Sources of information

This Report has been prepared using information obtained from sources including the following:

- Flight Centre annual report for the year ended 30 June 2023, 2024, and 2025;
- Flight Centre half year report for the 6-months ended 31 December 2025
- Pedal annual report for the year ended 2 July 2023, 30 June 2024, and 29 June 2025;
- Flight Centre ASX announcements;
- Pedal's Forecast Dashboard ('Pedal Dashboard') provided by Pedal as at 3 March 2026;
- Pedal's property valuation reports completed independently by Herron Todd White in June 2025 and February 2026;
- Pedal's Shareholder Agreement and Constitution;
- The Buy-Back Agreement;

- The Share Sale Deed;
- The Notice of Meeting;
- The Non-Binding Indicative Offer Term Sheet;
- Capital IQ;
- IBISWorld;
- Consensus Economics;
- MergerMarket;
- Other research publications and publicly available data as sourced throughout this Report;
- Various transaction documents provided by the Management of Flight Centre and their advisors; and
- Discussions and other correspondence with Flight Centre, Pedal, Management and their advisers.

3.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.10 Forecast information

Any forecast financial information referred to in this Report has originated from Management and is adopted by the Non-Associated Directors in order to provide us with a guide to the potential financial performance of Pedal. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecast may be material.

The Non-Associated Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that Management expect to occur and actions that Management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the party preparing the forecast. Evidence may be available to support the Non-Associated Directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by Management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by Management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of Management, that all material information concerning the prospects and proposed operations of Flight Centre has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), FCA, CFA, and Mr Birkett, BBusMan/BCom, CFA, are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd

Mark Whittaker
Director

Scott Birkett
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION

4.0 Overview of the Proposed Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- Section 4.1 provides a summary of the Proposed Transaction;
- Section 4.2 describes the key parties involved in the Proposed Transaction;
- Section 4.3 summarises the conditions precedent to the Proposed Transaction; and
- Section 4.4 details the rationale for the Proposed Transaction;

This section is a summary only and should not be treated as a complete description of the Proposed Transaction. The Non-Associated Shareholders should refer to the Notice of Meeting and any subsequent disclosures for additional information relating to the Proposed Transaction and the key parties involved.

4.1 Summary of the Proposed Transaction

4.1.1 Background

In September 2025, Flight Centre publicly confirmed that it had, together with the Turner family, engaged Grant Samuel to review future ownership options for Pedal and conduct a market process. The review primarily contemplated a partial sale, with Flight Centre to remain a minority shareholder of Pedal.

This process did not ultimately progress to a transaction.

4.1.2 Summary of the Proposed Transaction

On 28 January 2026, a consortium of existing Pedal shareholders associated with the Turner family (the 'Turner Consortium') delivered a non-binding indicative offer ('NBIO') to acquire 100% of the Pedal shares held by Flight Centre by way of a split structure comprising a share sale and selective buy-back ('the Proposed Transaction'). The split structure is detailed as follows:

- **Share Sale Deed:** The Turner Consortium will purchase 5,096,734 Pedal shares ('Sale Shares') from Flight Centre for consideration of $26.7 million pursuant to the Share Sale Deed; and
- **Buy-Back Agreement:** Pedal, in connection with the Share Sale Deed, will undertake a selective buy-back of 6,691,273 Pedal shares from Flight Centre ('Buy-Back Shares') for consideration of $35.0 million pursuant to the Buy-Back Agreement.

The total consideration to be received by Flight Centre under the Proposed Transaction will be fixed cash amount of $61.7 million ('Transaction Consideration'). Under the terms of the Share Sale Deed, the consideration for the Sale Shares is subject to a locked-box price protection mechanism, whereby the purchase price may be reduced for any non-permitted leakage occurring after 11 January 2026.

The Proposed Transaction will result in Flight Centre disposing of its entire shareholding in Pedal, representing 11,788,007 shares or approximately 47.01% of Pedal's issued capital. Completion of the Proposed Transaction is expected to occur on 15 May 2026, subject to the satisfaction of the conditions set out in Section 4.3 below.

Shareholders should refer to the Notice of Meeting and subsequent disclosures for more detailed information in relation to the Proposed Transaction.

4.2 Description of the key parties involved in the Proposed Transaction

This section provides a summary of the key parties set out in the Notice of Meeting.

4.2.1 Pedal

Pedal is an Australian cycling retail and wholesale business, operating primarily through the 99 Bikes retail network and the Advance Traders wholesale distribution business across Australia and New Zealand. Pedal operates a vertically integrated model, with activities spanning product sourcing, wholesale distribution, retail store operations, online channels and after-sales servicing (including workshop services).

Pedal also includes its property arm, Pedal Group Property ('PGP'), which owns and manages a portfolio of retail sites used within the broader Pedal group.

Further information in relation to Pedal is set out in Section 5.

4.2.2 The Turner Consortium

For the purposes of this Report, references to the Turner Consortium include entities associated with the Turner family that are participating in, or are relevant to, the Proposed Transaction. Based on information set out in the Notice of Meeting, the Turner Consortium comprises:

- Hootie Blowfish Pty Ltd (ACN 605 475 992) as trustee for the MF Turner Trust;
- Counting Crows Pty Ltd (ACN 659 478 485); and
- Gainsdale Pty Ltd (ACN 008 971 499) as trustee for the Turner Family Trust.

The Turner family founded the 99 Bikes business and later acquired the Advance Traders business and retains a substantial relevant interest and ongoing involvement with Pedal. Under the Proposed Transaction, the Turner Consortium will acquire all remaining shares held by Flight Centre that are not bought back under the Buy-Back Agreement. Following completion, the Turner Consortium (together with management shareholders) will hold 100% of Pedal's issued capital.

4.2.3 Mr Graham Turner

Mr Graham Turner is the Chief Executive Officer and a director of Flight Centre and is a member of the Turner family. He is also a shareholder of Pedal (directly and/or indirectly through associated entities), and accordingly has an interest in both Flight Centre (as vendor) and Pedal (as purchaser and continuing shareholder in the broader ownership group).

4.2.4 Mr Matthew Turner

Mr Matthew Turner is the founder of the 99 Bikes business and has held senior leadership roles within Pedal. Mr Matthew Turner is also a shareholder of Pedal (directly and/or indirectly through associated entities) and is associated with the Turner Consortium that will acquire Flight Centre's remaining interest under the Proposed Transaction.

Shareholders should note that Mr Graham Turner and Mr Matthew Turner are related (father and son). As a result, certain aspects of the Proposed Transaction involve parties who are associated with the Turner family, and the Notice of Meeting should be read carefully for details of those relationships, the relevant interests of the parties, and the basis on which the Proposed Transaction has been structured.

4.3 Key conditions of the Proposed Transaction

The Proposed Transaction is subject to certain conditions that are set out in full in the Notice of Meeting. In summary, these include:

- Approval by Flight Centre Shareholders of the Proposed Transaction for the purposes of ASX Listing Rule 10.1;
- Pedal entering into the Buy-Back Agreement and obtaining all necessary consents and approvals to undertake the selective buy-back;
- Pedal entering into the finance facilities required to fund the buy-back and satisfaction of lender conditions precedent to funding;
- Release of Flight Centre from material guarantees provided in respect of the obligations or liabilities of Pedal or its subsidiaries;
- Separation of Pedal from Flight Centre's insurance policies; and
- A determination that the sale of the Sale Shares is not required to be notified to the Australian Competition and Consumer Commission ('ACCC') or may otherwise proceed.

We recommend that Shareholders consider all conditions of the Proposed Transaction set out in the Notice of Meeting.

We understand that all conditions are expected to be satisfied before the targeted completion date of 15 May 2026.

4.4 Strategic rationale for the Proposed Transaction

The Non-Associated Directors of Flight Centre are of the view that the Proposed Transaction is in the best interests of Flight Centre and the Non-Associated Shareholders. The reasons for the Non-Associated Directors support of the Proposed Transaction are set out in the Notice of Meeting, and include:

- The Proposed Transaction provides a complete realisation of Flight Centre's investment in Pedal, enabling Flight Centre to monetise its 47.01% shareholding for a headline value of $61.7 million under a fixed-price structure supported by a locked-box mechanism.
- The exit allows Flight Centre to streamline its portfolio and refocus on driving performance within its primary operating business through growth initiatives.
- The Proposed Transaction facilitates Flight Centre's release from various operational exposures, including supplier guarantees, lease arrangements, insurance programs and other contingent obligations that were linked to its historical role as a strategic partner to Pedal.

5.0 Background of Pedal

This section is set out as follows:

- Section 5.1 provides an overview and background information on Pedal;
- Section 5.2 summarises the corporate structure of Pedal;
- Section 5.3 summarises the equity structure of Pedal;
- Section 5.4 summarises the historical financial information of Pedal.

5.1 Overview and background on Pedal

Pedal is Australia's largest bicycle company, established in 2008 as a joint venture between Flight Centre and the Turner family, led by founder Matt Turner. The company has grown from its origins in Brisbane into a multinational group operating across Australia, New Zealand and the United Kingdom. Pedal generated $334.1 million in revenue in 2025, highlighting its scale within the Sport and Camping Equipment Retailing sector.

Pedal operates through two primary business divisions:

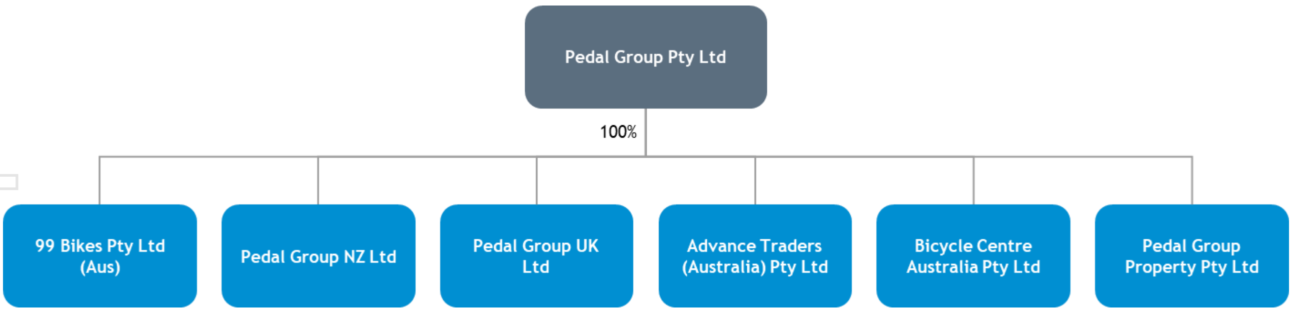
- The retail division, 99 Bikes, is Pedal's largest and most recognisable business. It operates more than 80 stores across Australia, New Zealand, and the United Kingdom, making it one of the largest specialist bicycle retailers in the region. Its retail outlets provide a full-service offering, including sales of bicycles, parts, accessories, and workshop services, catering to a broad range of customers from commuters to recreational riders and competitive cyclists. The scale of the 99 Bikes network gives Pedal broad market coverage and provides a consistent channel for products distributed through its wholesale business.
- The wholesale division, Advance Traders, complements 99 Bikes by importing and distributing a diverse range of global bicycle and accessory brands. It supplies both the 99 Bikes retail network and independent bicycle dealers across Australia and New Zealand, giving Pedal access to multiple distribution channels. Advance Traders handles a portfolio of well-known international brands across performance, commuter, and recreational categories, and its distribution footprint ensures product availability and supply chain efficiency across the Group's retail network. This wholesale capability reinforces Pedal's vertically integrated model by aligning supply, logistics, and retail demand across multiple markets.

Alongside its retail and wholesale businesses, Pedal maintains a property arm, Pedal Group Property, which owns and manages several retail sites.

5.2 Corporate structure of Pedal

Figure 5.1 below provides an overview of the corporate structure of Pedal.

Figure 5.1: Corporate structure of Pedal



Source: Pedal Management

1 All shareholdings are 100%

Having regard to the table above, we note:

- 99 Bikes Pty Ltd is the Group's core Australian retail business, operating a national network of company-owned bicycle stores supported by workshop servicing and accessories sales. It represents the largest revenue-generating entity in the Group.
- Pedal Group NZ Ltd is the Group's New Zealand retail and distribution subsidiary and manages the 99 Bikes NZ store network and associated wholesale activity. It operates at a smaller scale than Australia and has historically experienced greater earnings variability due to local market size, demand shifts and recent store rationalisation.
- Pedal Group UK Ltd is the Group's UK operating entity and holds the residual offshore activities and legacy brand/distribution arrangements. It has undergone restructuring and impairment in recent periods and contributes minimally to the Group's consolidated earnings.

- Advance Traders (Australia) Pty Ltd is the Group's principal Australian wholesale distribution business, supplying bicycles, parts and accessories to independent bicycle retailers. It operates through long-standing supplier relationships and represents the majority of the Group's wholesale revenue.
- Bicycle Centre Australia Pty Ltd is the entity supporting the Bicycle Centre dealer network, providing brand support, wholesale supply and dealer-program infrastructure to independently operated stores.
- Pedal Group Property Pty Ltd ('PGP') is the entity responsible for holding and managing the Group's property interests, including retail premises occupied by the 99 Bikes network. These assets support the Group's retail operations and form part of the broader operating infrastructure of Pedal.

5.3 Equity structure of Pedal

As at 2 March 2026, Pedal had 25,076,377 ordinary shares on issue. Table 5.2 below summarises the equity ownership of Pedal based on information provided by Management.

Table 5.2: Equity structure overview

Shareholder	Shares (#)	Shares (%)
Flight Centre Travel Group	11,788,007	47.01%
Turner Consortium[1]	9,102,850	36.30%
Pacific Custodians Pty Ltd	1,968,402	7.85%
Other shareholders	2,217,118	8.84%
Total	**25,076,377**	**100.00%**

Source: Pedal Management, BDOCF analysis

1 Turner Consortium includes Gainsdale Pty Ltd as trustee for Turner Family Trust (21.72%), Hootie Blowfish Pty Ltd as trustee for MF Turner Trust (14.04%) and Counting Crows Pty Ltd (0.54%)

Together, the Turner Consortium hold a combined 9,102,850 shares, equivalent to approximately 36.30% of Pedal's total shares on issue.

5.4 Historical financial information of Pedal

This section sets out the historical financial information of Pedal.

Pedal's financial statements have been audited by BDO Audit Pty Ltd ('BDO Audit'). BDOCF has not performed any audit or review of any type on the historical financial information of Pedal and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.4.1 Statements of profit or loss and other comprehensive income

Table 5.3 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of Pedal for the 12 month periods ended 2 July 2023, 30 June 2024 and 29 June 2025.

Table 5.3: Pedal's consolidated statement of profit or loss and other comprehensive income

$000's	Ref	Consolidated 12 months ended 2-July-2023 Audited	Consolidated 12 months ended 30-Jun-2024 Audited	Consolidated 12 months ended 29-Jun-2025 Audited
Sales	A	314,005	307,230	334,108
Cost of sales	B	(215,533)	(201,925)	(213,098)
Gross profit		**98,472**	**105,305**	**121,010**
Other income	C	5,355	4,990	3,010
Total other income		**5,355**	**4,990**	**3,010**
Operating expenses				
Employee benefits	D	(71,526)	(70,254)	(75,220)
Impairment of intangible assets	E	(1,885)	(2,052)	-
Marketing expenses	F	(5,142)	(4,944)	(3,678)
Net foreign exchange loss		(253)	(134)	(97)
Occupancy costs		(2,705)	(2,674)	(2,654)
Professional fees	G	(1,379)	(1,021)	(1,081)
Other expenses	H	(17,574)	(12,570)	(15,025)
Total operating expenses		**(100,464)**	**(93,649)**	**(97,755)**
EBITDA		**3,363**	**16,646**	**26,265**

$000's	Ref	Consolidated 12 months ended 2-July-2023 Audited	Consolidated 12 months ended 30-Jun-2024 Audited	Consolidated 12 months ended 29-Jun-2025 Audited
Depreciation and amortisation		(11,537)	(13,723)	(12,776)
EBIT		**(8,174)**	**2,923**	**13,489**
Net interest		(3,935)	(4,734)	(3,809)
NPBT		**(12,109)**	**(1,811)**	**9,680**
Income tax	I	(276)	(352)	(3,383)
NPAT		**(12,385)**	**(2,163)**	**6,297**
Other Comprehensive Income				
Exchange differences on translation of foreign operations		(220)	(168)	(369)
Total Comprehensive Income		**(12,605)**	**(2,331)**	**5,928**
Gross profit margin		*31.4%*	*34.3%*	*36.2%*
EBITDA Margin		*1.1%*	*5.5%*	*7.9%*
NPAT Margin		*(3.9%)*	*(0.7%)*	*1.9%*

Source: Pedal's FY23, FY24 and FY25 annual reports, BDOCF Analysis

Notes to Table 5.3

A

- Sales decreased from $314.0 million in FY23 to $307.2 million in FY24 (-2.2%), reflecting the normalisation of demand following the elevated levels seen during the COVID-19 pandemic. Revenue increased to $334.1 million in FY25 (+8.7%) as trading conditions improved and the store network continued to expand, now comprising 80+ locations.
- Wholesale sales at Advance Traders decreased from $57.0 million in FY23 to $49.1 million in FY24 (-13.9%) and to $39.8 million in FY25 (-6.8%). This reflects a normalisation after extraordinary COVID-driven demand, with the business reducing exposure to unprofitable brands to establish a more sustainable level of sales by FY25.
- Retail revenues for the 99 Bikes businesses were broadly stable moving from $243.7 million in FY23 to $243.0 million in FY24 (-0.3%). In FY25, retail sales grew to $277.8 million (+11.4%), which was largely driven by 99 Bikes Australia through store growth and strengthening consumer demand for electric bikes.
- Service revenue increased from $13.3 million in FY23 to $15.1 million in FY24 (+13.6%) and to $16.5 million in FY25 (+9.2%) reflecting workshop utilisation.

B

- Cost of sales decreased from $215.5 million in FY23 to $201.9 million in FY24 (-6.3%), reflecting lower inventory purchases and the clearance of excess stock accumulated during the pandemic period. Cost of sales increased to $213.1 million in FY25 (+5.5%), returning to levels more consistent with the pre-COVID period and broadly consistent with the increase in revenue in that year.
- Inventory obsolescence provisions also reduced from $4.3 million in FY24 to $3.6 million in FY25, indicating improved inventory quality and contributing to overall cost alignment.

C

- Other income primarily reflects non-sales revenue streams including government training grants, rental income, foreign exchange movements and other miscellaneous operating income. Movement in other income is primarily driven by large one-off and non-recurring items.
- Between FY23 and FY24, other income decreased from $5.4 million to $5.0 million, which was largely driven by the reduction in government grant income ($2.9 million to $529k) and partially offset by a reported $2.7 million gain on the sale of properties.
- In FY25, other income further declined to $3.0 million, driven by a further reduction in grant income and no gain from property sales reported in the period.

D

- Employee benefits remained relatively constant, decreasing from $71.5 million in FY23 to $70.3 million in FY24 (-1.8%), and increasing to $75.2 million in FY25 (+7.1%). This movement is consistent with additional staffing needs from retail network growth and wage inflation.

E

- Impairment expenses were $1.9 million in FY23 and $2.1 million in FY24, relating to the write-down of goodwill in the UK operations following store closures and restructuring activity.
- No impairment was recorded in FY25, as there were no further write-downs of intangible assets and the UK business reduced losses compared with prior years.

F

- Marketing expenses decreased from $5.1 million in FY23 to $4.9 million in FY24, and to $3.7 million in FY25. This reflected reduced post-COVID promotional activity and a shift towards more efficient, targeted digital advertising. Overall spend normalised after two years of elevated clearance-driven marketing.

G

- Professional fees declined from $1.4 million in FY23 to $1.0 million FY25, largely due to reduced use of external consultants in 99 Bikes Australia and internalising a prior contracted position in FY25.
- Additional reductions arose from lower legal costs as prior-year matters concluded, and a step-down in UK-related consulting spend following restructuring activities in FY23 and FY24.

H

- Other operating expenses decreased from $17.6 million in FY23 to $12.6 million in FY24, largely due to lower freight and storage costs as inventory levels normalised, reduced travel and entertainment expenditure following large FY23 events, and lower contractor and professional-services spending.
- In FY25, these costs increased to $15.0 million, driven by higher IT and subscription costs, increased merchant fees from higher retail transaction volumes, and elevated travel and consulting expenses.

I

- Income tax expense increased from $0.4 million in FY24 to $3.4 million in FY25, in line with the return to profitability and the impact of non-deductible items and unrecognised offshore tax losses.

5.4.2 Statements of financial position

Table 5.4 summarises the Consolidated Statement of Financial Position of Pedal as at 2 July 2023, 30 June 2024 and 29 June 2025.

Table 5.4: Pedal's summarised consolidated statements of financial position

$000's	Ref	Consolidated as at 2 July 2023 Audited	Consolidated as at 30 June 2024 Audited	Consolidated as at 29 June 2025 Audited
Current assets				
Cash and cash equivalents		9,498	9,838	10,339
Trade and other receivables	A	24,720	12,604	16,804
Inventory	B	106,833	79,104	87,345
Total current assets		**141,051**	**101,546**	**114,488**
Non-current assets				
Property, plant and equipment	C	53,652	50,262	56,697
Intangibles	D	3,151	980	541
Deferred tax asset		2,261	2,849	2,509
ROU Assets	E	24,581	28,904	64,352
Total non-current assets		**83,645**	**82,995**	**124,099**
Total assets		**224,696**	**184,541**	**238,587**
Current liabilities				
Trade and other payables	F	43,564	31,584	37,399
Borrowings	G	56,505	-	3,744
Lease liabilities	H	6,506	8,301	7,492
Provisions		3,006	2,967	3,180
Employee benefits		2,151	1,951	2,129
Tax payable		2,141	-	1,209
Total current liabilities		**113,873**	**44,803**	**55,153**
Non-current liabilities				
Borrowings	G	-	26,857	31,298
Lease liabilities	H	19,340	23,476	60,080
Employee benefits		497	451	568
Total non-current liabilities		**19,837**	**50,784**	**91,946**
Total liabilities		**133,710**	**95,587**	**147,099**
Net assets		**90,986**	**88,954**	**91,488**
Equity				
Reserves		(223)	(391)	(760)
Share capital		54,479	54,778	54,939
Retained earnings		36,730	34,567	37,309
Total equity		**90,986**	**88,954**	**91,488**

Source: Pedal's FY23, FY24 and FY25 annual reports, BDOCF Analysis

Notes to Table 5.4

A	▸ Trade and other receivables decreased from $24.7 million in FY23 to $12.6 million in FY24, then increased to $16.8 million in FY25. This was consistent with lower wholesale activity in FY24 and a recovery in trading activity in FY25. ▸ Trade debtors declined from FY23 to FY25 mainly due to lower wholesale activity as the business normalised post-COVID. Wholesale debtors reduced materially as Advance Traders Australia and Advance Traders NZ cycled down elevated independent bike dealer ('IBD') sales. ▸ Other Receivables increased in FY25, primarily due to higher rebate receivables as suppliers returned to normalised trading terms, along with the timing of credit notes and manual adjustments that had temporarily reduced the FY24 balance.
B	▸ Inventory consists of retail and wholesale stock on hand, stock in transit, and related stock margin reserve, rebate reserves and provisions. ▸ Inventory decreased from $106.8 million in FY23 to $79.1 million in FY24, before increasing to $87.3 million in FY25, aligning with replenishment after the reset of stock levels. ▸ Inventory levels were elevated during FY23 due to COVID-period over-ordering and supply chain delays, which resulted in higher provisioning and margin pressure as excess and aged stock was cleared at discounted prices. As this inventory was progressively sold and purchasing normalised, stock levels stabilised across FY24–FY25.
C	▸ PPE decreased from $53.6 million in FY23 to $50.3 million in FY24 before increasing to $56.7 million in FY25. This movement reflects property sale and purchases between each year, and ongoing store fit-outs, fixtures and equipment purchases. ▸ In FY25, the PPE balance increased as Pedal expanded its property portfolio and continued investing in retail store infrastructure.
D	▸ Intangibles decreased from $3.2 million in FY23 to $1.0 million in FY24, mainly reflecting the FY24 goodwill impairment in the UK business, and further decreased to $0.5 million in FY25. ▸ Intangibles remained low and stable across the period, with FY25 balances primarily representing Advance Traders NZ's distribution rights and small software, trademark and website assets.
E	▸ ROU assets increased from $24.6 million in FY23 to $28.9 million in FY24, and then increased materially to $64.4 million in FY25, following a lease-term reassessment across 53 store leases, which extended the recognised lease periods.
F	▸ Trade and other payables decreased from $43.6 million in FY23 to $31.6 million in FY24, reflecting a reduction in wholesale purchasing as Advance Traders Australia and Advance Traders NZ normalised ordering post-COVID, together with lower operational accruals following reduced inventory intake. ▸ In FY25, payables increased to $37.4 million, driven by higher retail purchasing as 99 Bikes network replenished stock and continued to fit out stores, along with the timing of general operating accruals.
G	▸ Current borrowings reduced materially from FY23 to FY24 as the Group paid down its short-term trade loan facilities following the clearance of excess COVID-era inventory. Current borrowings fell from $56.5 million in FY23 to nil in FY24, with improvements in stock levels and working capital freeing cash to retire short-dated debt. ▸ In FY25, current borrowings increased to $3.7 million, reflecting limited use of short-term facilities to support operational funding needs. ▸ Non-current borrowings increased from $19.3 million in FY23 to $26.9 million in FY24, and further to $31.3 million in FY25, driven by additional drawdowns on the Group's long-term property loan facilities, which are secured over assets within the PGP property portfolio.
H	▸ Current lease liabilities remained relatively stable across the period and primarily reflect the next 12 months of contracted lease payments. ▸ Non-current lease liabilities increased from $23.5 million in FY24 to $60.0 million FY25 as a result of the Group reassessing lease terms under AASB 16. Management determined it was 'more likely than not' that first option periods would be exercised across 53 store leases, leading to a remeasurement of lease liabilities and right-of-use assets. This change extended lease terms and increased the non-current lease liability balance. ▸ Additional movements reflect new store openings, annual lease escalations and the ongoing impact of sale-and-leaseback arrangements completed in prior years.

5.4.3 Statements of cash flows

Table 5.5 summarises Pedal's Statement of Cash Flows for the 12-month periods ended 2 July 2023, 30 June 2024 and 29 June 2025.

Table 5.5: Pedal's summarised consolidated statements of cash flows

$000's	Ref	Consolidated 12 months ended 2-July-2023 Audited	Consolidated 12 months ended 30-Jun-2024 Audited	Consolidated 12 months ended 29-Jun-2025 Audited
Cash flows from operating activities				
Receipts from customers (inclusive of GST)		350,402	345,247	365,192
Payments to suppliers and employees (inclusive of GST)		(334,964)	(309,286)	(347,674)
Interest received		163	224	221
Other income received		4,663	2,325	2,277
Interest and other finance costs paid		(4,098)	(5,012)	(4,030)
Income taxes refunded/(paid)		(3,142)	1,399	(1,562)
Net cash from operating activities	A	**13,024**	**34,897**	**14,424**
Cash flows from investing activities				
Payment for purchase of business, net of cash acquired		(7,163)	-	-
Payments for property, plant and equipment		(6,758)	(34,183)	(11,566)
Proceeds from disposal of plant and equipment		2,277	37,137	1,832
Net cash outflow from/(used in) investing activities	B	**(11,644)**	**2,954**	**(9,734)**
Cash flows from financing activities				
Proceeds from issue of shares		2,681	707	795
Proceeds from borrowings		11,850	-	8,185
Repayment of borrowings		-	(29,648)	-
Repayment of leases		(7,589)	(7,994)	(8,980)
Payments for share buy-backs		(1,616)	(408)	(634)
Business Ownership Scheme (BOS) Loans		(270)	-	-
Dividends paid		(2,402)	-	(3,555)
Net cash used in financing activities	C	**2,654**	**(37,343)**	**(4,189)**
Net increase in cash and cash equivalents		**4,034**	**508**	**501**
Cash and cash equivalents at beginning of the financial year		5,684	9,498	9,838
Effects of exchange rate changes on cash and cash equivalents		(220)	(168)	-
Cash and cash equivalents at the end of the financial year		**9,498**	**9,838**	**10,339**

Source: Pedal's FY23, FY24 and FY25 annual reports, BDOCF Analysis

Notes to Table 5.5

A

- Net cash generated from operating activities increased from $13.0 million in FY23 to $34.9 million in FY24, before declining to $14.4 million in FY25.
- The increase in FY24 was primarily driven by favourable working capital movements following the clearance of excess inventory accumulated during the COVID-19 period. As discussed in Table 5.4, inventory levels reduced materially from $106.8 million in FY23 to $79.1 million in FY24 as the Group sold through aged stock and moderated purchasing. This reduction in inventory purchases is reflected in lower payments to suppliers and employees, which declined from $335.0 million in FY23 to $309.3 million in FY24.
- As discussed in Table 5.4, trade and other receivables reduced materially from $24.7 million in FY23 to $12.6 million in FY24, reflecting lower wholesale activity to normalise post-COVID trading volumes. The release of working capital associated with these balance sheet movements contributed to the stronger operating cash flow outcome in FY24.
- Operating cash flows declined to $14.4 million in FY25 as working capital requirements increased alongside higher trading activity. As discussed in Table 5.3, Group revenue increased to $334.1 million in FY25 driven by retail store growth and stronger consumer demand for electric bikes. Consistent with this activity, inventory levels increased to $87.3 million and trade and other payables increased to $37.4 million, reflecting the replenishment of stock and increased purchasing across the retail network. These movements are reflected in higher payments to suppliers and employees of $347.7 million in FY25.

B	▸ Net cash used in investing activities moved from an outflow of $11.6 million in FY23 to an inflow of $3.0 million in FY24 before returning to an outflow of $9.7 million in FY25. ▸ The inflow recorded in FY24 was primarily driven by $37.1 million of proceeds from the disposal of plant and equipment, largely reflecting property disposals within the PGP property portfolio. These disposals were partly offset by $34.2 million of capital expenditure for property, plant and equipment. ▸ In FY25, investing cash flows returned to a net outflow as proceeds from asset disposals reduced to $1.8 million while the Group continued investing $11.6 million in property, plant and equipment. As discussed in Table 5.4, this investment reflects ongoing store fit-outs, fixtures and equipment purchases and continued investment in the Group's property portfolio supporting the 99 Bikes retail network.
C	▸ Net cash used in financing activities increased from an inflow of $2.7 million in FY23 to an outflow of $37.3 million in FY24 before moderating to an outflow of $4.2 million in FY25. ▸ The material outflow in FY24 primarily reflects the repayment of $29.6 million of borrowings. As discussed in Table 5.4, these repayments relate to the reduction of short-term trade loan facilities previously used to fund elevated inventory levels during the COVID-19 period. ▸ In FY25, financing cash outflows moderated as the Group drew $8.2 million in new borrowings, partly offsetting ongoing repayments of lease liabilities of $9.0 million and dividends paid of $3.6 million.

6.0 Background of Flight Centre

This section is set out as follows:

- Section 6.1 provides an overview and background information on Flight Centre;
- Section 6.2 summarises the equity structure of Flight Centre;
- Section 6.3 summarises the share market trading in Flight Centre shares; and
- Section 6.4 summarises the historical financial information of Flight Centre.

6.1 Background

Flight Centre is an ASX-listed global travel retailer and corporate travel manager (ASX: FLT), headquartered in Queensland, Australia. The Company operates across leisure travel retailing, corporate travel management, and travel-related supply and in-destination services.

Flight Centre delivers its services through a portfolio of consumer, corporate and wholesale brands operating in more than 20 countries across Australia, New Zealand, the Americas, Europe, the Middle East, Africa and Asia. The group provides end-to-end travel services including flights, accommodation, cruises, touring, travel insurance and ground transport through physical retail stores, contact centres and digital platforms. Flight Centre operates more than 30 travel brands globally, including Travel Associates, Scott Dunn, Iglu, Corporate Traveller and FCM Travel, and is recognised as one of the largest corporate travel managers globally.

6.2 Summary of Flight Centre Shareholders

As at 26 March 2026, Flight Centre had 208,608,422 ordinary shares on issue. The substantial shareholders are set out in Table 6.1.

Table 6.1: Substantial shareholders

	Shareholders	Number of Shares	Percentage Holding
1	Turner family and related associates[1]	16,947,162	8.12%
2	Citigroup Inc and its affiliates[2]	11,555,441	5.54%
3	James Management Services Pty Ltd	11,279,101	5.41%
4	Gehar Pty Ltd[3]	11,113,848	5.33%
5	JPMorgan Chase & Co and its affiliates[2]	10,711,568	5.13%
	Other shareholders	147,001,302	70.47%
	Total shares on issue	**208,608,422**	**100.00%**

Source: ASX Announcements, Top 25 Holders register, Management

1 Turner family and related associates includes Gainsdale Pty Ltd (7.95%) and Jilrift No. 2 Pty Ltd (0.17%)

2 Citigroup Inc and JPMorgan Chase & Co holdings reflect their most recent substantial holder notices lodged on the ASX (Citigroup: 3 March 2026, JPMorgan: 20 March 2026), rather than the Top 25 Holder register lodged to ASIC on 26 March 2026. This presents a more representative estimate of underlying beneficial ownership, noting that these entities act as custodians/prime brokers and their reported holdings may include client positions and derivative related interests.

3 Gehar Pty Ltd shareholding is based on the Top 25 Holders register as at 26 March 2026. The beneficial ownership of shares held by this entity outside of the Top 25 register was not included.

Having regard to the information set out in Table 6.1 above, we note:

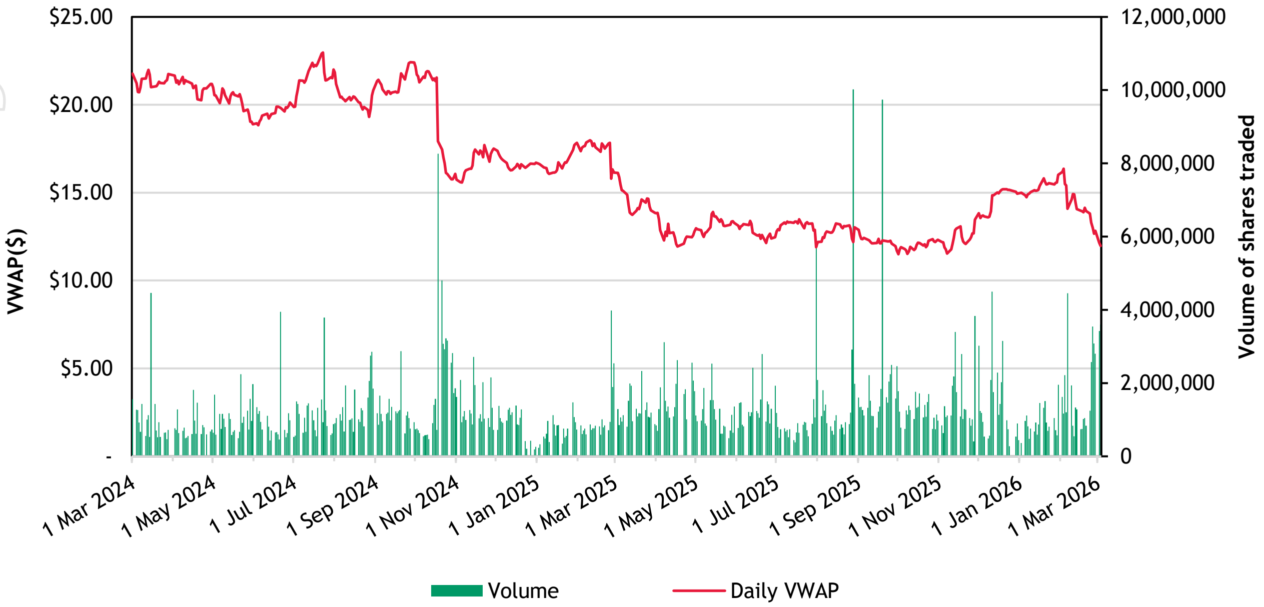
- Flight Centre had 208,608,422 ordinary shares outstanding, of which the top five substantial shareholders held approximately 29.53%; and
- As at 26 March 2026, the Turner family and related associates held 8.12% of Flight Centre's total issued capital.

We note, as at the date of this Report, Flight Centre's share buy-back program remains ongoing and may result in further changes to the number of shares on issue and the shareholdings reflected in Table 6.1 above.

6.3 Share trading data of Flight Centre

Figure 6.1 displays the daily volume weighted average price ('VWAP') and daily volume of Flight Centre shares traded on the ASX over the period 1 March 2024 to 3 March 2026.

Figure 6.1: Daily VWAP and volume of Flight Centre shares traded from 1 March 2024 to 3 March 2026



Source: *Capital IQ as at 3 March 2026, BDOCF analysis*

Over the period graphed in Figure 6.1 above, Flight Centre's daily VWAP displays a period low of $11.46 on 7 November 2025 and a period high of $23.01 on 23 July 2024.

6.4 Historical financial information of Flight Centre

This section sets out the historical financial information of Flight Centre. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Flight Centre's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

Flight Centre's financial statements have been audited by Ernst and Young Audit Pty Ltd ('EY'). BDOCF has not performed any audit or review of any type on the historical financial information of Flight Centre, and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

6.4.1 Statements of profit or loss and other comprehensive income

Table 6.2 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of Flight Centre for the 12 month periods ended 30 June 2023, 2024, 2025, and for the 6-month period ended 31 December 2025.

Table 6.2: Flight Centre consolidated statement of profit or loss and other comprehensive income

($ 000's)	Ref	12 months ended 30-Jun-2023 Audited	12 months ended 30-Jun-2024 Audited	12 months ended 30-Jun-2025 Audited	6 months ended 31-Dec-2025 Reviewed
Revenue	A	2,280,782	2,710,748	2,783,944	1,408,478
Other income		43,389	99,920	52,780	31,043
Share of profit / (loss) of joint ventures and associates		(4,084)	(2,435)	3,344	854
Employee benefits		(1,297,993)	(1,420,668)	(1,410,327)	(721,032)
Sales and marketing		(139,905)	(170,929)	(191,829)	(102,727)
Tour, hotel & cruise operations - cost of sales		(99,497)	(150,067)	(164,938)	(89,814)
Depreciation and amortisation		(142,093)	(159,326)	(149,390)	(78,159)
Finance Costs		(84,795)	(79,898)	(65,823)	(35,967)
Impairment reversal / (charge)		328	(39,850)	6,854	-
Other expenses		(485,673)	(567,787)	(651,994)	(326,106)
Profit before income tax		**70,459**	**219,708**	**212,621**	**86,570**

($ 000's)	Ref	12 months ended 30-Jun-2023 Audited	12 months ended 30-Jun-2024 Audited	12 months ended 30-Jun-2025 Audited	6 months ended 31-Dec-2025 Reviewed
Income tax expense		(23,047)	(80,553)	(104,437)	(26,071)
Profit after income tax	B	**47,412**	**139,155**	**108,184**	**60,499**
Total other comprehensive income / (loss)		40,389	(9,944)	68,787	(37,550)
Total comprehensive income		**87,801**	**129,211**	**176,971**	**22,949**

Source: *Flight Centre FY2023, FY2024, FY2025 Annual Reports and H1 FY26 Reports*

Notes to Table 6.2

A	▸ Revenue increased from $2.3 billion in FY23 to $2.7 billion in FY24 and then to $2.8 billion in FY25. The increase between FY23 and FY24 is the result of increasing Total Transaction Value ('TTV') across both leisure and corporate segments. TTV represents the price at which travel products and services have been sold across the Group's various operations before commissions and other revenue adjustments. ▸ The FY24 to FY25 increase was modest despite record TTV levels. This was primarily due to lower supplier super-override income and a shift in sales growth toward lower-margin channels, including Travel Money, Ignite and Independent agents. While cruise and tour volumes increased during the period, their contribution to overall margins differed from the Group's core retail channels.
B	▸ Profit after income tax increased from $47.4 million in FY23 to $139.2 million in FY24, reflecting approximately a 193% uplift. This was driven by strong post-pandemic recovery in travel demand, improved operating margins and record operating cash generation. ▸ Profit after income tax decreased to $108.2 million in FY25, a 22% year-on-year reduction. This outcome reflects softer trading conditions during the year, including geopolitical tensions and macroeconomic uncertainty, together with lower supplier override income, which reduced overall profitability despite continued growth to TTV.

6.4.2 Statements of financial position

Table 6.3 summarises the Consolidated Statement of Financial Position of Flight Centre as at 30 June 2023, 2024, 2025, and 31 December 2025.

Table 6.3: Flight Centre's summarised consolidated statements of financial position

($ 000's)	Ref	As at 30-Jun-2023 Audited	As at 30-Jun-2024 Audited	As at 30-Jun-2025 Audited	As at 31-Dec-2025 Reviewed
Current assets					
Cash and cash equivalents	A	1,328,438	1,138,142	815,511	733,949
Financial asset investments		20,227	10,007	-	-
Trade debtors and other receivables		849,367	904,045	938,033	1,167,812
Other assets		432,008	430,399	418,259	478,881
Total current assets		**2,630,040**	**2,482,593**	**2,171,803**	**2,380,642**
Non-current assets					
Property, plant and equipment		66,653	62,599	70,987	77,507
Intangible assets		1,054,489	1,025,048	1,093,661	1,314,354
Right of use asset		196,531	201,472	228,089	309,116
Other assets		39,367	35,487	178,173	221,092
Investments in joint ventures and associates	B	45,599	43,164	44,859	45,711
Deferred tax assets		403,748	363,918	321,503	308,914
Total non-current assets		**1,806,387**	**1,731,688**	**1,937,272**	**2,276,694**
Total assets		**4,436,427**	**4,214,281**	**4,109,075**	**4,657,336**
Current liabilities					
Trade and other payables		1,684,600	1,765,626	1,643,621	1,815,488
Contract liabilities		71,997	90,994	95,455	110,512
Financial liabilities		71,194	301,799	220,887	157,088
Lease liabilities		81,869	80,752	81,689	73,804
Provisions		55,334	52,793	62,956	63,958
Current tax liabilities		2,295	5,336	6,802	4,938
Total current liabilities		**1,967,289**	**2,297,300**	**2,111,410**	**2,225,788**

($ 000's)	Ref	As at 30-Jun-2023 Audited	As at 30-Jun-2024 Audited	As at 30-Jun-2025 Audited	As at 31-Dec-2025 Reviewed
Non-current liabilities					
Trade and other payables		2,930	2,154	61,994	87,639
Contract liabilities		27,077	32,135	79,107	57,116
Financial liabilities		1,087,766	473,792	418,987	803,911
Lease liabilities		177,554	173,813	182,195	270,934
Provisions		27,335	26,086	26,650	24,643
Deferred tax liabilities		9,979	5,798	5,106	4,695
Total non-current liabilities		**1,332,641**	**713,778**	**774,039**	**1,248,938**
Total liabilities		**3,299,930**	**3,011,078**	**2,885,449**	**3,474,726**
Net assets		**1,136,497**	**1,203,203**	**1,223,626**	**1,182,610**
Equity					
Contributed equity		1,374,592	1,437,888	1,402,677	1,345,946
Treasury shares		(14,748)	(27,800)	(17,793)	(26,202)
Reserves		193,068	131,969	160,621	187,074
Retained profits / (accumulated losses)		(417,824)	(339,777)	(321,257)	(323,304)
Non-controlling interests		1,409	923	(622)	(904)
Total equity		**1,136,497**	**1,203,203**	**1,223,626**	**1,182,610**

Source: *Flight Centre FY2023, FY2024, FY2025 Annual Reports and H1 FY26 Reports*

Notes to Table 6.3

A

- Cash and cash equivalents decreased from $1.3 billion in FY23 to $1.1 billion in FY24 and then to $815.5 million in FY25.
- The decline in cash over the period primarily reflects capital management initiatives undertaken by Flight Centre. In FY24, the Company spent approximately $489.0 million on financing activities, driven by $84.0 million on the buy-back of convertible notes, $252.1 million towards repayment of bank debt, and paid dividends of approximately $62 million to shareholders. These outflows were partly offset by operating cash inflows of approximately $421 million generated during the period.
- In FY25, the Company spent approximately $422.5 million on financing activities, driven by $197.6 million on the buy-back of convertible notes, $57.1 million on the on-market share buy-back program, paid $91 million of dividends to shareholders and made $129.6 million of net bank debt repayments. These outflows were partly offset by operating cash inflows of $139.2 million generated during the period.

B

- Flight Centre's investment in joint ventures and associates primarily comprise its interest in Pedal and its 50% interest in Evolve Travel Limited ('ETL'). As Flight Centre does not control these entities but instead has joint control or significant influence, the investments are accounted for using the equity method, whereby Flight Centre recognises its share of profit or loss in the income statement and the carrying value of the investment in the balance sheet rather than consolidating entities.
- The carrying value of these investments has remained relatively stable over the period, increasing from $43.2 million in FY24 to $44.9 million in FY25 and $45.6 million in H1 FY26. We note this is primarily driven by movement in the carrying value of Pedal, noting Flight Centre's investment in ETL has been held at its acquisition cost ($5k) since FY23.

7.0 Industry Overview

Flight Centre operates in the travel agency and tour arrangement services industry, which involves the retailing, coordination, and management of leisure and corporate travel, including flights, accommodation, tours, and related travel products.

While the Non-Associated Shareholders of Flight Centre are voting on the Proposed Transaction, the subject of the divestment is Pedal, which operates in the bicycle retail and wholesale industry. Accordingly, the industry overview in this section focuses on the bicycle industry in which Pedal operates, and in particular the Australian and New Zealand markets, as this provides the relevant context for assessing the value of the business interest being divested.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section.

This section should be referred to as a guide only.

7.1 Overview of the Global Bicycle Industry

The global bicycle market continues to expand as cycling becomes increasingly integrated into urban mobility, recreation and fitness behaviour. Grand View Research estimates the market size at USD 84.25 billion in 2025, with demand supported by rising adoption of bicycles for commuting, leisure and short-distance transport. The industry is projected to grow at a compound annual growth rate ('CAGR') of 10.1% between 2026 and 2033, driven by health-conscious lifestyles, environmental considerations and the broader shift towards active mobility. We note that this forecast relates to the broader global cycling ecosystem, including conventional bicycles, e-bike, cargo bikes and associated mobility trends across manufacturing and distribution channels and is driven by China's aggressive expansion into European nations to capitalise on market opportunities.[1]

Asia-Pacific remains the largest regional market, accounting for approximately 34.6% of global demand in 2025, supported by high population density and government investment in cycling infrastructure.[2] Major developed markets continue to support demand growth, albeit at more modest and stable growth rates consistent with mature consumer markets. The United States bicycle market was valued at USD 14.75 billion in 2024 and is projected to reach USD 24.28 billion by 2033, while the United Kingdom market generated USD 5.01 billion in 2025 and is forecast to expand steadily as adoption of electric and cargo bicycles increases.[3]

Notwithstanding this longer-term growth outlook, the industry experienced significant disruption during the COVID-19 pandemic. Demand surged globally as consumers shifted toward outdoor recreation and personal mobility, while supply chains faced shipping congestion and component shortages. Since 2022, demand has normalised and retailers have worked through excess inventories accumulated during the pandemic-era boom. At the same time, ongoing technological innovation, including advances in battery systems, lightweight materials and digital connectivity, continues to support the growing adoption of electric bicycles.

7.2 The Australian and New Zealand Bicycle Market

7.2.1 Australian Bicycle Market

Bicycle retailing in Australia, which includes repair services and the sale of parts and accessories, is a fragmented and mature industry with relatively low barriers to entry and moderate revenue volatility. As Australia has minimal domestic manufacturing capacity, most bicycles and components are imported, making industry performance sensitive to movements in the Australian dollar.

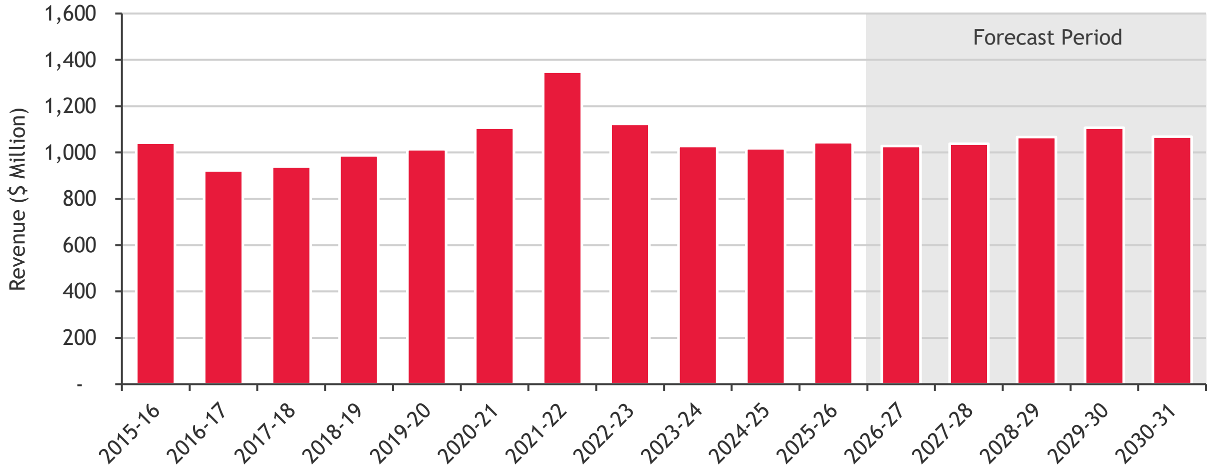
Participation remains a key demand driver. According to the 2025 National Walking and Cycling Participation Survey, approximately 4.1 million Australians cycle in a typical week, representing 15% of the population. The survey also identified a structural shift in bicycle usage, with approximately 43% of riders using bicycles for commuting or transport, up from 28% in 2023.[4]

Industry revenue reached approximately $1.0 billion in 2025, following a period of moderated demand between 2023 and 2025 as real household incomes weakened. Despite this slowdown, medium-term industry fundamentals remain supportive. Rising health awareness, continued investment in active transport infrastructure and growing adoption of electric bicycles are contributing to a more stable demand base. Industry revenue is projected to grow at an annualised 1.7% through 2030, reaching approximately $1.1 billion.[5]

Figure 7.1 below illustrates the historical and forecast revenue for the Australian bicycle retail industry.

1 Grand View Research, Bicycle Market Size, Share & Trends Report, 2025.
2 Grand View Research, Bicycle Market Size, Share & Trends Report, 2025.
3 Mordor Intelligence, United States Bicycle Market – Growth, Trends and Forecasts, 2025
4 Cycling and Walking Australia and New Zealand (CWANZ), National Walking and Cycling Participation Survey – National Report, 2025.
5 IBISWorld, Bicycle Retailing and Repair in Australia, 2025.

Figure 7.1: Australia Bicycle Retail Industry Revenue



Source: *IBISWorld, BDOCF Analysis.*

The figure shows that industry revenue increased steadily between 2015 and 2020, before rising sharply during 2021–2022 as pandemic-related restrictions drove increased demand for cycling as an outdoor recreational activity. Revenue subsequently declined in 2022–2023 as demand normalised and retailers worked through elevated inventory levels. Excess stock across the sector resulted in widespread discounting and margin pressure. Industry growth is expected to stabilise over the forecast period, reflecting the characteristics of a mature market.

In Australia, bicycle wholesaling forms part of the broader toy and sporting goods wholesaling industry, which is fragmented and in the declining stage of its lifecycle. Industry revenue is projected to grow at an annualised 1.8% over the five years to 2030, reaching approximately $5.5 billion. Wholesalers with narrower product ranges remain exposed to fluctuations in retail demand.[6]

7.2.2 New Zealand Bicycle Market

The New Zealand bicycle market is smaller but undergoing a steady post-pandemic adjustment. Overall bicycle consumption declined in 2025, marking the second consecutive year of contraction after demand peaked in 2022. Industry commentary attributes the decline to weaker household spending and the normalisation of pandemic-era purchasing behaviour.

Despite the broader slowdown, the electric bicycle segment remains a key growth area. The New Zealand e-bike market was valued at USD 44.24 million in 2025 and is projected to reach USD 58.96 million by 2031, representing a 4.9% CAGR. This growth is supported by government mobility initiatives, urban transport policies and declining lithium-ion battery costs.[7] Regulatory changes have also supported adoption. In 2025, amendments to transport regulations increased the permitted non-motor-vehicle power ceiling to 2,000 watts, expanding the range of compliant e-bike products available in the market.[8]

New Zealand's bicycle import market remains concentrated, with China, Taiwan, Germany, Indonesia and Cambodia accounting for the majority of imports in 2024. Overall market growth is expected to remain modest, with forecasts indicating approximately 2.9% annual growth through 2027, supported by stable commuter usage and increasing adoption of electric and hybrid bicycles.[6]

7.3 Competitive Landscape

The global bicycle market is fragmented, with several large international manufacturers including Accell Group NV, Trek Bicycle Corporation, Pon Holdings BV, Giant Manufacturing Co. Ltd and Specialized Bicycle Components Inc. Competition is increasingly focused on product innovation, particularly in the electric bicycle segment.

The Australian retail market is similarly fragmented. 99 Bikes held an estimated 21.9% market share in 2025, while Sheppard Cycles, operating through the MyRide retail network, held approximately 4.5%, with the remaining market shared among numerous independent operators. Following rapid expansion during the pandemic, Pedal experienced oversupply-related margin pressure, although demand for electric bicycles has supported a gradual recovery in trading conditions. The Australian bicycle wholesale market is also fragmented. BikeSportz is a leading distributor with more than 1,200 dealer accounts and over 25 brands, while Advance Traders distributes to more than 300 independent bicycle retailers nationally.

6 IBISWorld, Toy and Sporting Goods Wholesaling in Australia, Industry Report, 2025.
7 Mordor Intelligence, New Zealand E-bike Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031), 2025
8 Worksafe, Changes to Electricity Safety Regulations for electrical products, 2025.

The New Zealand market is led by Evo Cycles, the country's largest dedicated bike retailer with more than 30 stores nationwide, establishing it as a dominant national chain. Sheppard Cycles also holds significant influence through MyRide and large-scale wholesale distribution (Avanti Bikes). The broader market includes multi-category retailers such as Torpedo7, as well as 99 Bikes, which maintains a smaller New Zealand footprint relative to its Australian operations, alongside numerous independent specialty stores that contribute to a competitive but fragmented retail environment.[9]

7.4 Key Industry Trends

The bicycle industry across Australia and New Zealand is entering a structural transition driven by rapid electrification, growing investment in active-transport infrastructure, and the emergence of new mobility models.

E-Bike Market Surge: The e-bike market continues to outperform the broader bicycle category. Global e-bike sales reached over 40 million units in 2023, representing 15% of all bicycles sold worldwide, and are projected to reach 77 million units by 2030. In Australia, electric bicycles have emerged as the strongest structural growth segment. Industry analysts expect the Australian e-bike sector to reach national sales of approximately USD 1.3 billion in 2026, reflecting rapid consumer uptake and ongoing expansion of retail and online sales channels. Longer term forecasts suggest that annual e-bike sales in Australia could exceed 650,000 units by 2035, which aligns with broader shifts toward congestion reduction, emissions targets, rising fuel prices and increased health and lifestyle awareness. [10]

Post-Pandemic Demand Normalisation: The global bicycle industry experienced an unprecedented boom during the COVID-19 pandemic as consumers shifted toward outdoor recreation and personal mobility. Australia imported around 1.75 million bicycles in a single year during the pandemic surge, reflecting extremely strong demand.[11] However, since 2022 the industry has entered a correction phase as demand stabilises and retailers work through excess inventory accumulated during the pandemic boom. This adjustment has increased price discounting and intensified competition among retailers across Australia and New Zealand.

Infrastructure-Led Demand Growth: Government investment in cycling infrastructure is supporting long-term industry growth by encouraging active transport. Cycling advocacy organisations have proposed increasing federal infrastructure investment to around AUD 250 million per year to expand protected cycling networks and commuting corridors across Australian cities. In 2025, a national active transport fund of AUD 100 million was deployed to accelerate network expansion and improve commuter route safety.[12]

Micromobility Expansion: Cycling is increasingly integrated into the broader micromobility ecosystem, which includes e-scooters, shared e-bikes and short-distance mobility services. Shared e-bike services have expanded across many cities globally and are increasingly visible in Australian urban areas. This shift reflects changing urban mobility patterns where consumers prefer short-distance, low-emission transport options that complement public transport systems and reduce congestion.

Technology and Material Innovation: Technological improvements are accelerating adoption of both traditional and electric bicycles. Lithium-ion batteries now dominate the e-bike market, accounting for over 82% of e-bike battery systems in Australia, due to their higher efficiency, lighter weight and longer range compared with older battery types.[13]

Health, Fitness and Lifestyle Trends: Health and lifestyle factors continue to support cycling participation across Australia and New Zealand. Cycling contributes approximately $16.9 billion annually to the Australian economy, reflecting spending across bicycles, equipment, tourism and events.[14] Rising interest in outdoor recreation, mountain biking and cycling tourism is expanding demand for bicycles beyond commuting use, with regional trail networks and mountain bike parks attracting domestic tourism and encouraging greater participation in cycling activities.

9 BikeSportz Imports, Driving Growth and Innovation: Bicycle Wholesale in Australia, 2024
10 ElectroIQ, *Electric Bikes Statistics, 2025*.
11 Bicycle Industries Australia, A new record in bicycle numbers in Australia, 2021
12 Bike groups call for infrastructure boost, Bicycle Network Newsroom, 3 April 2025
13 Battery Stewardship Council, Battery Market Analysis, 2023
14 AusCycling, Scale of Cycling's Economic, Health and Environmental Benefits Revealed in WeRide Study, 2023.

8.0 Common Valuation Methodologies

8.1 Overview

RG 111 states that an expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies. However, RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

For the purposes of this Report we have had regard to the International Valuation Standards published by the International Valuation Standards Council ('IVSC').

There are three overarching valuation methodologies described by the IVSC as follows:

- Income approach methods
- Market approach methods
- Cost approach methods.

8.2 Basis of value

The basis of valuation we have adopted is 'market value'. Market value is defined by the IVSC as:

"…the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation work set out in this Report assumes this relationship.

8.3 Income approach

8.3.1 Discounted cash flow ("DCF") method

The DCF method is widely used in cases where future cash flows, while uncertain, can be reasonably forecast based on available data, industry trends, or strategic projections. This approach is particularly applicable when an asset or business may experience initial cash outflows (e.g. during development or expansion phases) with anticipated positive cash flows in later years as it matures or achieves commercialisation. The DCF method captures these varying cash flow profiles by discounting projected future cash flows to present value, enabling a comprehensive valuation of entities with both stable and dynamic cash flow expectations.

The DCF method involves several key steps:

- Select the appropriate type of cash flow (e.g., pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal) based on the nature of the subject asset.
- Determine the explicit forecast period, if applicable, over which cash flows will be projected. For assets at a stabilised level of growth and profits at the valuation date, an explicit forecast period may not be necessary, and a terminal value alone may form the basis of value (sometimes referred to as an income capitalisation method).
- Prepare cash flow projections for the explicit forecast period, aligning them with the asset's expected economic and operational performance.
- Calculate the terminal value, if appropriate, based on the asset's residual value or long-term growth rate beyond the forecast period.
- Determine the discount rate to reflect investor expectations of return, taking into account the specific risk characteristics of future cash flows and financing costs.
- Discount the projected cash flows and terminal value to present value using the selected discount rate.
- Adjust for non-operating assets or liabilities to ensure the final valuation reflects the entity's full financial position.

8.4 Market approach

8.4.1 Guideline comparable method

The guideline comparable method is a common market approach that values an asset by reference to market-based metrics from comparable companies or transactions. This method is particularly applicable when there is reliable data on similar businesses or transactions in the relevant market.

The guideline comparable method involves several key steps:

- Identify relevant valuation metrics or comparable evidence that reflect how participants in the market value similar assets. Common metrics in business valuation include revenue, Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'), Earnings Before Interest and Taxes ('EBIT'), net profit after tax, and book values, with the choice depending on the industry and characteristics of the business.

- Select comparable publicly traded companies and relevant transactions, calculating key valuation metrics for each. When limited comparable information exists, we may also consider prices of similar businesses listed or offered for sale.
- Conduct a comparative analysis of qualitative and quantitative similarities and differences between the selected comparable companies and the subject asset to identify relevant adjustments.
- Make necessary adjustments to valuation metrics, if required, to account for differences between the subject asset and comparable companies (e.g., size, growth prospects, or risk profile).
- Apply the adjusted valuation metrics to the subject asset to arrive at an estimated value.

Additional adjustments may be appropriate to reflect differences between actual historical cash flows and those expected by a buyer on the valuation date.

Where earnings-based metrics (e.g. EBIT or EBITDA) are used for comparison, this is often referred to as the capitalisation of maintainable earnings ('CME') method.

8.4.2 Share transactions

The share transactions approach values an entity based on recent transactions of its securities, providing an indication of market value when transaction data is available. This approach is particularly relevant in the following scenarios:

- For publicly traded entities, where share prices on an exchange can indicate market value, provided there is sufficient trading volume and a consistent trading history over time; and/or
- For entities with recent share issuances, such as rights issues or private placements, which can provide insight into the entity's perceived value.

Share market prices typically reflect transactions for minority interests and may not incorporate a premium for control.

8.4.3 Industry specific metrics

Industry-specific valuation metrics can be relevant when market participants commonly rely on alternative measures of value specific to the industry.

8.5 Cost based method

8.5.1 Replacement cost method

The replacement cost method values an asset based on the economic principle that a buyer would pay no more than the cost to acquire an asset with equivalent utility, either by purchase or by construction, assuming no undue time, inconvenience, or risk factors. This method calculates value by estimating the current replacement or reproduction cost of an asset and deducting allowances for physical deterioration and any other relevant forms of obsolescence.

The key steps in the replacement cost method are:

- Calculate all costs that a typical participant would incur to create or acquire an asset with equivalent utility.
- Assess depreciation due to physical, functional, or external obsolescence associated with the subject asset.
- Deduct total depreciation from the replacement cost to determine the asset's value.

When the replacement cost method is applied based on the book value of an entity's assets, it is often referred to as an asset based valuation ('ABV') methodology.

8.5.2 Summation method

The summation method is useful for valuing entities whose overall value primarily depends on the individual values of different assets at various stages of development, or with different risk profiles.

The key steps in the summation method are:

- Value each component asset within the entity individually, using appropriate valuation approaches and methods for each type of asset.
- Aggregate the values of all component assets to determine the total value of the entity.

9.0 Valuation of Pedal

This section sets out our valuation of the shares in Pedal and is structured as follows:

- Section 9.1 sets out our view of the most appropriate methodology to value Pedal;
- Section 9.2 sets out our valuation of Pedal having regard to a guideline comparable method;
- Section 9.3 sets out our guideline comparable method cross-check;
- Section 9.4 sets out our valuation of Flight Centre's interest in Pedal;
- Section 9.5 outlines the previous market process considered; and
- Section 9.6 sets out our conclusion on the value of Flight Centre's interest in Pedal for the purposes of this Report.

9.1 Our valuation approach for Pedal

We have considered the valuation methodologies outlined in Section 8 and are of the view that a guideline comparable methodology, applying an EV/EBITDA multiple to Pedal's maintainable earnings, represents the most appropriate primary valuation approach.

The guideline comparable method involves applying valuation multiples derived from comparable publicly listed companies and relevant transactions involving companies with similar operating characteristics.

In applying this methodology, we have assessed Pedal's maintainable EBITDA having regard to historical trading performance and adjustments required to reflect the earnings capacity of the business. An appropriate EV/EBITDA multiple is then applied having regard to the trading multiples of broadly comparable listed companies and transaction multiples observed in comparable sectors.

As a cross-check to the results derived from the guideline comparable methodology based on EV/EBITDA multiples, we have also considered the implied EV-to-sales ('EV/S') multiple of Pedal relative to the comparable companies identified.

For completeness we note that Pedal is not listed on a public exchange and therefore there is no observable share trading data available to indicate market value based on a share transactions methodology.

Finally, we note that Pedal's statutory EBITDA has increased from FY23 to FY25 as a result of the cycling industry's post-COVID inventory correction cycle. More recently, trading conditions have stabilised as inventory levels across the industry have normalised and supply chains have improved. Management expect this to continue through FY26 with trading to date broadly consistent with budget expectations. We note that Pedal's revenue levels reflect normalised consumer demand and gross margins have improved with supply chains stabilising.

While Pedal has experienced a recovery in earnings in recent periods, we note that the cycling industry has only recently emerged from a period of volatility associated with the pandemic. As a result, we consider that the preparation of long-term cash flow forecasts suitable for use in a DCF valuation would be subject to a higher degree of uncertainty. In our view, there are more appropriate valuation methodologies to apply to Pedal than a DCF.

9.2 Valuation of Pedal using a guideline comparable method

Our valuation of Pedal using the guideline comparable method is set out as follows:

- Section 9.2.1 sets out how we determined our adopted maintainable earnings figure for Pedal;
- Section 9.2.2 sets out our view on an appropriate multiple to adopt for Pedal;
- Section 9.2.3 sets out our calculation of the enterprise value of Pedal;
- Section 9.2.4 sets out our calculation of the equity value of Pedal on a controlling interest basis; and
- Section 9.2.5 sets out our conclusion to our calculation of the equity value of Flight Centre's holding in Pedal.

9.2.1 Adopted Maintainable Earnings

Earnings metric adopted

In our view, it is appropriate to adopt EBITDA as an earnings measure for the purpose of determining the market value of Pedal. We have adopted normalised EBITDA as opposed to other earnings measures for the following reasons:

- EBITDA is independent of the direct financial impacts of a company's capital structure and taxation position; and
- EBITDA assists in removing irregularities that may arise from differences in depreciation and amortisation accounting policies, including those that may arise from acquisition-related amortisation.

When calculating the maintainable earnings of Pedal, it is important to have regard to the earnings adopted for assessing the multiples derived from the identified broadly comparable trading and transaction data. In this regard, we note:

- Historical and forward-looking enterprise value EV/EBITDA trading multiples have been referred to for the broadly comparable listed companies; and
- Historical EV/EBITDA transaction multiples have been referred to for the broadly comparable transaction companies as forecasts are generally not available.

Pre-AASB 16 presentation of EBITDA

For the purposes of this Report, Pedal's earnings have been assessed on a pre-AASB 16 basis.

The adoption of AASB 16 results in operating lease expenses being reclassified from operating costs into depreciation and interest expense, which mechanically increases reported EBITDA without changing the underlying economics of the business. For retail businesses such as Pedal (through the 99 Bikes network), which operate extensive leased store networks, this accounting treatment can materially inflate EBITDA.

Presenting EBITDA on a pre-AASB 16 basis improves comparability between Pedal's earnings and the EV/EBITDA multiples observed for broadly comparable retail businesses and transactions, where market participants commonly assess earnings before the accounting effects of capitalising operating leases

Historical and forecast EBITDA

To determine an appropriate maintainable EBITDA for Pedal, we have considered the Group's historical financial performance between FY23 and FY25, together with Management's expectations for FY26.

In forming our view, we considered the consolidated financial performance of Pedal, together with the extent to which reported earnings were influenced by abnormal or extraordinary items that are not typical to the operations of the business. To assist in comparing financial periods on a like-for-like basis and assessing an appropriate level of maintainable earnings, we have considered adjustments to remove the financial impacts of items that are not representative of Pedal's underlying operations. These adjustments include, for example:

- The accounting impacts of AASB 16 lease treatment;
- Abnormal or extraordinary items and non-recurring items, including stock provisioning and inventory adjustments arising from the cycling industry's post-COVID inventory correction cycle;
- One-off income items, including government grants and other non-recurring income;
- Costs incurred above or below market rates, where applicable; and
- Earnings contributions relating to entities outside the adopted valuation perimeter.

Pedal's consolidated financial statements include a property holding entity, PGP, which owns properties leased to the Group's operating businesses. PGP primarily generates rental income from these properties. As the value of the underlying real estate is considered separately in our valuation as surplus assets, the earnings contribution of PGP has been removed from EBITDA. The effect of this adjustment is that arm's length rent expense is included in the EBITDA analysis (being the rent paid to PGP), and no property expenses that are incurred by the property owner are included as they all sit within PGP and have been removed.

This adjustment ensures that the maintainable earnings adopted in our valuation reflect the underlying operating performance of Pedal's retail and wholesale businesses, while the value of the property portfolio is considered separately as a surplus asset.

Pedal is responsible for the financial information presented. We have not performed any audit or review procedures on the financial information provided to us and make no statement as to the accuracy of the information. Our analysis has been limited to a critical analysis of the information provided and enquiry of Management.

Table 9.1 below summarises Pedal's historical EBITDA and the adjustments applied to derive normalised EBITDA.

Table 9.1 Pedal historical EBITDA and normalisation adjustments

($ 000's)	Ref	FY23	FY24	FY25
EBITDA from statutory accounts		**3,363**	**16,646**	**26,265**
AASB 16 adjustments	A	(6,889)	(9,237)	(10,686)
Unrealised Gain on UK Investment	B	(440)	-	-
Bank Charges	C	(356)	(359)	(323)
Other adjustments	D	(206)	(72)	(58)
Remove PGP Co Pty Ltd	E	(2,482)	(3,522)	(1,858)
Adjusted EBITDA		**(7,010)**	**3,456**	**13,340**
Government Grants	F	(2,542)	(43)	(105)
FY23 Leases - PG NZ & PG UK	G	(1,273)	-	-
UK Goodwill Impairment	H	1,884	2,029	-
Non-recurring costs	I	2,361	-	1,001

($ 000's)	Ref	FY23	FY24	FY25
Employee Share Plan Expense	J	1,732	511	489
Cancelled Customer Deposits	K	(561)	-	-
Gain / loss on Sales of Property & Assets	L	(292)	(1,797)	81
Change in Accounting for Make Good Provision	M	-	-	(307)
Unrealised FX Gains / Losses	N	250	136	(638)
Accounting reconciliations	O	(167)	(31)	29
Indicative Stock Normalisations	P	7,327	(2,981)	900
Normalised EBITDA		**1,709**	**1,280**	**14,790**

Source: Management, BDOCF analysis

Notes to Table 9.1

A
- AASB 16 adjustments remove the impact of AASB 16 lease accounting so that EBITDA reflects rent as an operating expense, rather than depreciation and interest expense. This aligns Pedal's earnings with a pre-AASB 16 basis, which is the standard approach for valuing retail businesses with leased store networks.

B
- Pedal's UK investment generates periodic unrealised gains and losses due to fair-value and foreign-currency movements. A $440k unrealised gain recognised in FY23 has been normalised out, as this non-cash remeasurement does not reflect operating performance.

C
- Bank fees and treasury-related items have been normalised from EBITDA as they relate to financing activity rather than underlying operations. These amounted to $356k in FY23, $359k in FY24 and $323k in FY25.

D
- Other adjustments in FY23 reflect statutory adjustments based on consolidation reconciliations across multiple subsidiaries and systems.
- In FY24 and FY25, other adjustments reflect minor FX differences in the UK and NZ businesses.

E
- EBITDA has been adjusted to remove the earnings contribution from PGP, which owns properties leased to Pedal's operating businesses.
- As the value of the underlying real estate is to be considered separately, the rental income generated by PGP has been excluded in determining the maintainable earnings of Pedal's operating business.
- We understand that fluctuations in PGP's reported earnings over the FY23 to FY25 period are primarily attributable to gains recognised on the sale of properties. In FY23, PGP reported a net gain of approximately $0.8 million on property disposals, while in FY24 a gain of approximately $2.7 million was recognised. No comparable gains were recorded in FY25.

F
- Government grants relates to income received from various government employment grants, specifically those tied to employees undertaking additional study. Management has classified these payments as non-recurring, as the relevant grant program has ended.
- This includes income of $3.7 million in FY23, $599k in FY24 and $105k in FY25, offset against related salary and superannuation costs for trainers who left the business.

G
- A $1.3 million lease correction was recognised in FY23 to align management accounts with historical NZ and UK lease accounting. As this relates to prior-period alignment rather than recurring lease costs, it has been normalised.

H
- The impairment charge relating to the UK business is a non-cash, one-off accounting adjustment reflecting a reassessment of the recoverable amount of goodwill. Non-cash goodwill impairments of $1.9 million in FY23 and $2.0 million in FY24 have been normalised.

I
- Non-recurring expenses primarily relate to costs associated with post-COVID inventory correction and certain one-off operational items incurred by the Group.
- In FY23, Pedal incurred additional storage costs of approximately $1.1 million associated with excess inventory, legal costs of ~$220k relating to a dispute with a supplier regarding delayed stock delivery, and inventory write-downs of ~$1.1 million as obsolete stock was cleared following exit of Velectrix brand.
- In FY25, Pedal incurred one-off operational costs including ~$647k of IT-related expenses associated with Enterprise Resource Planning and Shopify implementation, system transitions and technical system work, together with the write-off of a legacy UK website. In addition, 99 Bikes Australia incurred higher merchant fees following the temporary introduction of instant payment platform, of which $354k has been treated as non-recurring.

J
- Share-based payment expenses are non-cash and have been normalised from EBITDA. These include the recurring annual $1,000 share gift and the one-off $4,000 share gift in FY23 to each employee and also incorporates a clean-up of the employee share scheme register which is one-off and non-recurring in nature.

K	▸ A credit of $838k relating to cancelled bike sale deposits was recognised in other income, of which $561k relates to deposits from prior periods (FY21-FY22). As this represents an out-of-period accounting adjustment rather than current trading performance, the $561k has been normalised from FY23 EBITDA.
L	▸ Gain/loss on sale of property and assets has been normalised as these transactions are non-operational and not reflective of ongoing earnings. This includes a $292k loss in FY23, a $1.8 million loss in FY24 (primarily relating to the Epping DC sale and leaseback) and an $81k gain in FY25.
M	▸ A one-off $307k credit was recognised in FY25 following a revised methodology for calculating make-good provisions across the Group. The change incorporated adjustments such as extending amortisation periods to lease option terms and applying time-value-of-money considerations. As this represents an accounting-driven remeasurement rather than operating performance, it has been normalised from EBITDA.
N	▸ Unrealised foreign exchange gains/losses relate to non-cash revaluation movements identified through specific general ledger accounts. As these do not arise from the realised trading activity, they have been normalised from EBITDA. This includes a $250k loss in FY23, a $136k loss in FY24 and a $638k gain in FY25 .
O	▸ Accounting reconciliation and other adjustments reflect various one-off or non-operational items identified through management account reconciliations and system adjustments. ▸ These include prior-period admin expense accrual adjustments, redundancy payments across Advance Traders Australia and the UK operations, a non-operational insurance claim provision release, supplier financing charges relating to the Merida arrangement, loan facility charges reclassified to interest expense, and several out-of-period accounting reversals and reconciliation entries across the Group's systems. As these items do not reflect Pedals' underlying trading performance, they have been normalised from EBITDA.
P	▸ Indicative stock normalisations reflect the impact of COVID-related overstocking in Pedal's wholesale business and subsequent inventory clearance actions. ▸ In FY23, a net adjustment of $7.3 million was recognised, primarily driven by supplier cancellation fees, significant inventory write-downs and stock adjustments within the retail business. ▸ In FY24, the adjustment was negative $3.0 million, largely reflecting the reversal of non-cash benefits arising from the release of inventory provisions recorded in FY23. During FY24, excess stock was cleared through discounted sales, with provision releases exceeding the associated gross losses recognised in the period. ▸ In FY25, the adjustment reduced to $0.9 million, as the inventory correction cycle largely stabilised. Remaining adjustments primarily reflect the partial offset between gross losses on clearance of residual excess inventory and associated provision releases within Advance Traders Australia and Advance Traders New Zealand.

Source: Management and BDOCF analysis.

Adopted Maintainable Earnings

In forming a view on Pedal's maintainable earnings, we have considered:

- The normalised historical EBITDA profile presented in Table 9.1 above;
- The improvement in Pedal's operating performance between FY23 and FY25 and the stabilisation of trading conditions following the cycling industry's post-COVID inventory correction cycle; and
- Management's expectations for trading performance in FY26 based on actuals up to 8 March 2026, being $18.4 million on a pre-AASB 16 basis, which largely aligns to the budgeted result. We note this forecast for the year ended 28 June 2026 excludes earnings profile from PGP and Management has advised there are no abnormal, one-off or non-recurring items to be adjusted for.

We note that FY23 and FY24 were affected by several abnormal factors including significant stock provisioning adjustments and elevated supply chain costs associated with the post-COVID inventory unwind across the cycling industry. By FY25, Pedal's financial performance reflects a more stabilised trading environment with improved gross margins and inventory levels more consistent with normal operating conditions. Table 9.2 below summarises the normalised historical and forecast earnings profile considered in determining an appropriate maintainable earnings range.

Table 9.2: Pedal's historic and forecast normalised EBITDA

$'000	FY23	FY24	FY25	FY26F
Normalised EBITDA	1,709	1,280	14,790	18,357

Source: Management, Pedal Dashboard and BDOCF analysis.

Having regard to Table 9.2 above and the information set out in Section 9.2.1, we consider it appropriate to adopt a maintainable earnings range of $15.0 million to $18.0 million for the purposes of this valuation.

9.2.2 Capitalisation multiple adopted for Pedal

Overview of multiple selection

We have selected an appropriate capitalisation multiple to apply to Pedal having regard to our research relating to the following:

- Multiples derived from the share market prices of companies which may be considered broadly comparable to Pedal; and
- Historical EV/EBITDA multiples derived from sales transactions involving businesses with broadly comparable operating characteristics.

In selecting an appropriate multiple, we have also had regard to our own assessment of Pedal's financial performance, risk profile and future growth prospects relative to the identified comparable companies and transactions.

As set out in Section 9.2.1, Pedal's maintainable earnings have been assessed on a pre-AASB 16 basis. Accordingly, the enterprise value multiples used in our analysis have been considered on a consistent pre-AASB 16 basis, ensuring that both the EBITDA input and the EV/EBITA multiples applied are directly comparable.

Comparable trading multiples

It is useful to analyse the trading multiples of listed companies operating in industries broadly comparable to Pedal in order to assist in determining an appropriate capitalisation multiple.

Pedal operates within the specialty retail and consumer discretionary sector, primarily through 99 Bikes retail network and the Advance Traders wholesale distribution business. While there is no directly listed 'pure-play' bicycle retailer on the ASX or other major exchanges, several specialty retail and consumer discretionary businesses share broadly comparable characteristics. These include:

- Multi-site retail store networks;
- Inventory-intensive operating models;
- Reliance on overseas manufacturers;
- Exposure to discretionary consumer spending cycles; and
- A combination of retail and distribution activities.

Given the absence of a directly comparable listed entity, we have extended our search to a broader set of specialty retail businesses including sporting goods retailers, automotive aftermarket retailers and other lifestyle and outdoor equipment retailers.

Trading multiples are generally reflective of market trades in minority parcels of shares. However, EV/EBITDA multiples are used to estimate the EV of the underlying business as a whole. Consistent with this approach, and to ensure comparability with the transaction multiples analysis which generally reflects acquisitions of controlling interests, the observed trading multiples have been adjusted to reflect a control premium of 30%. A summary of our trading multiples analysis on a control basis is set out in Table 9.2 below, including multiples based on:

- Historical financial year (EBITDA) ('FY');
- Last twelve months EBITDA ('LTM'); and
- Next twelve months EBTIDA ('NTM').

For further details on the listed comparable companies, refer to Appendix C.

Table 9.2: Average and median EV/EBITDA multiples of broadly comparable trading companies (control basis)

	Minimum	Average	Median	Maximum	Sample Size (n)
Comparable companies					
EV/FY EBITDA	4.2x	8.5x	8.2x	14.8x	10
EV/LTM EBITDA	4.4x	9.2x	9.2x	16.2x	10
EV/NTM EBITDA	3.1x	8.7x	8.2x	18.1x	10

Source: Capital IQ as at 3 March 2026, data retrieved 3 March 2026, BDOCF analysis

1 EV/EBITDA trading multiples of companies in the comparable data set have been adjusted for AASB 16 *Leases* (and its international equivalent, IFRS 16 Leases). This adjustment removes the impact of capitalised lease liabilities to ensure EV is comparable with pre-AASB 16 periods and reflects a consistent basis across all companies.

While providing useful information, the results of our trading multiples analysis should be considered with appropriate caution. Although the companies identified in our analysis exhibit characteristics broadly comparable to Pedal, differences exist between Pedal and each of the comparable companies. In particular, we note that:

- The comparable companies differ in size relative to Pedal across financial metrics including market cap, revenue, EBITDA and EBITDA margin, with Pedal operating at the bottom end of these metrics;

- Several comparable companies operate across a broader range of product categories than Pedal, which is primarily focused on bicycle retail, accessories, servicing and wholesale distribution;
- The geographic regions in which the comparable companies operate are often different to those of Pedal, with a number of the selected companies operating in more diversified or larger markets; and
- The customer bases and demand drivers of certain comparable companies differ from those influencing Pedal's cycling-focused operations, particularly given the cycling industry has recently experienced a post-COVID demand and inventory correction cycle.

Transaction multiples

We have also considered recent transactions involving companies with broadly comparable operations to Pedal. Transaction multiples are particularly relevant as they typically reflect prices paid for controlling interests in businesses and therefore provide insight into valuation outcomes from the perspective of an acquirer obtaining control. The selected transactions provide insight into the multiples paid for businesses where investor expectations are aligned with those held by a potential investor in Pedal.

A summary of the relevant key metrics from the identified transactions is set out in Table 9.3 below. For further details on each of these transactions, refer to Appendix C.

Table 9.3: Key metrics of transactions involving companies comparable to Pedal[1]

$m	Minimum	Average	Median	Maximum
Implied enterprise value	38.0	209.3	183.9	429.4
Historical EBITDA	8.0	51.4	40.7	127.3
Implied EV/ Historical EBITDA	3.1x	5.3x	4.8x	9.1x

Source: Capital IQ at 3 March 2026, data retrieved 3 March 2026, BDOCF analysis

1 Transaction data is derived from publicly available information. Detailed financial information for target companies is often limited and may not always allow for full adjustments to a pre-AASB 16 basis. Where sufficient information is available, EV and EBITDA metrics have been adjusted to reflect a pre-AASB 16 basis to improve comparability.

Having regard to Table 9.3 above, the observed historical EV/EBITDA multiples range from approximately 3.1x to 9.1x, with an average of 5.3x and a median of 4.8x. These multiples are broadly consistent with valuation outcomes typically observed for established specialty retail and wholesale distribution businesses, where EBITDA is commonly used as a key indicator of operating profitability and cash generation.

Overall, the transaction evidence suggests that investors have historically applied moderate EBITDA multiples to businesses operating in the specialty retail and distribution sector, reflecting the generally mature nature of the industry, competitive market dynamics and sensitivity to consumer demand cycles. As transaction multiples typically reflect acquisitions of controlling interests, they provide a useful reference point for assessing the EV of Pedal on a control basis and serve as a cross-check to the trading multiples analysis undertaken in this section.

Appropriate Multiple to Apply to the Earnings of Pedal

To determine an appropriate multiple to adopt for the purpose of valuing Pedal in this Report, we have considered a range of factors specific to Pedal which may differ from the comparable companies and transactions analysed, including:

- Pedal's earnings profile over recent years has reflected supply chain disruptions and the subsequent inventory correction cycle experienced across the cycling industry. As a result, Pedal's pre-AASB 16 EBITDA was a loss of $3.5 million in FY23, before recovering to $7.4 million in FY24 and $15.6 million in FY25 (before adjustments reflected in Section 9.2.1). By comparison, the majority of listed comparator companies remained EBITDA profitable over the FY22 to FY25 period on the same basis, with earnings generally demonstrating more gradual movements rather than a loss-making period. The difference in earnings stability and cyclicality is relevant when considering the applicability of trading multiples derived from larger and more diversified listed retailers.;
- Pedal's pre-AASB 16 EBITDA margin for FY25 and forecast FY26 ranges between 4.7% and 4.8% (before any further adjustment). In comparison, the average EBITDA margin of the comparator group was 7.4%, with a median of 6.2%. Pedal's relatively lower margin profile reflects its operating model and product mix and, in our view, supports the application of a multiple below that implied by many of the listed specialty retail comparators;
- The earnings range adopted incorporates forward earnings expectations, with the upper end ($18.0 million) reflecting performance broadly consisted with forecast FY26 results based on trading results to 8 March 2026. As a result, part of the adopted earnings range reflects near-term forward performance, and this has been considered when selecting an appropriate capitalisation multiple;
- The specialty retail and consumer discretionary companies used as comparables generally exhibit greater product diversification and operate across a broader geographic footprint than Pedal, which is concentrated in Australia and New Zealand and focused on a narrower set of product categories. Several of the transactions in the dataset also relate to larger branded consumer businesses or multi-category retailers, where strategic value and category expansion can support higher transaction multiples than those implied for general retail operators. In contrast, Pedal operates within a more specialised category of the retail market, which may result in valuation outcomes that are more conservative than those observed for larger, more diversified retail groups;

- Pedal's operating model involves the retail and distribution of relatively bulky products, compared with many specialty retail comparators that focus on smaller consumer products. This operating profile can influence store footprint requirements, inventory management and working capital intensity, which can result in higher working capital requirements and lower operating leverage relative to retailers dealing in smaller, higher-turnover consumer products;
- A large portion of Pedal's product offering comprises third-party brands, with the business generating relatively modest EBITDA margins compared with some branded consumer businesses or retailers with a greater mix of proprietary products. Retailers with greater exposure to proprietary or vertically integrated product ranges may benefit from stronger product differentiation and pricing power, which can support higher valuation multiples than business primarily retailing third-party brands;
- The cycling industry has experienced a period of demand normalisation following elevated sales and supply chain disruption during the COVID-19 pandemic. While this trend has also affected the broader consumer discretionary sector, it remains a relevant consideration when assessing the sustainability of recent earnings levels within the cycling category and therefore the extent to which recent earnings performance should be capitalised when determining an appropriate valuation multiple;

Notwithstanding the above considerations, Pedal benefits from a leading position in the Australian and New Zealand cycling market through its 99 Bikes retail network and Advance Traders wholesale distribution business, together with an established store network and brand presence in its core markets. In our view, these characteristics support a valuation multiple above the lowest transaction outcomes observed in the comparable transactions dataset.

Having regard to the comparable listed company data, sales transactions and commentary set out above as a guide, together with our own assessment of factors specific to Pedal, in our view, it is appropriate to apply a multiple within the range of 5.5 times to 6.5 times Pedal's maintainable earnings which we have determined for Pedal on a controlling basis.

9.2.3 Enterprise value of Pedal

Table 9.4 below summarises our calculation of the enterprise value of Pedal.

Table 9.4: Enterprise value of Pedal

$M	Section	Low	High
Maintainable earnings	Section 9.2.1	15.0	18.0
EBITDA multiple (times)	Section 9.2.2	5.5x	6.5x
Enterprise value of Pedal		**82.5**	**117.0**

Source: BDOCF Analysis

Having regard to Table 9.4 above, we have calculated the enterprise value of Pedal to be within the range of $82.5 million to $117.0 million on a controlling interest basis.

9.2.4 Equity value of Pedal on a controlling interest basis

Enterprise value represents the value of Pedal's underlying operating business before taking into account surplus assets, non-operating assets, debt and other non-operating liabilities. In order to determine the equity value of Pedal on a controlling interest basis, it is therefore necessary to adjust the enterprise value derived in Section 9.2.3 for those assets and liabilities not reflected in maintainable EBITDA.

In making these adjustments, we have had regard to anticipated balance sheet of Pedal at the time of the Proposed Transaction to be completed on or around 15 May 2026. In doing so, we have considered the extent to which individual assets and liabilities are operating in nature, surplus to requirements, or debt-like. Consistent with our adoption of maintainable EBITDA on a pre-AASB 16 basis, right-of-use assets and lease liabilities have not been included as separate surplus assets or liabilities in this bridge, as the effects of operating leases are reflected through rental expense within maintainable EBITDA.

Table 9.5 below summarises the adjustments made to the enterprise value of Pedal in order to determine the equity value of Pedal on a controlling interest basis.

Table 9.5: Equity value of Pedal (control basis)

$M	Low	High
Enterprise value of Pedal	82.5	117.0
Add/(less): surplus assets/liabilities		
Add: Cash and cash equivalents	12.2	12.2
Add: Property assets held through PGP[1]	34.7	36.4
Less: Borrowings (current and non-current)	(7.8)	(7.8)
Equity value of Pedal (control basis)	**121.6**	**157.8**

Source: Pedal Dashboard (Stage 11 Forecast), BDOCF Analysis

1 Property values represent the remaining 13 properties held through PGP following the recent property disposal process. Values have been derived with reference to independent valuation reports prepared by Herron Todd White ('HTW') in June 2025 and observed sale prices achieved in transactions completed between December 2025 and February 2026, together with updated HTW valuation reports prepared in February 2026 for

properties sold in the second tranche of the disposal process. A valuation range has been applied reflecting 0% to +5% movement from the most recent independent valuation reports.

At the date of this Report, the Proposed Transaction has not yet occurred. Accordingly, in assessing Pedal's surplus assets and liabilities for the purpose of deriving equity value, we have had regard to the anticipated balance sheet at completion of the Proposed Transaction.

Cash and cash equivalents

The book value of cash deposits often provides a reasonable proxy for their fair value. Based on Pedal's forecast at the time of the Proposed Transaction, Pedal is expected to hold cash and cash equivalents of approximately $12.2 million at completion of the Proposed Transaction.

We note that Pedal is currently in the process of completing the sale of several properties, with five properties expected to settle by early April 2026. The proceeds from these sales are expected to be applied in part to repay borrowings secured against relevant properties, with any residual proceeds reflected in Pedal's cash balances. These expected movements are incorporated in the cash balance set out in Table 9.5.

PGP property assets

Pedal has historically held a portfolio of properties through PGP, which leases these properties to Pedal's operating entities. As outlined in Section 9.2.1, an arm's length rent figure has been incorporated in EBITDA for all the properties that the Pedal business operates out of. Consistent with this treatment, the value of the underlying property portfolio has been considered separately and treated as a surplus asset in deriving the equity value of Pedal on a controlling interest basis.

Pedal recently undertook a property sale process involving the disposal of 13 properties between December 2025 and February 2026. At the time of this Report, five properties remain subject to settlement, for which the agreed sale prices at auction have been adopted.

In assessing the appropriate value attributable to the remaining 13 properties retained by Pedal, we have had regard to:

- Independent valuation reports prepared by HTW as at June 2025;
- Observed sale prices achieved through the recent property disposal process; and
- Updated HTW valuations prepared in February 2026 for properties included in the second tranche of the disposal process.

Our analysis indicates that the realised sale prices for the properties disposed were broadly consistent with the June 2025 independent valuation reports, with observed sale prices averaging approximately 1.5% below those valuations. Comparison with the February 2026 HTW valuation reports indicates modest upward movement in values, with realised sale prices averaging approximately 4.3% above those valuations.

Having regard to this evidence, we have adopted a value range for the remaining 13 properties based on the most recent independent valuation reports, applying:

- 0% movement from the most recent independent valuation to derive the low value; and
- +5% movement to derive the high value.

This results in an adopted property value range of approximately $34.7 million to $36.4 million, which is broadly consistent with Management's reported property portfolio value of approximately $35.1 million.

Borrowings

Interest-bearing borrowings represent financing obligations of the business and are therefore deducted from enterprise value in deriving equity value.

Based on Pedal's forecast balance sheet presented in Pedal's Dashboard, Pedal is expected to have total borrowings of approximately $7.8 million at completion of the Proposed Transaction, comprising both current and non-current borrowings.

We note that borrowings have reduced materially compared with historical balances as proceeds from the recent property sale process have been applied to repay debt facilities associated with the PGP property portfolio. As noted above, a number of property sales remain subject to settlement, however, the anticipated capital structure forecast at the date of the Proposed Transaction (i.e. 15 May 2026) incorporates the expected repayment of property-related borrowings arising from these transactions.

The remaining borrowings balance represents the anticipated debt position of Pedal as at the date of the Proposed Transaction and has been deducted in deriving equity value on a controlling interest basis.

Working capital and other liabilities

We have not made any adjustment for a normalised level of working capital. Based on discussions with Management and our consideration of recent financial performance, Pedal's working capital position has stabilised following the cycling industry’s post-COVID inventory correction cycle and is considered to be operating at a normal level for the business.

Similarly, no adjustment has been made for employee benefit provisions or other operating liabilities, as these balances are not considered material and represent normal operating obligations of the business

9.2.5 Conclusion of Pedal’s equity value

Having regard to the information set out above, we consider it appropriate to adopt an equity value for Pedal in the range of $121.6 million to $157.8 million on a controlling interest basis.

9.3 Guideline comparable method cross-check

As a cross-check to the valuation of Pedal derived under the guideline comparable method using EV/EBITDA multiples, we have considered the implied EV-to-sales (‘EV/S’) multiple of Pedal relative to the comparable companies identified in Section 9.2.2.

In applying this cross-check, we have compared the implied EV of Pedal derived in Section 9.2.3 with Pedal’s FY25 sales.

Table 9.6 below summarises the implied EV/S multiple for Pedal based on our adopted equity value range.

Table 9.6: Implied EV/S for Pedal

$M	Low	High
Enterprise value of Pedal (control basis)	82.5	117.0
Pedal sales (FY25)	334.1	334.1
Implied EV/S multiple (times)	**0.2x**	**0.4x**

Source: Pedal FY25 Annual Report, BDOCF Analysis

We have compared the implied EV/S multiple for Pedal from Table 9.6 with the observed trading EV/S multiples of the broadly comparable listed companies identified in Section 9.2.2.

We note that revenue-based multiples are generally of more limited relevance than earnings-based multiples when valuing an operating retail and wholesale distribution business such as Pedal. This is because revenue alone does not reflect the profitability of the underlying operations, the efficiency of inventory management, the strength of supplier relationships or the quality of the store network. EV/S multiples also may be influenced by differences in margin profile, product mix and operating model between companies.

Table 9.7 below summarises the observed EV/S multiples for the comparable listed companies identified in Section 9.2.2. For further information on the listed comparable companies, refer to Appendix C.

Table 9.7: Average and median EV/S multiples of broadly comparable trading companies

$m	Minimum	Average	Median	Maximum
Enterprise value (control basis)	37.5	338.6	231.0	1,072.2
Sales	135.0	658.8	436.9	3,327.7
EV/ Sales	0.2x	0.7x	0.5x	1.6x

Source: Capital IQ as at 6 March, BDOCF Analysis

While the implied EV/S multiple for Pedal of approximately 0.2 times to 0.4 times is below the average and median multiples observed for the comparable listed companies, we note several structural factors that influence the comparability of these multiples, being:

- Pedal’s pre-AASB 16 EBITDA margin of approximately 4.7% and 4.8% is lower than several companies in the comparable set. In particular, Briscoe Group, Beacon Lighting and Shaver Shop exhibit EBITDA margins exceeding 10%, reflecting stronger profitability and product mix advantages, which supports higher observed EV/S multiples (1.6x, 1.6x and 1.0x respectively). When these higher-margin companies are excluded, the comparable group exhibits an average EV/S of 0.3x and median EV/S multiple of 0.4x, which is broadly consistent with Pedal’s implied EV/S multiple range;
- Several comparable companies operate across product categories with higher margins or stronger proprietary brand exposure than Pedal. In contrast, Pedal’s business model involves the retail and wholesale distribution of bulky consumer products with relatively modest margins and higher working capital intensity, which may support lower revenue multiples relative to specialty retailers selling higher-margin products; and
- In our view, the most comparable companies in the set include Halfords Group plc, Baby Bunting Group Limited and Michael Hill International Limited. Halfords operates a retail and service model with exposure to bicycles and automotive products and exhibits an EBITDA margin of approximately 4.9%, similar to Pedal. Baby Bunting also operates a bulky durable goods retail model with an EBITDA margin of approximately 4.3%, while Michael Hill exhibits mid-single-digit margins and a mature specialty retail network. These companies exhibit EV/S multiples broadly ranging between 0.2 times and 0.7 times, which is broadly consistent with Pedal’s implied EV/S multiple range.

Having regard to the above considerations, we consider the implied EV/S multiple for Pedal to be broadly consistent with the observed trading multiples of the most comparable companies, and therefore the EV/S cross-check provides general support for the valuation derived under our primary guideline comparable methodology.

9.4 Value of Flight Centre's interest in Pedal

In Section 9.2, we derived an equity value for Pedal on a controlling interest basis between $121.6 million and $157.8 million.

However, the Proposed Transaction involves the disposal of Flight Centre's 47.01% shareholding in Pedal. Accordingly, it is necessary to consider the value of this interest on a stand-alone market value basis, reflecting the price that would be negotiated between a knowledgeable and willing, but not anxious buyer and seller acting at arm's length.

Table 9.8 below summarises the value of Flight Centre's shareholding in Pedal on a controlling interest basis.

Table 9.8: Value of Flight Centre's 47.01% shareholding in Pedal (control basis)

$M	Low	High
Equity value of Pedal (control basis)	121.6	157.8
Flight Centre ownership interest	47.01%	47.01%
Equity value of Flight Centre's interest (control basis)	**57.2**	**74.2**

Source: BDOCF Analysis

A controlling interest typically attracts a premium relative to minority shareholdings as it provides the holder with the ability to influence strategic, operational and financial decisions of the business. Conversely, minority interests generally do not confer such rights and therefore may be subject to a discount relative to a controlling interest value.

However, the degree to which a discount should be applied depends on the specific characteristics of the interest being valued. In this case, Flight Centre's 47.01% shareholding represents a substantial minority position in Pedal.

We have considered the Pedal Shareholders' Agreement and Company Constitution, which indicate that governance of Pedal is structured such that key decisions require participation or approval from both Flight Centre and the Turner interests. Each shareholder group is entitled to appoint directors to the Pedal's board, and a quorum requires representation from both parties. Several key matters also require unanimous board approval or the consent of both shareholder groups. Accordingly, while Flight Centre does not hold a majority shareholding, its 47.01% interest confers significant negative control rights, enabling it to prevent certain strategic decisions from being implemented without its consent.

We also note that Flight Centre's interest in Pedal represents a large private equity holding in an unlisted company. Unlike shares in a listed company, there is no active secondary market through which such an interest can be readily traded. The realisation of value from a holding of this nature typically requires the identification of a suitable buyer and the negotiation of transaction terms on a bilateral basis.

These characteristics may reduce the liquidity and marketability of the interest relative to listed securities and therefore may warrant a discount to reflect the potential time and costs associated with converting the investment to cash.

In addition, the size of the interest and the strategic nature of Pedal's shareholder base may increase the likelihood of a negotiated transaction relative to smaller passive minority holdings.

Having regard to the above factors, we consider it appropriate to apply a discount to the pro-rata controlling value of Flight Centre's 47.01% interest in Pedal. In our view, a discount in the range of 5% to 15% appropriately reflects the characteristics of the interest, noting the substantial size of the holding and the potential for the shareholder to exert meaningful influence over key corporate decisions.

Table 9.9 below summarises the resulting value of Flight Centre's 47.01% interest in Pedal.

Table 9.9: Value of Flight Centre's 47.01% shareholding in Pedal (minority basis)

$M	Low	High
Equity value of Flight Centre's interest (control basis)	57.2	74.2
Discount for lack of control and marketability	15%	5%
Equity value of Flight Centre's interest (minority basis)	**49.7**	**70.7**

Source: BDOCF Analysis

Accordingly, we estimate the value of Flight Centre's 47.01% interest in Pedal to be in the range of approximately $49.7 million to $70.7 million.

9.5 Previous market process

As outlined in Section 4 of this Report, Flight Centre and the Turner family previously reviewed future ownership options for Pedal and conducted a market process to assess potential interest from third-party investors.

We understand that this process involved preliminary discussions with potential investors regarding a potential transaction involving an interest in Pedal. While the process did not ultimately progress to a completed transaction, Management has advised that the valuation outcomes implied by the indicative offer received during that process were on an overall basis less favourable than the consideration implied under the Proposed Transaction.

We note that the earlier process contemplated a different transaction structure to that proposed under the Proposed Transaction. Accordingly, the outcomes of that process were not viewed as directly comparable evidence of value. However, we understand that the consideration implied under the Proposed Transaction for Flight Centre's minority interest in Pedal is on an overall basis more favourable than the indicative offer received during the earlier market process.

While our valuation conclusions in this Report are based primarily on the methodologies described in Section 9.2, the outcomes of the earlier market process provide additional contextual support, when considering whether the Proposed Transaction reflects a price that could reasonably be negotiated between knowledgeable and willing parties acting at arm's length.

9.6 Conclusion on the value of Flight Centre's 47.01% interest in Pedal

In our view, for the purposes of our assessment of the Proposed Transaction set out in this Report, it is appropriate to adopt a value in the range of $49.7 million to $70.7 million for Flight Centre's 47.01% equity interest in Pedal.

In forming this view, we have assessed the value of the interest on the basis of market value, being the price that would be negotiated between a knowledgeable and willing, but not anxious buyer and seller acting at arm's length. This approach reflects the value of the interest to a generic market participant rather than the specific value that may arise to an existing majority shareholder or strategic buyer.

APPENDIX A: GLOSSARY

Reference	Definition
$ or $	Australian dollars
ABV	Asset-based valuation
ACCC	Australian Competition and Consumer Commission
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 *Valuation Services*
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
BDO Audit	BDO Audit Pty Ltd
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Buy-Back Agreement	The buy-back agreement between Flight Centre and Pedal with respect to the Buy-Back Shares held by Flight Centre
Buy-Back Shares	The 6,691,273 ordinary shares in Pedal held by Flight Centre that will be bought back by Pedal pursuant to the Buy-Back Agreement.
CAGR	Compound annual growth rate
Company, the	Flight Centre Travel Group Limited
Corporations Act, the	The Corporations Act 2001
DCF	Discounted cash flow
Directors, the	The Directors of the Company
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ELT	Evolve Travel Limited
EV	Enterprise value
EV/S	Enterprise value to Sales
EY	Ernst and Young Audit Pty Ltd
Flight Centre	Flight Centre Travel Group Limited
FSG	Financial Services Guide
FY	The financial year or 12-month period ended on 30 June
IBD	Independent Bike Dealers
IVSC	International Valuation Standards Council
LTM	Last-twelve-months
Management	Management of Flight Centre
Meeting, the	General meeting to be held on or around 14 May 2026
NBIO	Non-binding indicative offer
Non-Associated Directors	The Directors of Flight Centre who are not associated with the Proposed Transaction
Notice of Meeting, the	The Notice of Meeting and Explanatory memorandum dated on or around 8 April 2026 prepared by Flight Centre

Reference	Definition
NPAT	Net profit after tax
NTM	Next-twelve-months
NZ	New Zealand
Pedal	Pedal Group Pty Ltd
Pedal Dashboard	Pedal's forecasted dashboard provided by Pedal
PGP	Pedal Group Property Pty Ltd
Proposed Transaction, the	The proposed divestment of Flight Centre's total equity interest in Pedal by way of direct Share Sale Deed with the Turner Consortium and Buy-Back Agreement with Pedal.
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 02 April 2026
RG 111	Regulatory Guide 111: Content of Expert Report, issued by ASIC
RG 76	Regulatory Guide 76: Related Party Transactions, issued by ASIC
RGs	Regulatory guides published by ASIC
Sale Shares	The 5,096,734 ordinary shares in Pedal held by Flight Centre that will be sold to the Turner Consortium pursuant to the Share Sale Agreement.
Shareholders, the	The holders of fully paid ordinary shares in the Company
Share Sale Deed	The binding Share Sale Deed between Flight Centre, as seller, and the Turner Consortium, as purchaser(s) in relation to the Sale Shares
Substantial Assets	Asset whereby its value or the consideration for it is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity
Substantial Shareholder	A person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company
Transaction Consideration	The total consideration to be received by Flight Centre under the Proposed Transaction
Transaction Documents	Consists of the Share Sale Deed and Buy Back Arrangement
TTV	Total transaction value
Turner Consortium	A consortium of existing Pedal shareholders associated with the Turner family
UK	United Kingdom
VWAP	Volume weighted average price
We, us, our	BDO Corporate Finance Ltd

APPENDIX B: CONTROL PREMIUM ANALYSIS

A controlling interest in a company is usually regarded as being more valuable than a minority interest as it provides the owner with control over the operating and financial decisions of the company, the right to set the strategic direction of the company, control over the buying, selling and use of the company's assets, and control over appointment of staff and setting financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. For the purposes of our research on control premiums, we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company.

Generally, control premiums may be impacted by a range of factors including the following:

- Specific acquirer premium and/or special value that may be applicable to the acquirer;
- Level of ownership in the target company already held by the acquirer;
- Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- The presence of competing bids; and
- General market sentiment and economic factors.

To form our view of an appropriate range of control premium applicable to Pedal for the purposes of this Report, we have considered information which includes:

- Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- Our own research on control premiums implied by the trading data of ASX listed companies. The average and median control premium found in our research are approximately within the range of 20% and 40%, based on one-day, one-week, and one-month prior trading prices;
- Various valuation textbooks; and
- Industry practice.

Having regard to the information set out above, in our view, it is appropriate to consider control premiums within the range of 20% to 40% for the purposes of assessing the Proposed Transaction within the context of this Report.

APPENDIX C: COMPARABLE TRADING COMPANIES AND PRECEDENT TRANSACTIONS ANALYSIS

This section sets out information in relation to comparable companies that we consider to be broadly comparable to Pedal. The information set out below includes a summary of the information that we have considered and the assumptions we have adopted. This section is set out as follows:

- Section C.1 summarises trading multiples and descriptions for those listed companies we consider broadly comparable to Pedal in addition to providing an overview of each company; and
- Section C.2 summarises transaction multiples and descriptions of transactions where we consider the target to be broadly comparable to Pedal.

C.1 Trading multiples of comparable companies

It is useful to analyse the current trading multiples of exchange listed comparable companies to assist with the determination of an appropriate capitalisation multiple. Comparable trading multiples need to be treated with caution as not all companies operating in the specialty retail and consumer discretionary industry can be readily compared to Pedal.

Tables C.1 below sets out certain metrics of the companies we consider to be broadly comparable to Pedal, that we considered when performing our valuation of Pedal. For Table C.1, we have considered three separate methodologies to estimate an EV/EBITDA multiple:

- Financial year (‘FY’): This EV/EBITDA multiples considers each listed company’s EBITDA as calculated by Capital IQ based on each company’s most recently published annual results, adjusted on a pre-AASB 16 basis;
- Last-twelve-months (‘LTM’): This EV/EBITDA multiple considers each listed company’s EBITDA as calculated by Capital IQ based on each company’s last twelve months of published financial reports, including quarterly and/or mid-year financial results where applicable, adjusted on a pre-AASB 16 basis; and
- Next-twelve-months (‘NTM’): This EV/EBITDA multiple considers each listed company’s forward (projected) EBITDA based on broker estimates, as available in Capital IQ on a pre-AASB 16 basis.

All figures presented in Table C.1 incorporate a 30% control premium applied to the market capitalisation of the comparable companies in order to present the metrics on a control basis.

Table C.1: Broadly comparable trading company analysis (control interest basis)

Company	Financial Reporting Period	Country	Market cap ($m)	EV ($m)	LTM EBITDA ($m)	EV/EBITDA (Times)			EV/S (Times)
						FY	LTM	NTM	
Specialty retailers and listed distributors									
Briscoe Group Limited	Jan-25	New Zealand	1172.9	1,072.2	76.6	12.2x	14.0x	13.1x	1.6x
Halfords Group plc	Mar-25	United Kingdom	754.6	719.1	163.5	4.5x	4.4x	4.6x	0.2x
Beacon Lighting Group Limited	Jun-25	Australia	578.4	522.6	45.2	10.9x	11.6x	9.8x	1.6x
Adairs Limited	Jun-25	Australia	389.6	443.2	48.6	7.7x	9.1x	6.4x	0.7x
Baby Bunting Group Limited	Jun-25	Australia	352.0	373.2	23.0	14.8x	16.2x	8.0x	0.7x
KMD Brands Limited	Jul-25	New Zealand	186.6	235.9	(11.9)	n.m.	n.m.	8.5x	0.3x
Shaver Shop Group Limited	Jun-25	Australia	251.2	226.1	24.3	9.8x	9.3x	9.0x	1.0x
Michael Hill International Limited	Jun-25	Australia	225.1	204.5	34.8	5.7x	5.9x	6.2x	0.3x
Globe International Limited	Jun-25	Australia	148.8	136.2	13.4	8.8x	10.2x	n.a.	0.6x
City Chic Collective Limited	Jun-25	Australia	52.6	49.6	(8.2)	n.m.	n.m.	18.1x	0.4x
Adore Beauty Group Limited	Jun-25	Australia	48.2	43.8	6.6	6.1x	6.7x	3.1x	0.2x
Dusk Group Limited	Jun-25	Australia	73.3	37.5	8.5	4.2x	4.4x	n.m.	0.3x
Average			**352.8**	**338.6**	**35.4**	**8.5x**	**9.2x**	**8.7x**	**0.7x**
Median			**238.2**	**231.0**	**23.6**	**8.2x**	**9.2x**	**8.2x**	**0.5x**
Minimum			**48.2**	**37.5**	**(11.9)**	**4.2x**	**4.4x**	**3.1x**	**0.2x**
Maximum			**1,172.9**	**1,072.2**	**163.5**	**14.8x**	**16.2x**	**18.1x**	**1.6x**

Source: Capital IQ as at 5 March 2026, BDO Analysis

1 Enterprise value has been calculated by adjusting the control premium adjusted equity value for net debt and other relevant balance sheet items based on information reported in CapIQ.

2 n.m = Not Meaningful (i.e. negative multiple), n.a. = Not Available

While the companies listed in Table C.1 above may be considered broadly comparable to Pedal, differences exist between Pedal and each of the comparable companies. Specifically, we note:

- **Size and scale:** The comparator set displays wide variation in scale, with enterprise values ranging from $37.5 million (Dusk Group) to $1.2 billion (Briscoe Group). Larger companies typically benefit from increased customer reach, deeper distribution networks, and stronger operational stability, which can support higher valuation multiples. As a result, scale differences reduce direct comparability and may influence the valuation multiples observed across the comparator group;
- **Earnings profile:** EBITDA performance across the set ranges from loss-making (KMD Brands, City Chic) to stable mid-market profitability (e.g., Beacon Lighting at $45.2 million, Adairs at $48.6 million, Michael Hill at $34.8 million). This spread indicates varying levels of operational maturity, margin profile and earnings resilience. Pedal's financial profile is more comparable to the mid-tier operators rather than the larger retailers within the set;
- **Access to capital:** Larger listed entities typically benefit from greater access to capital markets and diversified funding sources, which may support investment in store networks, inventory, and digital platforms relative to smaller operators. In contrast, Pedal as a private, mid-market business faces more constrained funding options and may have less favourable borrowing economics;
- **Recent revenue trends:** Retail sector performance has recently been impacted by macroeconomic factors including inflationary pressure, shifting consumer discretionary spend, and supply chain volatility. The comparator group reflects these trends, with some peers experiencing mixed growth patterns across FY24–FY25. Pedal's revenue profile should be compared to these broader retail trends rather than to high-growth or high-scale outliers. Variability in consumer demand for discretionary products, including bicycles and sporting goods, may lead to different revenue predictability compared to general retailers;
- **Nature of products and services:** While Pedal operates primarily within the bicycle, parts, and accessories market, comparator companies offer diversified product mixes across specialty consumer retail categories, including homewares, apparel, sporting goods, jewellery, beauty and personal care products. These differences can influence risk profiles, cyclicality, and margin structures. Nonetheless, the comparator companies remain relevant due to their physical retail presence, inventory-driven business models, reliance on volume turnover and customer foot traffic, and exposure to spending cycles;
- **Omnichannel maturity and digital capability:** Several large retailers in the comparator group operate more developed digital and fulfilment platforms. Pedal's digital capabilities, while established, operate at a smaller scale, influencing scalability, cost efficiency and margin potential relative to more digitally mature peers;
- **Stage of growth and profitability:** The comparator companies include both mature, stable large-scale retailers and mid-tier growth-oriented businesses. Pedal's scale and operating profile are broadly more comparable to mid-market operators in terms of growth trajectory. Its capital investment requirements (including store refurbishment, digital channel expansion, and supply chain optimisation) are more comparable to peers pursuing operational and margin improvement initiatives.

Table C.2 below sets out brief descriptions of the comparable trading companies listed in Table C.1.

Table C.2: Descriptions of broadly comparable trading companies

Company	Business description
Briscoe Group Limited	Briscoe Group Limited is a New Zealand retailer of homeware and sporting goods operating a national network of stores under the Briscoes Homeware and Rebel Sport brands. The company sources and distributes a broad range of branded and private-label products through its retail store network and online platform. Operations are supported by centralised merchandising, inventory management and distribution infrastructure supplying its physical store footprint.
Halfords Group plc	Halfords Group plc is a United Kingdom retailer and service provider of motoring and cycling products and services. The company sells a wide range of automotive and cycling products, including bicycles, parts, accessories and equipment, through a network of retail stores and online channels. Its operations include sourcing, inventory management and distribution functions, together with a physical network of retail locations and service centres supporting product sales and servicing activities.
Beacon Lighting Group Limited	Beacon Lighting Group Limited designs, sources, imports and retails lighting and related home products. The company distributes light fittings, ceiling fans and lighting accessories through a national network of company-owned and franchised retail stores supported by online sales. Its vertically integrated model includes product development, global sourcing and distribution activities supplying a large physical retail footprint.
Adairs Limited	Adairs Limited is an Australian and New Zealand specialty retailer of home furnishings, furniture and home décor products. The group sells products through a national retail store network and online platforms under the Adairs, Focus on Furniture and Mocka brands. Operations include sourcing, merchandising and distribution activities that support inventory supplied across its store network and online channels.
Baby Bunting Group Limited	Baby Bunting Group Limited is a specialty retailer of maternity and baby products operating a network of large-format retail stores across Australia and New Zealand. The company sells a broad range of nursery furniture, prams, car seats, toys and related accessories through physical stores and online channels. Its operations include product sourcing, inventory management and distribution systems supporting a national store footprint.

Company	Business description
KMD Brands Limited	KMD Brands Limited designs, markets, wholesales and retails outdoor and surf apparel, footwear and equipment under the Kathmandu, Rip Curl and Oboz brands. The group operates a vertically integrated model including product design, global sourcing and distribution, with sales generated through branded retail stores, wholesale partners and e-commerce platforms. Its operations are supported by distribution infrastructure supplying both owned retail stores and third-party wholesale channels across multiple markets.
Shaver Shop Group Limited	Shaver Shop Group Limited is a specialty retailer of personal grooming and beauty products operating a network of company-owned stores across Australia and New Zealand. The company sells branded electrical grooming appliances and related accessories through retail stores and online platforms. Operations include sourcing from global suppliers and centralised inventory management supporting distribution to its store network and e-commerce fulfilment channels.
Michael Hill International Limited	Michael Hill International Limited is a jewellery retailer operating a network of stores across Australia, New Zealand and Canada. The company sells diamond jewellery, watches and related accessories through retail stores and online platforms. Its operations include global sourcing, merchandising and inventory management processes supporting product distribution across its international retail store footprint.
Globe International Limited	Globe International Limited designs, manufactures and distributes apparel, footwear and hardgoods primarily for the boardsports and streetwear markets. The company sells proprietary brands and distributes third-party brands through a combination of wholesale distribution channels, specialty retailers and online platforms. Its operating model includes brand ownership, product design and supply chain management supporting distribution to global retail and wholesale partners.
City Chic Collective Limited	City Chic Collective Limited designs and sells plus-size women's apparel, footwear and accessories under the City Chic brand. The company distributes its products through retail stores, online channels and wholesale partners across Australia, New Zealand and international markets. Operations include product design, sourcing and inventory management supporting distribution through both direct-to-consumer and wholesale sales channels.
Adore Beauty Group Limited	Adore Beauty Group Limited operates an integrated digital retail platform specialising in beauty and personal care products. The company sells a wide range of branded skincare, cosmetics and wellness products through its online marketplace and retail channels. Operations include supplier sourcing, inventory management and fulfilment functions supporting distribution to customers across Australia and New Zealand.
Dusk Group Limited	Dusk Group Limited is a specialty retailer of candles, fragrances and home décor products operating a national network of retail stores across Australia. The company sells branded and private-label products through physical stores and online platforms. Its operations include product sourcing, merchandising and distribution functions supplying inventory across its store network and e-commerce channels.

Source: Capital IQ as at 5 March 2026, BDO Analysis

C.2 Multiples of broadly comparable transactions

We have also considered the multiples implied by recent sales transactions that involved companies broadly comparable to Pedal.

The price achieved in a sales transaction generally provides reliable evidence of earnings multiple for a valuation as it represents the market value of a controlling interest (including a control premium) in the asset being acquired. We note, however, that each sales transaction is a product or combination of factors which may or may not be specific to Pedal, including:

- Economic factors;
- Regulatory framework;
- General investment and capital market conditions;
- Synergy benefits specific to the acquirer; and
- The number of potential buyers.

We have conducted research into transactions involving companies that operate in the specialty retail and consumer discretionary industry. The information needs to be considered with caution for reasons which include the following:

- The transactions involve companies that differ in size compared to Pedal;
- The transactions involve companies that differ in product and service offerings to Pedal;
- The financial information available on some of the transactions is limited.

The results of the independent research, based on databases we subscribe to, is detailed in Table C.3 below. A description of each of the target companies involved in the broadly comparable transactions set out in Table C.3 is set out in Table C.4.

Table C.3: Historical comparable transactions

Target	Acquirer	Completion date	Implied EV ($m)	Historical EBITDA ($m)	Historical EV/EBITDA (Times)
Big 5 Sporting Goods Corporation	Capital Hill Group, Worldwide Golf	Oct-25	232.4	76.1	3.1x
The Reject Shop Limited	Dollarama International Inc.	Jul-25	415.4	127.3	3.3x
Go-To Skincare Pty Ltd	Founder and existing shareholders	Dec-23	38.0	8.0	4.8x
Best & Less Group Holdings Ltd	BB Retail Capital Pty Ltd.	Jul-23	429.4	102.6	4.2x
Bevilles	Michael Hill International Limited	May-23	45.0	8.0	5.6x
Macpac	Super Retail Group	Mar-18	135.5	14.9	9.1x
Kathmandu Holdings Limited	Briscoe Group Limited	Mar-18	315.0	65.2	4.8x
Tredz Ltd and Wheelies Direct Limited	Halfords Group Plc	May-16	63.4	8.0	7.7x
Average			**209.3**	**51.4**	**5.3x**
Median			**183.9**	**40.7**	**4.8x**
Minimum			**38.0**	**8.0**	**3.1x**
Maximum			**429.4**	**127.3**	**9.1x**

Source: Capital IQ, MergerMarket,Australian Financial Review and other public sources, BDOCF Analysis as at 5 March 2026

The transactions presented in this analysis span enterprise values from $38.0 million to $429.4 million, reflecting businesses of differing scale and market positioning. Pedal is more comparable in size to the lower- to mid-sized transactions in the dataset, rather than the larger national retailers such as Best & Less or the Reject Shop. This size differential is relevant when assessing comparability, as smaller and mid-sized businesses typically face greater earnings volatility, more concentrated product exposure, and higher sensitivity to external market conditions.

The implied historical EV/EBITDA multiples range from 3.1x to 9.1x, with a median of 4.8x. Higher multiples in the dataset are generally associated with transactions involving more established or differentiated consumer brands, such as Macpac (9.1x) and Bevilles (5.6x). In contrast, more traditional value-focused retailers, including The Reject Shop Limited (3.3x) and Big 5 Sporting Goods Corporation (3.1x), have tended to transact at the lower end of the range.

We also note that, for several transactions within the dataset, target companies were either undergoing earnings transition or operating within competitive, margin-compressed categories. Only a limited number of transactions reflect high-margin or rapidly scaling retail operators. This variability is consistent with transaction dynamics observed in the broader consumer and retail sector, where businesses with stronger earnings quality, scale advantages, and vertically integrated models may command a material premium relative to mid-market peers.

Table C.4: Descriptions of broadly comparable target companies involved in historical transactions

Target	Target description
Big 5 Sporting Goods Corporation	Big 5 Sporting Goods Corporation is a sporting goods retailer operating a large network of stores across the western United States. The company sells athletic footwear, apparel and accessories together with equipment for team sports, fitness, camping, hunting, fishing, tennis, golf and seasonal recreation. Products are sourced from major brands and private-label suppliers and distributed through its retail network and e-commerce platform. The business operates an inventory-intensive retail model supported by warehousing and distribution infrastructure.
The Reject Shop Limited	The Reject Shop is a national discount variety retailer operating a large store network across Australia. The company sells everyday household goods, packaged food, cleaning products, beauty and personal care items, stationery, homewares and seasonal merchandise. Products are sourced from a broad supplier base and distributed through centralised distribution centres to retail stores nationwide.
Go-To Skincare Pty Ltd	Go-To Skincare Pty Ltd develops and sells a range of skincare products formulated with botanical ingredients. The company distributes products through a combination of online channels and third-party retail partners, supported by brand-led marketing and product development.
Best & Less Group Holdings Ltd	Best & Less Group Holdings Ltd is an apparel and general merchandise retailer operating approximately 245 stores across Australia and New Zealand together with an established online sales platform. The group sells value-focused clothing, footwear, baby goods and selected home products, supported by centralised sourcing, inventory management and distribution operations supplying its store network.
Bevilles	Bevilles is an Australian jewellery retailer specialising in diamond jewellery, watches and fashion jewellery. The company operates a national retail store network supported by an online sales platform and centralised inventory management and distribution processes.
Macpac Ltd	Macpac Ltd designs, manufactures and retails outdoor apparel and equipment including technical clothing, backpacks and hiking gear. The company distributes products through retail stores, online channels and selected wholesale and institutional customers. Its operations include product design, sourcing and distribution functions supporting both direct-to-consumer and wholesale sales channels.

Target	Target description
KMD Brands Limited (formerly Kathmandu Holdings Limited)	KMD Brands Limited designs, markets, wholesales and retails outdoor and surf apparel, footwear and equipment under the Kathmandu, Rip Curl and Oboz brands. The group operates a vertically integrated model including product design, global sourcing and distribution, and sells through a network of branded retail stores, wholesale partners and e-commerce platforms across Australia, New Zealand and international markets.
100% stake in Tredz Ltd and Wheelies Direct Limited	The transaction involved the acquisition of the combined operations of Tredz Ltd and Wheelies Direct Limited by Halfords Group plc. The businesses operate bicycle retail platforms in the United Kingdom, selling bicycles, parts and accessories through online and physical retail channels, supported by warehousing, distribution and inventory management infrastructure.

Source: Capital IQ as at 5 March 2026

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