



Market and Media release

3rd March 2021

PACIFIC SMILES SUCCESSFULLY COMPLETES \$15.0M PLACEMENT

Pacific Smiles (ASX:PSQ) (**PSQ, the Company**) is pleased to announce the successful completion of its \$15 million placement (**Placement**) which will result in the issue of approximately 5.8 million new shares (**New Shares**).

The Placement was jointly underwritten by Bell Potter Securities Limited and Wilsons Corporate Finance Limited (**Joint Lead Managers**) at the offer price of \$2.60. The Placement price represents a discount of 9.4% to the 5-day VWAP up to 1 March 2021 and a discount of 3.7% to the last close price of \$2.70 on 1 March 2021.

Pacific Smiles' CEO, Phil McKenzie said: *"We are pleased with the response we have had to the Placement and look forward to offering shares to our existing investors in the upcoming Share Purchase Plan (SPP). In addition to the strong take-up of the Placement, we are delighted to be welcoming a number of new sophisticated and professional investors onto our share register."*

Proceeds of the Placement will be used to support organisational preparations for an acceleration of the rate of PSQ's dental centre rollout to greater than 20 centres per annum, allowing the Company to capitalise on the strong opportunity to grow the network, as well as for general working capital. The number of centres opened in the next 12-24 months will depend on a number of factors including the specific locations that become available, the leasing terms achievable and the availability of dental practitioners which meet Pacific Smiles' standards.

Following the Placement, on a pro forma basis, Pacific Smiles will have approximately \$18¹ million of net cash (before costs) and \$37m of available debt facilities. In addition to strengthening the balance sheet and providing flexibility to accelerate growth, the Company has also been able to broaden its shareholder base of institutional and sophisticated shareholders to facilitate an increase in the market liquidity of Pacific Smiles shares.

No New Shares were allocated to any party that requires shareholder approval to participate in the Placement or be issued New Shares. Therefore, all New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and no shareholder approval will be required for the issue of the New Shares.

Settlement of the Placement is expected to occur on Monday, 8 March 2021. The New Shares issued under the Placement are expected to be allotted on Tuesday, 9 March 2021 and commence trading on Wednesday, 10 March 2021. New Shares to be issued under the

¹ Excluding the non-underwritten SPP

Placement will rank equally with existing fully paid ordinary shares of Pacific Smiles on and from the date of issue and all New Shares will be eligible for the Company's recently declared 2.4c fully franked dividend.

SHARE PURCHASE PLAN

On Tuesday, 2 March 2021, Pacific Smiles announced a Share Purchase Plan (**SPP**) would follow the Placement with eligible Pacific Smiles shareholders in Australia and New Zealand offered the opportunity to acquire additional shares in Pacific Smiles.

The SPP will not be underwritten.

Shareholders on the Pacific Smiles register at 7:00pm (Sydney time) on 1 March 2021 (**Record Date**), with a registered address in Australia or New Zealand will be entitled to subscribe for up to \$30,000 worth of shares through the SPP, subject to eligibility criteria and other terms and conditions of the SPP which will be set out in the SPP booklet and dispatched to eligible shareholders in due course. Shares issued under the SPP will rank equally with existing shares of Pacific Smiles including being eligible for the Company's recently declared 2.4c fully franked dividend. The SPP aims to raise up to approximately \$5 million. Pacific Smiles may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

New shares under the SPP will be issued at the same price paid by investors under the Placement.

Further information in relation to the SPP, including the SPP terms and conditions, will be outlined in a separate SPP Booklet which will be despatched to eligible shareholders.

INDICATIVE TIMELINE

Placement	Date
Announcement of completion of the Placement Trading halt lifted	(pre market open) Wednesday, 3 March
Settlement of placement	Monday, 8 March
Allotment of new shares	Tuesday, 9 March
Share Purchase Plan	
Record date for determining eligibility for the SPP	7pm, 1 March
Dispatch of offer documents and application forms	Monday, 8 March
SPP opens	Monday, 8 March
SPP closes	Thursday, 18 March
SPP allotment date	Tuesday, 23 March
Normal trading of New Shares issued under the SPP	Wednesday, 24 March
Dispatch of holding statements	Friday, 26 March

The above timetable is indicative only. Pacific Smiles and the Joint Lead Managers reserve the right to amend any or all of these dates at their absolute discretion; subject to the *Corporations Act 2001*(Cth), the ASX Listing

Rules and any other applicable laws. The quotation of new shares is subject to confirmation from the ASX. All references to time in this announcement are to Sydney time.

- Authorised for release by the Board of Directors.

For more information

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