

ASX ANNOUNCEMENT

19 June 2024

Memorandum of Understanding with nib Health Funds to expand dental offering

Pacific Smiles Group Limited (ASX:PSQ) (Pacific Smiles) announces that it has entered a non-binding Memorandum of Understanding (MoU) with nib Health Funds (nib) in relation to an expected change to its current contractual arrangements for the provision of a gap-free offering to nib members.

Memorandum of Understanding with nib

PSQ has had a long-term close working partnership with nib for more than 20 years. PSQ currently owns and operates 11 nib Dentalcare centres where nib members can attend and be eligible for fully funded gap-free preventative dental care. These arrangements are governed by a contract that is currently in place until May 2027.

PSQ and nib have agreed a MoU that outlines the approach to an expected amendment to that contract (the Amendment). The Amendment contemplates:

- the provision of the preventative gap-free dental offering for nib members to the 117 Pacific Smiles Dental centres, from 1 July 2024 on an exclusive basis in the geographies in which they operate, albeit only for 2 years. At the end of this 2-year exclusivity period, the Pacific Smiles Dental centres will form part of a broader nib First Choice Network of dental providers on a non-exclusive basis;
- maintenance of the existing fee arrangements for the nib Dentalcare centres until May 2027; and
- other dental operators in geographies not serviced by Pacific Smiles Dental centres or nib Dentalcare centres are no longer restricted from entering into their own arrangements with nib for a gap-free dental offering.

These changes are subject to the final terms being agreed and execution of the Amendment. There is no guarantee a binding agreement will be entered into on the proposed terms or at all.

Update on Scheme of Arrangement with NDC

On 29th April 2024, PSQ announced it had entered into a Scheme Implementation Deed (SID) with National Dental Care (NDC), under which NDC agreed to acquire 100% of the shares in PSQ by way of scheme of arrangement (Scheme) for cash consideration of \$1.90 cash per share, less the cash amount of any permitted dividend and the application of any ticking fee (see the announcement of 13 May 2024).

A Scheme Booklet is being prepared and remains on-track to be distributed to Pacific Smiles shareholders in late June 2024, subject to review and approval by the Australian Securities and Investment Commission (ASIC) and the Court. A Scheme Meeting is then expected to be held in early August 2024 for PSQ shareholders to vote on the Scheme.

Pacific Smiles shareholders do not need to take any action at the current time.

This announcement was authorised by the Pacific Smiles Board.

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Forward-looking statements

This announcement contains certain forward-looking statements. Forward-looking statements should not be relied on as an indication or guarantee of future events. Forward-looking statements involve inherent known and unknown risks and may involve significant elements of subjective judgment and assumptions as to future events which may or may not prove to be correct, which can cause actual results to differ materially. As such, undue reliance should not be placed on any forward-looking statement. No representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements. Pacific Smiles does not undertake any obligation to update or review any forward-looking statements (other than to the extent required by applicable law).