

ASX ANNOUNCEMENT

8 August 2024

Scheme Meeting – Chairperson Script

Pacific Smiles Group Limited (ASX:PSQ) (**Pacific Smiles**) will today address shareholders at the Scheme Meeting, commencing at 11:30am AEST.

Attached is a copy of the Address to be delivered by the Chairperson of the Scheme Meeting, Ms Zita Peach.

This announcement was authorised by the Company Secretary.

ENDS

For further information, please contact:

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Pacific Smiles Group Limited (ABN 42 103 097 449)

Scheme Meeting – Chairperson Script

11:30am (AEST) on Thursday, 8 August 2024

1 Welcome, Quorum and Opening of Meeting

Good morning, ladies and gentlemen.

Welcome to the Scheme Meeting in relation to the scheme of arrangement under which it is proposed that NDC BidCo Pty Ltd will acquire 100% of the shares in Pacific Smiles Group Limited which was adjourned at 11:30am (AEST) on 1 August 2024. I am Zita Peach, Chair of the Company and of the meeting.

I would like to firstly acknowledge the traditional custodians of the land on which I stand today: the Gadigal people of the Eora Nation and pay our respects to their Elders, past, present and future. I'd also like to acknowledge the Elders of the land where each of you are today – noting that many of us are in different Cities and Countries for this meeting.

The purpose of this Scheme Meeting is to consider the proposal from NDC BidCo Pty Ltd (which is a portfolio company managed by Crescent Capital Partners Management Pty Limited) to acquire all of the shares in Pacific Smiles by way of a scheme of arrangement for \$2.05 cash per Pacific Smiles Share.

This meeting was originally scheduled for 1 August 2024. However, on 28 July 2024, Pacific Smiles received a revised proposal from Genesis Capital Manager I Pty Ltd to acquire all of the shares in Pacific Smiles by way of a scheme of arrangement on the terms announced to the ASX on 29 July 2024.

As subsequently announced to the ASX on 31 July 2024, the Board determined that the Genesis proposal was a 'Superior Proposal' to the scheme of arrangement proposed by NDC at the time of \$1.91 cash per share.

As announced to ASX on 1 August 2024, under the matching rights process under Pacific Smiles' Scheme Implementation Deed with NDC, NDC submitted a counterproposal to the Genesis proposal. That counterproposal seeks to acquire all of the shares in Pacific Smiles by way of scheme of arrangement at \$2.05 cash per share. The Board determined this counterproposal from NDC would produce a superior outcome for Pacific Smiles shareholders as a whole when compared to the outcome that would be produced by the Genesis proposal.

Supplementary disclosure on these developments, including the reasons for the Board's decisions regarding both the Genesis proposal and NDC's counterproposal was provided to shareholders by way of ASX announcement on 2 August 2024.

In light of these developments, and in order to ensure that Pacific Smiles shareholders have sufficient time to consider all relevant information regarding the proposed scheme before being asked to vote at this Scheme Meeting, the Board decided to open the Scheme Meeting on 1 August 2024 and immediately adjourn it until today. No formal business was discussed at the meeting which was opened on 1 August 2024.

As we have reached the appointed time of 11:30am (Sydney time), I formally declare this Scheme Meeting open for business.

I will be the Chairperson for this Scheme Meeting, in accordance with the orders of the Supreme Court of New South Wales.

I would like to start by introducing the board and management team of Pacific Smiles Group Limited who are in attendance today.

We have in attendance our non-executive directors, Mr Mark Bloom, Ms Jodie Leonard and Ms Giselle Collins, as well as Mr Steven Rubic and Mr Scott Kalniz who join via videoconference.

We also have in attendance:

- our Managing Director and CEO, Mr Andrew Vidler;
- our Chief Financial Officer, Mr Matthew Cordingley; and
- our Company Secretary, Ms Belinda Cleminson.

A representative of our share registry, Automic Group, is also present. I appoint Amy Wong of Automic Group to act as returning officer in relation to the poll which will be conducted during this Scheme Meeting. Pacific Smiles has also appointed Computershare to act as scrutineers for this meeting.

Notice of the Scheme Meeting is included as Attachment A to the Scheme Booklet, which was released to ASX on 26 June 2024 and dispatched to Pacific Smiles shareholders on or around 1 July 2024. Pacific Smiles shareholders can also access and download a copy of the Scheme Booklet, as well as supplementary disclosure to that Scheme Booklet, via a link on Pacific Smiles' website or on the ASX website under Pacific Smiles' ticker (PSQ).

The Notice of Scheme Meeting has been given in accordance with orders made by the Supreme Court of New South Wales.

2 Q&A

Pacific Smiles shareholders, and authorised proxies, attorneys and corporate

representatives can ask questions during this meeting regarding the Scheme and the Scheme Resolution. Questions can be asked in person or via the online platform.

As set out in the Notice of Scheme Meeting attached to the Scheme Booklet, there was also an opportunity to submit questions prior to the meeting.

If you are attending in person and wish to ask a question, at the appropriate time for questions, I will ask you to raise your hand and you will be asked to show your shareholder card to the Automatic Group attendant who will take your name and introduce you.

If you are joining us virtually via zoom, you may ask questions verbally or using the Chat function.

Instructions on how to submit written questions are set out on the screen. As a summary, we ask that you please submit any questions or comments via the Q&A function which can be found at the bottom of your zoom screen. Please start your question by typing your shareholding SRN or HIN. This will allow the moderator to identify you as a shareholder.

If you have joined the meeting virtually and would like to ask your question verbally, instructions on how to submit verbal questions are set out on the screen. Please type your SRN or HIN and then type "I would like to speak". Once you have finished typing, please hit enter on your keyboard to send.

When asking questions, I ask that you be courteous and respectful to those attending the meeting and keep your questions to a reasonable length. Please ensure your questions and comments are relevant to the matter before this Scheme Meeting, and to Pacific Smiles shareholders as a whole. Your questions may be moderated. We ask that you please limit questions to one per shareholder where possible. If we receive multiple questions on one topic, they may be collated together.

Please note that, while we will do our best to answer your question, material information regarding the Scheme has been provided to shareholders through the Scheme Booklet and later supplementary disclosures released to the PSQ ticker on ASX. We cannot give further information beyond what is contained in those public documents, but we will do our best to point you in the right direction or provide appropriate clarifications.

I will call for verbal questions towards the end of the meeting, and address questions received prior to the meeting and via the online platform at that time also.

3 Voting Procedure and Proxies

I would now like to briefly summarise the voting procedure for this meeting. As outlined in the Scheme Booklet, and in accordance with rule 5.7(c) of the Pacific Smiles constitution, I demand that voting on the Scheme Resolution will be conducted by poll.

Shareholders in attendance that have already submitted a vote by proxy should note that your votes will already be counted towards the poll. You do not need to lodge another vote unless you wish to change your proxy instruction.

Shareholders in attendance that have not submitted a vote by proxy and wish to vote on the Scheme Resolution being put to this Scheme Meeting can do so by following the instructions provided in the Notice of Scheme Meeting in Attachment A to the Scheme Booklet.

If you are joining this Scheme Meeting virtually, on your screen there are instructions for how to log into the online voting portal. If you have any problems registering your shareholding with Automic, please call the support number shown on the screen.

Please note that the online voting portal is now open and will remain open until the poll is declared closed. Your votes must be submitted prior to the poll being closed for them to count.

Those shareholders physically in attendance that are entitled to vote on the poll are all of those shareholders, corporate representatives and attorneys of shareholders and proxyholders who hold yellow voting cards.

If you are attending in more than one of those capacities, you will have been issued with as many voting cards as you have separate capacities.

If anyone physically in attendance believes they are entitled to vote on the poll in any capacity and does not have a yellow voting card in respect thereof, please raise your hand now and a member of the Automic share registry team will assist you.

At the appropriate time I will ask that you mark your vote on the Scheme Resolution on the yellow voting card.

If you are a shareholder and wish to cast all of your votes in a particular way on the Scheme Resolution, please place a mark in either the 'FOR', 'AGAINST' or 'ABSTAIN' box next to the resolution. If you wish to split your votes, please write the number or the portion of votes you wish to cast in the corresponding 'FOR', 'AGAINST' or 'ABSTAIN' boxes. Please note that the sum of the split votes must not exceed your total holding.

If you are a proxyholder, a summary of the votes to which you are entitled has been attached to the voting card. If the summary of votes includes discretionary votes, these are yours to cast at your discretion. If you wish to cast the discretionary votes, please place a mark in the corresponding 'FOR', 'AGAINST' or 'ABSTAIN' boxes.

If your summary of votes does not have any discretionary votes, you do not need to mark your voting card and will simply need to hand it to the returning officer at the end of the voting process.

After the Scheme Resolution has been read and you have completed the voting card, please place your voting card in one of the ballot boxes that will be circulating the room.

Are there any questions in relation to the voting procedure? Please note there will be the opportunity later to ask questions regarding the Scheme.

Proxies have been inspected and all those validly lodged have been accepted.

Proxies have been received representing 149,034,099 Shares or 93.39% of the issued capital of the Company.

All undirected proxies or open votes that have nominated the Chairperson of the Meeting as their proxy will be cast in favour of the Scheme Resolution.

4 Overview of the Scheme

I will now give you some background to the Scheme.

4.1 Overview

On 29 April 2024, Pacific Smiles announced that it had entered into a Scheme Implementation Deed with NDC BidCo Pty Ltd under which NDC agreed to acquire all of the shares in Pacific Smiles by way of a scheme of arrangement. The Scheme Implementation Deed was subsequently amended and restated on 10 May 2024 and further amended on 23 July 2024 and 31 July 2024.

Subject to the Scheme becoming Effective, NDC agrees to pay \$2.05 per Pacific Smiles Share. This is subject to adjustment for any Permitted Dividend paid.

On 19 July 2024, Pacific Smiles announced that the Board had resolved to pay a fully franked Permitted Dividend of \$0.07 per Pacific Smiles Share, subject to the Scheme becoming Effective.

This means that, if the Scheme becomes Effective, Pacific Smiles Shareholders who hold Pacific Smiles Shares on both the Permitted Dividend Record Date (7:00pm (AEST) on 16 August 2024) and the Scheme Record Date (7:00pm (AEST) on 20 August 2024) will be paid a total of \$2.05 on the Implementation Date which comprises:

- \$1.98 to be paid by NDC as Scheme Consideration; and
- \$0.07 to be paid by Pacific Smiles as a fully franked Permitted Dividend.

With respect to the Permitted Dividend, the Commissioner of the Australian Taxation Office has given Pacific Smiles a non-binding draft class ruling which provides that the Commissioner does not expect to exercise its powers to deny franking credits attached to the Permitted Dividend. However, the draft class ruling cannot be relied upon by Pacific Smiles Shareholders until it is issued in final form by the Commissioner. The Commissioner expects to issue the final class ruling in September 2024 and Pacific Smiles will put the ruling on its website once available.

All of these dates are indicative only, and Pacific Smiles will notify shareholders of any changes by way of ASX announcement.

The Scheme Consideration represents an attractive premium of:

- 71.5% to the closing price of \$1.20 per share on 15 December 2023, which was the last trading day before announcement of a separate unsolicited non-binding indicative proposal from Genesis Capital Manager I Pty Ltd to acquire all Pacific Smiles Shares for \$1.40 each on 18 December 2023;
- 113.8% to the 1-month undisturbed VWAP of \$0.96 to 15 December 2023;
- 106.6% to the 3-month undisturbed VWAP of \$0.99 to 15 December 2023; and
- 91.7% to the 6-month undisturbed VWAP of \$1.07 to 15 December 2023.

Prior to NDC's current offer of \$2.05 per share, and as mentioned earlier, Pacific Smiles received a proposal from Genesis Capital Manager I Pty Ltd to acquire all of the shares in Pacific Smiles by way of a scheme of arrangement on the terms announced to the ASX on 29 July 2024. That proposal offered shareholders \$1.90 cash per share, with the election to receive the Scheme Consideration in full or in part in scrip.

As announced to the ASX on 31 July 2024, the Board determined that Genesis' proposal was a Superior Proposal to the scheme of arrangement proposed by NDC at the time of \$1.91 cash per share. The reasons for the Board's decision are set out in the supplementary disclosure released by ASX announcement on 2 August 2024.

Under the matching rights process in Pacific Smiles' scheme implementation deed with NDC, NDC submitted a counterproposal to the Genesis proposal. That counterproposal seeks to acquire all of the shares in Pacific Smiles by way of scheme of arrangement at \$2.05 cash per share. The Board determined this counterproposal from NDC would

produce a superior outcome for Pacific Smiles shareholders as a whole when compared to the outcome that would be produced by the Genesis proposal. The reasons for the Board's decision are set out in the supplementary disclosure released by ASX announcement on 2 August 2024.

I can confirm that, since NDC's increased offer of \$2.05 per share was announced, no Superior Proposal has emerged.

The Genesis revised proposal announced on 29 July 2024 was stated as remaining available for the Pacific Smiles Board's consideration in the event the Board does not determine that revised proposal to be superior to the NDC Scheme and the NDC Scheme vote being unsuccessful. It is unclear if the Genesis revised proposal remains available for the Board to pursue on the same terms or at all if today's vote is unsuccessful and there is no guarantee that any alternative transaction will eventuate.

4.2 Board recommendation and Independent Expert's conclusion

I will now provide you with details regarding the Board's recommendation regarding the Scheme, and the Independent Expert's opinion as to whether the Scheme is in the best interests of shareholders.

As you would be aware, the independent expert, Deloitte, has concluded that the Scheme is fair and reasonable, and therefore in the best interests of Pacific Smiles Shareholders, in the absence of a superior proposal. Deloitte has assessed Pacific Smiles' full underlying value at between \$1.80 and \$2.17 per share. The Scheme Consideration of \$2.05 per share is within this valuation range.

The Pacific Smiles Directors unanimously recommend that you vote in favour of the Scheme Resolution. In addition, each Pacific Smiles Director who holds or controls Pacific Smiles Shares intends to vote those shares in favour of the Scheme Resolution.

You should note when considering this recommendation that, if the Scheme becomes Effective, Pacific Smiles' Managing Director and Chief Executive Officer, Mr Andrew Vidler, will receive a cash payment of \$50,603 in relation to his entitlements pursuant to his cash rights.

Additional background on the Scheme, including reasons to vote in favour of or against the Scheme Resolution, has been included in the Scheme Booklet and in Pacific Smiles' supplementary announcements to the ASX, particularly the announcement of 2 August 2024 providing supplementary disclosure regarding NDC's counterproposal.

4.3 Status of conditions precedent to the Scheme

The Scheme remains subject to certain conditions, including:

- Pacific Smiles Shareholders passing the Scheme Resolution at this Scheme Meeting to approve the Scheme by the Requisite Majorities; and
- the Supreme Court of New South Wales approving the Scheme at the Second Court Hearing, which is scheduled to be held at 3:00pm (Sydney time) on Monday, 12 August 2024.

4.4 Timetable to implementation

I will now turn to the proposed timetable for implementation of the Scheme.

If the Scheme is approved by the Requisite Majorities of Pacific Smiles Shareholders at this Scheme Meeting, Pacific Smiles expects to take the Scheme to the Supreme Court of New South Wales for approval on Monday, 12 August 2024.

If the Court approves the Scheme, a copy of the Court orders approving the Scheme is expected to be lodged with the Australian Securities and Investments Commission on Tuesday, 13 August (which would be when the Scheme becomes Effective). It is expected that Pacific Smiles Shares will be suspended from trading on the ASX at the close of trading on that date.

If the Scheme becomes Effective, Pacific Smiles Shareholders on the register at 7:00pm (Sydney time) on Friday, 16 August 2024 will be entitled to receive the Permitted Dividend of \$0.07 for each Pacific Smiles Share they hold on that date.

Additionally, Pacific Smiles Shareholders on the register at 7:00pm (Sydney time) on Tuesday, 20 August 2024 will be entitled to receive the Scheme Consideration for each Pacific Smiles Share they hold on that date.

Payment of the Permitted Dividend and the Scheme Consideration will be made on the Implementation Date, which is expected to be Tuesday, 27 August.

4.5 Voting intentions

Before we turn to the formal business of this Scheme Meeting, we wish to provide you with details of the public voting intention statements received to date in relation to the Scheme Resolution.

As announced on 5 August 2024, the following substantial shareholders representing approximately 33.35% of Pacific Smiles Shares have advised Pacific Smiles that they continue to intend to vote all Pacific Smiles Shares they control in favour of the Scheme Resolution for the NDC Scheme at \$2.05 per share:

- Dr Alison Hughes, co-founder of Pacific Smiles, representing approximately 9.90% of Pacific Smiles Shares;

- HBF Health Limited, representing approximately 10.03% of Pacific Smiles Shares; and
- MA Financial Group Limited, representing approximately 13.43% of Pacific Smiles Shares, whose intentions remain applicable in the absence of a higher offer.

As announced on 2 August 2024, Genesis Capital Manager I Pty Ltd has advised Pacific Smiles that it intends to vote against the NDC Scheme as presently formulated.

The Scheme Resolution can still be passed by the Requisite Majorities of Pacific Smiles shareholders if substantially all of the Pacific Smiles shareholders other than Genesis Capital Manager I Pty Ltd vote in favour of the Scheme Resolution today.

5 Formal Business

We will now move to the formal business of this Scheme Meeting.

The Notice of Scheme Meeting was included in Attachment A to the Scheme Booklet, which was dispatched to Pacific Smiles Shareholders on or around 1 July 2024. I propose to take the Notice as read.

As noted earlier, the purpose of this Scheme Meeting is to consider the proposal from NDC BidCo Pty Ltd to acquire all of the shares in Pacific Smiles by way of a scheme of arrangement.

In order for the Scheme Resolution to be passed, it must be approved by the Requisite Majorities being:

- unless the Court determines otherwise, a majority in number (i.e. more than 50%) of Pacific Smiles Shareholders present and voting at this Scheme Meeting (whether in person, attending online, by proxy, by attorney or by a corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution.

6 Questions

I will now provide the opportunity to ask questions about the Scheme or the Scheme Resolution. I will endeavour to answer your questions straight away, or I may take a question on notice if necessary.

I will first address the written questions which have been received prior to the meeting and which have been submitted online, and then take any verbal questions.

If you are attending virtually and wish to ask a question, please submit your questions verbally or via the Q&A function now.

Are there any questions from those here in person? If so, please raise your hand now.

Thank you for your questions. We will now proceed to the reading of the Scheme Resolution as set out in the Notice of Meeting.

7 Scheme Resolution

The Scheme Resolution is set out on the screen now and is as follows:

The meeting is asked to consider and, if thought fit, pass (with or without amendment) the following resolution:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between Pacific Smiles Group Limited and the holders of fully paid ordinary shares in Pacific Smiles Group Limited, as contained and more particularly described in the Scheme Booklet, of which the notice convening this meeting forms part, be approved (with any modifications, alterations or conditions required by the Supreme Court of New South Wales to which Pacific Smiles Group Limited and NDC BidCo Pty Ltd agree in writing) and, subject to approval of the Scheme by the Supreme Court of New South Wales, the board of directors of Pacific Smiles Group Limited be authorised to implement the proposed scheme of arrangement with any such modifications, alterations or conditions.”

The proxies received in relation to the Scheme Resolution are on the screen.

8 Conducting of the Poll

We will now move to voting on the Scheme Resolution. Voting will be conducted by poll.

Those physically in attendance please mark your vote on the Scheme Resolution on your yellow voting card. Those attending virtually can vote via the online portal.

Can all shareholders voting online please now ensure that they have submitted their vote..

For those shareholders attending physically I now invite Amy Wong to collect your voting cards.

Have all persons that intend to vote submitted their cards?

That concludes voting on the Scheme Resolution at this meeting.

The staff of Automic will now process the poll and the results will be announced to the ASX once they are available. A copy of Computershare's Scrutineer Report will also be available on the Pacific Smiles website once it is finalised.

9 Meeting Close

As there is no further business, that concludes the formal part of the business of this meeting. I'd like to thank all shareholders for their attendance and declare the formal meeting closed.

Thank you for your attendance in person and online today, and for your support of Pacific Smiles.

ENDS

Scheme Resolution

The meeting is asked to consider and, if thought fit, pass (with or without amendment) the following resolution:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between Pacific Smiles Group Limited and the holders of fully paid ordinary shares in Pacific Smiles Group Limited, as contained and more particularly described in the Scheme Booklet, of which the notice convening this meeting forms part, be approved (with any modifications, alterations or conditions required by the Supreme Court of New South Wales to which Pacific Smiles Group Limited and NDC BidCo Pty Ltd agree in writing) and, subject to approval of the Scheme by the Supreme Court of New South Wales, the board of directors of Pacific Smiles Group Limited be authorised to implement the proposed scheme of arrangement with any such modifications, alterations or conditions.”

To contact support:

Call 1300 411 608 or +61 2 8072 1406 or open live chat from the Investor Portal

Proxy Results

	Number of votes cast	% of votes cast	Number of shareholders	% of shareholders
FOR	94,600,671	63.48%	192	81.70%
AGAINST	35,946,333	24.12%	38	16.17%
OPEN*	18,487,095	12.40%	7	2.98%
TOTAL**	149,034,099	100%	235****	100%****
Abstain***	0	0	0	0
Requisite majorities	At least 75%		More than 50%	

* To be voted at the proxy's discretion.

** Valid votes at close of proxies.

*** Votes relating to a shareholder abstaining from voting are not counted in determining the requisite majorities.

**** Certain of these shareholders have split their votes across more than one voting category noted above.

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