

ASX ANNOUNCEMENT

29 July 2024

Revised Proposal from Genesis Capital

Pacific Smiles Group (ASX: PSQ) (**Pacific Smiles**) advises that on 28 July 2024 it received a revised proposal from Genesis Capital Manager I Pty Ltd (**Genesis Capital**) to acquire all of the shares of Pacific Smiles via a scheme of arrangement (**Genesis Revised Proposal**) for cash consideration of \$1.90 per share. The Genesis Revised Proposal would provide Pacific Smiles shareholders with the alternative to obtain all or part consideration in scrip (see below for further details). **The Board and its advisers are assessing the Genesis Revised Proposal.**

On 28 April 2024, Pacific Smiles entered into a Scheme Implementation Deed with NDC BidCo Pty Ltd (**NDC**) (**Scheme Implementation Deed**) pursuant to which NDC proposes to acquire 100% of the shares in Pacific Smiles by way of scheme of arrangement for cash consideration of \$1.91¹ per share (**NDC Scheme**), subject to certain conditions.²

Pacific Smiles Board continues to unanimously recommend the NDC Scheme

At this time, the Pacific Smiles Directors maintain their recommendation that shareholders vote in favour of the NDC Scheme subject only to no Superior Proposal emerging and subject to the Independent Expert not withdrawing or adversely changing its conclusion regarding the NDC Scheme.

The Scheme Implementation Deed with NDC contains provisions which will apply in the context of the Genesis Revised Proposal, which is a 'Competing Proposal'. Pacific Smiles has notified NDC of the Genesis Revised Proposal under the terms of the Scheme Implementation Deed.

The Board and its advisers are assessing the Genesis Revised Proposal, including whether it is a 'Superior Proposal' under the Scheme Implementation Deed.

¹ Less the cash amount of any Permitted Dividend and plus any Ticking Fee that might accrue.

² Further details are set out in the Scheme Booklet released to ASX on 26 June 2024. Capitalised terms in this announcement have the meaning given in the Scheme Booklet, unless the context otherwise requires.

Shareholders should note that, even after this process is complete, there is no guarantee the Genesis Revised Proposal will proceed to binding documentation or that any transaction contemplated by the proposal will ultimately complete.

The Board of Pacific Smiles will provide an update to shareholders when it has determined whether the Revised Genesis Proposal does or does not constitute a Superior Proposal for the purposes of the Scheme Implementation Deed.

Shareholders are not required to take any action at this time.

Genesis Revised Proposal

The key components of the Genesis Revised Proposal are:

- The Genesis Revised Proposal contemplates that Beam Dental BidCo Pty Ltd (**Genesis BidCo**) would acquire all shares in Pacific Smiles by way of scheme of arrangement.
- Shareholders would have opportunity to elect:
 - o \$1.90 cash per Pacific Smiles share (**Cash Consideration**); or
 - o A number of ordinary shares in the capital of Beam Dental Holdings Ltd, the ultimate holding company of Genesis BidCo, that is intended to provide equivalent value to the Cash Consideration per Pacific Smiles share (**Scrip Consideration**); or
 - o A combination of Cash Consideration and Scrip Consideration per Pacific Smiles share as determined in accordance with the election made by that Pacific Smiles shareholder (**Mixed Consideration**).
- Scrip Consideration would be subject to governance agreements on customary terms for an election of this kind (further details have not been provided at this stage) and is expected to qualify for CGT rollover relief.
- Pacific Smiles would be permitted to maintain its discretion to pay its shareholders a fully franked dividend, with Cash Consideration of \$1.90 per share to be reduced by the amount of any such permitted dividend.
- Conditional on, and subject to, Pacific Smiles and Genesis BidCo negotiating and entering into a scheme implementation deed on terms materially consistent with the Scheme Implementation Deed between Pacific Smiles and NDC.
- Fully funded via binding commitments to provide the debt and equity funding required.

- Genesis Capital is open to discussing the possibility of implementing a 'Practitioner Incentive Scheme' to provide practitioners with access to equity exposure to the business.

If the Pacific Smiles Board determines the Genesis Revised Proposal is not superior to the Scheme with NDC and shareholders do not approve the NDC Scheme by the requisite majorities at the Scheme meeting, then Genesis Capital has advised that the Genesis Revised Proposal will remain available to the Pacific Smiles Board after the Scheme Meeting.

Scheme Meeting Update

In light of the Board's duty to inform shareholders and give due consideration to options available to enhance shareholder value, the Board will without delay carefully assess the Genesis Revised Proposal to determine if it is considered a 'Superior Proposal' to the NDC Scheme under the terms of the Scheme Implementation Deed and subsequently update shareholders on any impacts on the timetable for the Scheme Meeting scheduled to be held on Thursday, 1 August 2024 at 11:30am (AEST).

This announcement was authorised by the Pacific Smiles Board.

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