



Pacific Smiles Group Limited (ASX: PSQ)  
Level 1, 6 Molly Morgan Drive, Greenhills NSW 2323  
PO Box 2246 Greenhills NSW 2323  
P: 02 4930 2000 • F: 02 4930 2099  
E: [investor.relations@pacificsmiles.com.au](mailto:investor.relations@pacificsmiles.com.au)  
[www.pacificsmilesgroup.com.au](http://www.pacificsmilesgroup.com.au)  
ABN 42 103 087 449 / ACN 103 087 449

## ASX ANNOUNCEMENT

9 December 2024

### Letter to shareholders

Attached is a letter addressed to all Pacific Smiles shareholders from the Chairman of Pacific Smiles, Giselle Collins.

This announcement was authorised by the Board of Pacific Smiles.

**ENDS**

#### For further information, please contact:

##### Investor Relations

Gary Carroll  
Managing Director and Chief Executive Officer  
P: 02 4930 2000  
E: [investor.relations@pacificsmiles.com.au](mailto:investor.relations@pacificsmiles.com.au)

##### Media

Olivia Brown  
MorrisBrown  
M: +61 409 524 960  
E: [olivia@morris-brown.com.au](mailto:olivia@morris-brown.com.au)

**9 December 2024**

## **Letter to Shareholders**

Dear Pacific Smiles Shareholder,

On 6 December 2024, Beam Dental Bidco Pty Ltd (**Genesis Bidco**), an associate of Genesis Capital Manager I Pty Limited (**Genesis Capital**), announced that it had Voting Power of 61.5% in Pacific Smiles Group Limited (**Pacific Smiles** or the **Company**) which includes interests in Shares from acceptances under its Offer, on-market purchases and Pacific Smiles Shares held by associates of Genesis Bidco.<sup>1</sup>

Genesis Bidco now has control of Pacific Smiles and in a short period of time and through established processes, will reconstitute the Board and implement its own strategy and dividend policy, amongst other decisions.

The Board has announced that it is intended that:

- three nominees of Genesis Bidco be appointed as Directors of Pacific Smiles, with Dr Michael Caristo to be appointed as Chairman; and
- I, together with two Non-Executive Directors, will step down from the Board, both with effect from the close of the next Board meeting on 16 December 2024.<sup>2</sup>

As announced on 22 November 2024, the Board has determined that, in its view, the risks associated with continuing to hold Pacific Smiles Shares now outweigh the advantages, given Genesis Bidco's control of the Company. Each of the Directors have since disposed of all Pacific Smiles Shares they held or controlled, either on-market or via acceptance of Genesis Bidco's Offer.

**Your Directors reiterate their unanimous recommendation, in the absence of a superior proposal emerging, that Pacific Smiles Shareholders **ACCEPT** Genesis Bidco's Cash Offer.**

**If you are yet to accept Genesis Bidco's Offer or sell on-market, Genesis Bidco's Offer is currently scheduled to close at **7.00pm (Sydney time) on Thursday, 12 December 2024** (unless otherwise extended by Genesis Bidco in its absolute discretion).**

<sup>1</sup> Capitalised terms used in this announcement have the meaning given in the Target's Statement released to the ASX on 11 October 2024.

<sup>2</sup> Refer to the ASX announcement titled 'Intention to Reconstitute Pacific Smiles Board' released on 29 November 2024.

As previously stated, the reasons for the Board's unanimous recommendation are:

1. in light of Genesis Bidco's Voting Power of approximately 61.5% in Pacific Smiles, Genesis Bidco has obtained control of Pacific Smiles;
2. if you do not accept the Offer, you will be a minority Shareholder in a Genesis Bidco controlled Pacific Smiles;
3. no superior proposal has emerged at the date of this announcement, and a superior proposal is unlikely to emerge before the end of the Offer Period;
4. the Cash Offer provides certainty of value for your Pacific Smiles Shares as the Offer is now unconditional;
5. the Offer price is best and final and will not be increased, in the absence of an alternative or competing proposal; and
6. the price of Pacific Smiles Shares may fall after the Offer closes and Shareholders may face a lack of liquidity.

Notwithstanding the Board's recommendation, Shareholders are not required to accept the Offer and may see future upside in retaining exposure to Pacific Smiles Shares. In determining whether to accept the Offer, Shareholders should be mindful of their personal circumstances and seek advice from their financial, legal or other professional adviser. The potential reasons Shareholders may want to retain their Shares were presented in the ASX announcement released on 22 November 2024.

Your Directors continue to only make a recommendation in respect of the Cash Offer and make no recommendation in relation to the Scrip Offer due to the speculative nature of Holdco Shares, and the fact that whether Holdco Shares are appropriate will depend significantly on each Shareholder's individual circumstances, financial situation, taxation position, investment objectives and risk profile.

### **Timetable**

The Offer is currently scheduled to close at 7.00pm (Sydney time) on Thursday, 12 December 2024. Genesis Bidco has reserved the right to extend the Offer further in its absolute discretion, or to let it close at this time.

### **In closing**

Over the last twelve months, Pacific Smiles' Board and our financial and legal advisers, Greenhill & Co. and Gilbert + Tobin, have fielded eight announced control proposals (including price increases) from multiple private equity suitors and have worked tirelessly to achieve the best outcome for all Pacific Smiles Shareholders. These efforts are reflected in Genesis Bidco's Cash Offer, which represents a 107% premium to the 1-

month VWAP of Pacific Smiles Shares to the date the initial offer was announced on 18 December 2023.

Finally, on a personal note, I would like to thank all Pacific Smiles Shareholders for your continued support and the opportunity to serve you as a Director and as Chairman of the Board. It has been a great responsibility, and I am immensely proud of the management team and practitioners that serve patients every day across Pacific Smiles' business.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Giselle Collins', with a long horizontal flourish extending to the right.

**Giselle Collins**

*Non-Executive Chairman*