

## ASX ANNOUNCEMENT

1 August 2024

### Recommended NDC Counterproposal at \$2.05 per share

#### Highlights:

- As announced on 31 July 2024, Pacific Smiles Board determined that the Genesis Revised Proposal **is a Superior Proposal** under the Scheme Implementation Deed with NDC.
- NDC has **provided a counterproposal of \$2.05 per share** with **no** Ticking Fee and a corresponding increase to the break fee under the matching rights process in the Scheme Implementation Deed (**NDC Counterproposal**).
- Pacific Smiles Board has determined the NDC Counterproposal of \$2.05 per share **would produce a superior outcome to shareholders as a whole** when compared to the Genesis Revised Proposal.
- Pacific Smiles Directors **unanimously recommend that all Pacific Smiles Shareholders vote in favour of the Scheme Resolution to approve the NDC Scheme under the NDC Counterproposal**, subject only to no Superior Proposal emerging and the Independent Expert not withdrawing or adversely changing its conclusion.
- Scheme Meeting to be immediately adjourned until **11:30am (AEST) on Thursday, 8 August 2024** (or such later date to be advised).
- If you wish to change your vote, then you can do so by lodging a new proxy form or vote in person (or online) at the Scheme Meeting. If you do not wish to change your vote, you do not need to take any action.

As announced by Pacific Smiles Group (ASX: PSQ) (**Pacific Smiles**) on 29 July 2024, Pacific Smiles 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, with the option for shareholders to obtain all or part consideration in scrip.

On 31 July 2024, Pacific Smiles announced that the Board had carefully reviewed the terms of the Genesis Revised Proposal and determined it is **a Superior Proposal** under

the terms of the scheme implementation deed (**Scheme Implementation Deed**) between Pacific Smiles and NDC BidCo Pty Ltd (**NDC**) (**NDC Scheme**)<sup>1</sup> because, it:

- is reasonably capable of being completed in accordance with its terms in a reasonable time; and
- would be reasonably likely to be more favourable to Pacific Smiles shareholders than the NDC Scheme,

taking into account all aspects of the Genesis Revised Proposal.

**NDC Counterproposal**

In response to a notice provided by Pacific Smiles to NDC under the matching rights regime in the Scheme Implementation Deed, NDC has submitted a counterproposal of \$2.05 per share with **no** Ticking Fee and a corresponding increase to the break fee (and on terms otherwise consistent with the existing Scheme Implementation Deed) (**NDC Counterproposal**).

The Board assessed the NDC Counterproposal and determined it **would produce a superior outcome to shareholders as a whole** when compared to the Genesis Revised Proposal.

Pacific Smiles and NDC have varied the Scheme Implementation Deed to give effect to the price increase under the NDC Counterproposal, in addition to:

- removing the Ticking Fee concept; and
- increasing the Break Fee payable to \$3.3 million , so that it represents approximately 1% of the Aggregate Scheme Consideration on the basis of the \$2.05 Scheme Consideration per share under the NDC Counterproposal.

Therefore, if the NDC Scheme becomes Effective, Pacific Smiles Shareholders will be entitled to receive Total Cash Value of \$2.05 for each Pacific Smiles share held, comprising:

- the Permitted Dividend of \$0.07 for each Pacific Smiles Share held on the Permitted Dividend Record Date, to be paid by Pacific Smiles; and
- the Scheme Consideration of \$1.98 for each Pacific Smiles Share held on the Scheme Record Date, to be paid by NDC.

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<sup>1</sup> 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.

If the Scheme becomes Effective, all Pacific Smiles Shareholders on the Scheme Record Date will receive the increased consideration regardless of whether they have already voted, or if they vote for or against the Scheme Resolution.

**The Pacific Smiles Directors recommend that all Pacific Smiles Shareholders vote in favour of the Scheme Resolution to approve the NDC Scheme under the NDC Counterproposal**, subject only to no Superior Proposal emerging and the Independent Expert not withdrawing or adversely changing its conclusion.<sup>2</sup>

### **Scheme Meeting**

The Scheme Meeting for the NDC Scheme which is scheduled to be held on Thursday, 1 August 2024 will open at 11:30am (AEST) and immediately be adjourned by the Chairperson to **Thursday, 8 August 2024 at 11:30am (AEST)** (or such later date to be advised by Pacific Smiles) to ensure Pacific Smiles Shareholders have sufficient time to consider all relevant information regarding the NDC Scheme ahead of the Scheme Meeting.

The adjourned Scheme Meeting will be held in person at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 and online (virtual meeting link to be announced to ASX in due course).

### **Your votes on the Scheme Resolution**

All Pacific Smiles shareholders who were entered on the Share Register at 7:00pm (AEST) on 30 July 2024 will be entitled to vote at the adjourned Scheme Meeting.

The cut-off time for receipt of proxy forms for the adjourned Scheme Meeting is 11:30am (AEST) on Tuesday, 6 August 2024 (or such date which is 48 hours before any later date for the adjourned Scheme Meeting). You may vote on the Scheme Resolution in the manner set out in the Notice of Scheme Meeting contained at Attachment A to the Scheme Booklet.

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<sup>2</sup> The Pacific Smiles Directors' interests are set out in section 5.11 of the Scheme Booklet. Mr Andrew Vidler holds Pacific Smiles Cash Rights which entitle him to be paid a total amount of \$50,603 in cash subject to the Scheme becoming Effective. The Pacific Smiles Board considers that, despite these arrangements, it is appropriate for Mr Vidler to make a recommendation on the Scheme Resolution given his role in the operation and management of Pacific Smiles, and that Pacific Smiles Shareholders would wish to know Mr Vidler's views in relation to the Scheme Resolution. Mr Vidler also considers that it is appropriate for him to make a recommendation on the Scheme Resolution.

If you have already voted on the Scheme Resolution your vote remains valid. If you:

- wish to change your vote, then you can do so by lodging a new proxy form or vote in person (or online) at the Scheme Meeting (noting your updated vote will supersede your previous proxy vote); or
- do not wish to change your vote, you do not need to take any action.

**Further details**

Further details regarding the NDC Counterproposal will be provided to shareholders shortly, including regarding the Board's assessment of the Genesis Revised Proposal and NDC Counterproposal, the Independent Expert's conclusion regarding the NDC Counterproposal and implications for the adjourned Scheme Meeting and proposed NDC Scheme timetable.

This announcement was authorised by the Pacific Smiles Board.

**ENDS**

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