

**Lodged via
ASX Online**

Our ref: 21-41067616

25 November 2024

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs/Madams

Off-market takeover bid by Beam Dental Bidco Pty Ltd for Pacific Smiles Group Limited (ASX: PSQ)

We act for Beam Dental Bidco Pty Ltd (ACN 676 303 254) ("**Bidco**").

We refer to the off-market takeover bid by Bidco for all the ordinary shares in Pacific Smiles Group Limited (ACN 103 087 449) (ASX: PSQ) ("**Pacific Smiles**") announced on 17 September 2024 ("**Offer**").

Bidco attaches, by way of service pursuant to sections 647(3)(a)(ii) of the Corporations Act 2001 (Cth) (the "**Corporations Act**") (as inserted by *ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688*), a copy of Bidco's third supplementary bidder's statement dated 25 November 2024 ("**Third Supplementary Bidder's Statement**"), which supplements or amends the replacement bidder's statement dated 1 October 2024, together with a postcard, to be sent to Pacific Smiles shareholders in connection with the Offer.

A copy of the Third Supplementary Bidder's Statement has been lodged with the Australian Securities and Investments Commission and will be given to Pacific Smiles and each person (other than Bidco) on the most recent copy of the Pacific Smiles share register obtained by Bidco.

Yours sincerely



David Clee

Partner
Clifford Chance



Nicole Backhouse

Counsel
Clifford Chance

21-41067616



THIRD SUPPLEMENTARY BIDDER'S STATEMENT

in respect of the Offer by **Beam Dental Bidco Pty Ltd** (ACN 676 303 254) to acquire all of the ordinary shares in **Pacific Smiles Group Limited** (ACN 103 087 449)

ACCEPT BIDCO'S OFFER NOW

The Pacific Smiles Board has unanimously recommended that you ACCEPT the Cash Offer (in the absence of a superior proposal emerging)

The **Offer will close on 29 November** and **will not be extended** unless on or before that date, Bidco has obtained voting power in Pacific Smiles of at least 50% or a competing or alternative proposal emerges. In those scenarios, Bidco reserves the right to extend or close the Offer, in its absolute discretion*

The consideration under **the Offer is Bidco's best and final price and will not be increased**, in the absence of an alternative or competing proposal

If you **ACCEPT the Cash Offer now**, you will be **paid within 20 days** of receipt of your valid Acceptance

REASONS TO ACCEPT

- ✓ **The Pacific Smiles Board has unanimously recommended that you ACCEPT the Cash Offer** (in the absence of a superior proposal emerging)
- ✓ **If you do not accept the Offer and Bidco obtains control, you will be a minority shareholder** in a Bidco controlled Pacific Smiles
- ✓ The Cash Offer **provides certainty of value** for your Pacific Smiles Shares
- ✓ The consideration under the Offer is Bidco's **best and final price and will not be increased**, in the absence of an alternative or competing proposal
- ✓ **No superior proposal has emerged and is unlikely one will emerge** given Bidco's voting power of 40.49% in Pacific Smiles (as at 7.00am on Monday, 25 November)
- ✓ The **price of your Pacific Smiles Shares may fall** after the Offer closes, and you may **face a lack of liquidity**

* Bidco also notes that, in accordance with section 624 of the Corporations Act, if, among other things, in the last 7 days of the Offer Period, Bidco's voting power in Pacific Smiles increases to more than 50%, the Offer Period will automatically extend by 14 days after the date of that event.

Important Notices

This document is a supplementary bidder's statement under section 643(1) of the *Corporations Act 2001* (Cth) given by Beam Dental Bidco Pty Ltd (ACN 676 303 254) ("**Bidco**").

This document is the third supplementary bidder's statement ("**Third Supplementary Bidder's Statement**") issued by Bidco in relation to its off-market takeover offer to acquire all of the ordinary shares in Pacific Smiles Group Limited (ACN 103 087 449) (ASX: PSQ) ("**Pacific Smiles**").

This Third Supplementary Bidder's Statement supplements, and should be read together with, Bidco's replacement bidder's statement dated 1 October 2024 ("**Replacement Bidder's Statement**"), Bidco's first supplementary bidder's statement dated 11 November 2024 ("**First Supplementary Bidder's Statement**") and Bidco's second supplementary bidder's statement dated 19 November 2024 (together with the Replacement Bidder's Statement, and First Supplementary Bidder's Statement, the "**Bidder's Statement**"). This Third Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Bidder's Statement.

A copy of this Third Supplementary Bidder's Statement was lodged with ASIC and provided to ASX and Pacific Smiles on 25 November 2024. Neither ASIC nor ASX takes any responsibility for the contents of this Third Supplementary Bidder's Statement.

Unless noted in this document or the context requires otherwise, capitalised terms and certain abbreviations used in this Third Supplementary Bidder's Statement have the meanings given to them in section 13 of the Bidder's Statement (Definitions and interpretation) and section 7.1 of the First Supplementary Bidder's Statement (Definitions and interpretation).

1 Takeover Bid update

Bidco's Offer for Pacific Smiles Shares is unconditional.

As announced to the market on 22 November 2024, the **Pacific Smiles Board has unanimously recommended that Pacific Smiles Shareholders accept the Cash Offer** of \$1.9825 per Pacific Smiles Share.¹

The consideration offered under the Offer is the **best and final price and will not be increased**, in the absence of an alternative or competing proposal.

The **Offer is scheduled to close at 7:00pm (Sydney time) on Friday 29 November 2024** and will not be extended unless, on or before that date, Bidco has obtained voting power in Pacific Smiles of at least 50% or if a competing or alternative proposal emerges. In those scenarios, Bidco reserves the right to extend or close the Offer, in its absolute discretion. Bidco also notes that, in accordance with section 624 of the Corporations Act, if, among other things, in the last 7 days of the Offer Period, Bidco's voting power in Pacific Smiles increases to more than 50%, the Offer Period will automatically extend by 14 days after the date of that event.

Bidco intends to pay the Cash Consideration due under the Offer as quickly as practicable and in all instances within 20 days of a valid Acceptance being received by Bidco.

No competing control acquisition has emerged. Bidco is unaware of any potential competing control proposal and given Bidco's voting power in Pacific Smiles of 40.49% as at the date of this document, Bidco considers that it is unlikely that any competing proposal will emerge before the close of the Offer Period.

¹ Under the Offer terms, if a Pacific Smiles Shareholder accepts the Offer in respect of its Pacific Smiles Shares and elects to receive the All Cash Consideration, Bidco will deduct from the All Cash Consideration payable in respect of those Pacific Smiles Shares the full cash amount of any dividend declared or paid by Pacific Smiles after the Announcement Date in respect of those Pacific Smiles Shares (including the Declared Dividend), unless the amount of such dividend is paid to Bidco in respect of those same Pacific Smiles Shares. Any fractional entitlement to a cent in respect of the All Cash Consideration will be rounded up or down to the nearest whole cent, in accordance with the terms of the Offer.

Bidco encourages all Pacific Smiles Shareholders to act quickly and **ACCEPT THE OFFER NOW**. If you do not accept the Offer, you may be exposed to risks set out in sections 3.4(a), 4.4(a) and 5.4(a) of the First Supplementary Bidder's Statement.

2 Reasons to accept the Offer

Pacific Smiles Shareholders will need to take action quickly if they wish to follow the unanimous recommendation of the Pacific Smiles Board that they accept the Offer.

In recommending that Pacific Smiles Shareholders accept the Cash Offer (in the absence of a superior proposal emerging), the Pacific Smiles Board identified the following reasons for Pacific Smiles Shareholders to accept the Cash Offer:

- ✓ in light of Bidco's voting power in Pacific Smiles and shareholder support for Bidco's strategy or the Offer, Bidco now has the ability to obtain effective control of Pacific Smiles;²
- ✓ if Bidco obtains control, you will be a minority shareholder in a Bidco controlled Pacific Smiles if you do not accept the Offer;
- ✓ no superior proposal has emerged, and a superior proposal is unlikely to emerge before the end of the Offer Period;
- ✓ the Cash Offer provides certainty of value for your Pacific Smiles Shares as the Offer is now unconditional;
- ✓ the Offer price is best and final and will not be increased, in the absence of an alternative or competing proposal; and
- ✓ the price of Pacific Smiles Shares may fall after the Offer closes and Pacific Smiles Shareholders may face a lack of liquidity.

Bidco encourages all Pacific Smiles Shareholders to **ACCEPT THE OFFER NOW**. Further information on the risks you may be exposed to are set out in sections 3.4(a), 4.4(a) and 5.4(a) of the First Supplementary Bidder's Statement.

3 Consideration payable under the Offer

- Pacific Smiles Shareholders who accept the Offer may elect to receive:
 - All Cash Consideration of \$1.9825 per Pacific Smiles Share;³
 - All Scrip Consideration of 1 Holdco Share per Pacific Smiles Share; or
 - Mixed Consideration of 49.5625 cents and 0.75 Holdco Shares per Pacific Smiles Share,⁴in each case, in accordance with (and subject to) the terms of the Offer.
- As the amount of the Declared Dividend that was paid to Pacific Smiles Shareholders on 10 October 2024 (in the amount of 3.25 cents per Pacific Smiles Share on issue at 25 September

² At the time the fourth supplementary target's statement was released on Friday 22 November 2024, Bidco had voting power in Pacific Smiles of 32.93%. As at the date of this document on Monday 25 November 2024, Bidco's voting power is 40.49%.

³ See Footnote 1.

⁴ Under the Offer terms, if a Pacific Smiles Shareholder accepts the Offer in respect of its Pacific Smiles Shares and elects to receive the Mixed Consideration, Bidco will deduct from the cash component of the Mixed Consideration payable in respect of those Pacific Smiles Shares 25% of the cash amount of any dividend declared or paid by Pacific Smiles after the Announcement Date in respect of those Pacific Smiles Shares (including the Declared Dividend), unless the amount of such dividend is paid to Bidco in respect of those same Pacific Smiles Shares. Any fractional entitlement to a Holdco Share or a cent in respect of the Mixed Consideration will be rounded up or down to the nearest whole Holdco Share or cent, in accordance with the terms of the Offer.

2024) will be deducted from the Cash Offer amount and retained by the person that it was paid to⁵, Bidco will make the following cash payments for the following election types:

- **\$1.95 cash for each Pacific Smiles Share** that is the subject of an election to receive All Cash Consideration; and
 - **48.75 cents cash** and 0.75 Holdco Shares per Pacific Smiles Share that is the subject of an election to receive the Mixed Consideration.
- Bidco intends to pay the Cash Consideration due under the Offer as quickly as practicable and in all instances within 20 days of a valid Acceptance being received by Bidco.
 - If you accept the Offer now you will receive your chosen consideration faster than if Bidco becomes entitled to compulsorily acquire your Pacific Smiles Shares under Chapter 6A.1 of the Corporations Act and proceeded to exercise those rights in respect of Your Pacific Smiles Shares.
 - Bidco draws to the attention of each Eligible Pacific Smiles Shareholder that is considering making an Election to receive All Scrip Consideration or Mixed Consideration the detailed information in the Replacement Bidder's Statement and First Supplementary Bidder's Statement concerning the risks and potential disadvantages of electing to receive All Scrip Consideration or Mixed Consideration and cautions each such shareholder to carefully consider those risks and potential disadvantages before making an Election. Without limitation, please see sections 4, 8 and 9 of the Replacement Bidder's Statement and sections 3.4(b), 4.4(b) and 5.4(b) of the First Supplementary Bidder's Statement for further details of those risks and potential disadvantages.

4 Relevant interest in Pacific Smiles Shares and voting power

As at 7.00am on 25 November 2024 (being the time immediately preceding the release of this Third Supplementary Bidder's Statement), Bidco and/or its Associates had relevant interests in 64,607,329 Pacific Smiles Shares and Bidco has voting power in Pacific Smiles of 40.49%⁶.

5 How to **ACCEPT** the Offer

Offer Acceptance instructions

Online Acceptance: To accept the Offer online, you must follow the instructions below:

1. Go to <https://investor.automic.com.au/#/signup>.
2. Click "Register" then select "Pacific Smiles Takeover Offer" from the dropdown list in the Issuer Name Field.
3. Enter your Securityholder Reference Number (SRN) (for issuer sponsored holdings) or Holder Identification Number (HIN) (for CHESs sponsored holdings).
4. Enter your postcode OR country of residence (only if outside Australia).
5. Tick the box "I'm not a robot" and then select "Next".
6. Complete the prompts to set up your username and password details.
7. Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

Acceptance Form: To accept the Offer using a physical Acceptance Form you must complete and sign the Acceptance Form accompanying the Bidder's Statement and return it to the address indicated on the form so that it is **received within business hours before the Offer closes**.

⁵ See section 12.10(k) of the Bidder's Statement.

⁶ This calculation is based on there currently being 159,581,938 Pacific Smiles Shares on issue.

Additional instructions for CHES sponsored holdings

Contact your Controlling Participant: In respect of CHES sponsored holdings only, you can accept the Offer by instructing your Controlling Participant (normally your Broker) to accept the Offer on your behalf, before the Offer closes.

6 Further information

In deciding whether to accept the Offer, Pacific Smiles Shareholders should have regard to the information contained in the Bidder's Statement.

This Third Supplementary Bidder's Statement does not consider your individual investment objectives, financial situation and particular needs. You may wish to seek independent financial and taxation advice before deciding whether to accept the Offer.

If you have any questions in relation to this Third Supplementary Bidder's Statement or the Offer, you should call the Bidco Offer Information Line on 1300 101 297 (for calls made within Australia) or +61 2 9068 1929 (for calls made from outside Australia) from Monday to Friday between 8:30am and 7:00pm (Sydney time).

7 Modifications to and exemptions from the Corporations Act

ASIC has published various instruments providing for modifications and exemptions that generally apply to all persons including Bidco, in relation to the operation of Chapter 6 of the Corporations Act. Amongst others, Bidco has relied on a modification to the Corporations Act set out in *ASIC Corporations (Takeover Bids) Instrument 2023/683* ("**ASIC Instrument 2023/683**"). In particular this Third Supplementary Bidder's Statement contains statements which have been made by Pacific Smiles, or based on statements made by Pacific Smiles, in documents lodged with ASIC or given to the operator of a prescribed financial market in compliance with the listing rules of the prescribed financial market (including the ASX). Pursuant to ASIC Instrument 2023/683, the consent of Pacific Smiles to which such statements are attributed is not required for the inclusion of these statements in this Third Supplementary Bidder's Statement.

8 Approval of Third Supplementary Bidder's Statement

This Third Supplementary Bidder's Statement has been approved by a resolution of the directors of Bidco.

Dated 25 November 2024

Signed on behalf of Bidco by Dr Michael Caristo who is authorised to sign by a resolution of the directors of Bidco.



Dr Michael Caristo
Director
Beam Dental Bidco Pty Limited

For personal use only

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4. Enter your postcode OR country of residence (only if outside Australia).
5. Tick the box “I’m not a robot” and then select “Next”.
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