



Best&Less Group

30 June 2023

ASX Announcement

Third Supplementary Target's Statement – off-market takeover offer by BBRC Admin 1 Pty Ltd

Enclosed is a Third Supplementary Target's Statement to the Target's Statement dated 22 May 2023, the First Supplementary Target's Statement dated 6 June 2023 and the Second Supplementary Target's Statement dated 22 June 2023, in connection with the Offer for BLG Shares made by BBRC Admin 1 Pty Ltd (ACN 667 625 452).

Yours faithfully

Anna Sandham, Company Secretary
Best & Less Group Holdings Limited

ENDS

This announcement was authorised for release by the Board of Directors of Best & Less Group Holdings Limited.

For further information:

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About Best & Less Group:

Best & Less Group (BLG) is a leading value apparel specialty retailer with an omnichannel sales network comprising 250 physical stores and an online platform. BLG's aim is to be the number one choice for mums and families buying baby and kids' value apparel in Australia and New Zealand through its two trusted brands: Best & Less (in Australia) and Postie (in New Zealand).

For more information, visit BLG's investor site at <https://bestandlessgroup.com.au/investor-centre/>



Third Supplementary Target's Statement

THE CONTINUING INDEPENDENT DIRECTORS UNANIMOUSLY
NOW RECOMMEND THAT YOU **IMMEDIATELY ACCEPT** THE
OFFER FROM BBRC ADMIN 1 PTY LTD

This Third Supplementary Target's Statement has been issued by Best & Less Group Holdings Limited (ACN 642 843 221) (**BLG** or the **Company**) in response to the all-cash offer by BBRC Admin 1 Pty Ltd (ACN 667 625 452) (**Bidder**) to acquire up to all of your ordinary shares in BLG for \$1.89 per BLG Share (**Offer**).

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should consult an appropriately licenced professional adviser immediately.

BLG Shareholder Information Line

If you have any questions in relation to the Offer, please contact the BLG Shareholder Information Line on 1800 426 150 (within Australia) or +61 1800 426 150 (outside Australia) any time between 8:30am and 7:30pm, Monday to Friday (excluding public holidays).

Best & Less financial adviser



E&P Corporate Advisory

Best & Less legal adviser



Ashurst Australia

Nature of this document

This document is the third supplementary target's statement (**Third Supplementary Target's Statement**) dated 30 June 2023 issued by Best & Less Group Holdings Limited (ACN 642 843 221) (**BLG** or the **Company**) under Part 6.5 Division 4 of the Corporations Act.

This document supplements, and should be read together with:

- (a) the Target's Statement (contained in the Takeover Booklet) which was lodged with ASIC and provided to ASX and BLG Shareholders on 22 May 2023 (**Original Target's Statement**);
- (b) the First Supplementary Target's Statement which was lodged with ASIC and provided to ASX on 6 June 2023 (**First Supplementary Target's Statement**); and
- (c) the Second Supplementary Target's Statement which was lodged with ASIC and provided to ASX on 22 June 2023 (**Second Supplementary Target's Statement**).

This Third Supplementary Target's Statement prevails over the Original Target's Statement, the First Supplementary Target's Statement and the Second Supplementary Target's Statement to the extent of any inconsistency.

Defined terms

Capitalised terms used in this Third Supplementary Target's Statement that are not otherwise defined have the meaning given in the Glossary of the Takeover Booklet. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Third Supplementary Target's Statement have the same meaning and interpretation as in the Corporations Act.

ASIC and ASX disclaimer

A copy of this Third Supplementary Target's Statement has been lodged with ASIC and provided to ASX on 30 June 2023. Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Third Supplementary Target's Statement.

BLG Shareholder information line

If you have any questions in relation to the Offer, please contact the BLG Shareholder Information Line on 1800 426 150 (within Australia) or +61 1800 426 150 (from outside Australia). Further information relating to the Offer can be obtained from BLG's website at <https://bestandlessgroup.com.au/investor-centre/>.

1. **UPDATES TO THE TAKEOVER OFFER**

1.1 **Extension of the Offer Period**

On 30 June 2023, the Bidder provided a fourth supplementary bidder's statement to BLG and ASX (**Fourth Supplementary Bidder's Statement**) which contains a notice under section 650D of the Corporations Act that the Bidder has extended the period during which the Offer will remain open for acceptance. The Offer will now remain open for acceptance until **7.00pm (Sydney time) on Friday 14 July 2023** (unless further extended under the Corporations Act).

1.2 **Bidder's Voting Power in BLG Shares exceeds 80%**

The Fourth Supplementary Bidder's Statement discloses that the Bidder's Voting Power in BLG Shares has increased to approximately 82.83% of the BLG Shares on issue.

2. **UPDATE TO THE ORIGINAL TARGET'S STATEMENT**

The Original Target's Statement (contained in the Takeover Booklet) as amended by the Second Supplementary Target's Statement is updated by reference to new circumstances that have arisen since the Takeover Booklet and Second Supplementary Target's Statement was provided to BLG Shareholders as set out below.

2.1 **BLG Independent Board Committee¹ observations on the Offer**

Section 2.1 of the Original Target's Statement (as amended by the Second Supplementary Target's Statement) sets out observations on the Offer made by the BLG Independent Board Committee. In those observations, section 2.1.7 refers to the risk that should the Offer be successful there may be material acceptances from BLG Shareholders beyond that of Allegro and Bignor in which case share trading liquidity on ASX may worsen. The risk that the Bidder might seek to delist the Company from ASX at some point in the future is also noted.

Since the Second Supplementary Target's Statement, acceptances have been received for a further 11.29% of the BLG Shares on issue, increasing the Bidder's Voting Power to approximately 82.83% as at 30 June 2023. These acceptances of the Offer mean that there is an increased likelihood that share trading liquidity on ASX may significantly worsen following the close of the Offer.

As the Bidder Group's level of ownership or control of BLG Shares has exceeded 75% of the BLG Shares on issue, the Bidder Group may be able to delist the Company from ASX following the fulfilment of certain conditions set by the ASX. For details on the ability of the Bidder Group to delist the Company from ASX please see section 2.5.2(f) of the Original Target's Statement. If the Company were to be delisted from ASX that would significantly reduce the marketability of BLG Shares in which case it may become more difficult for BLG Shareholders to sell their BLG Shares. Additionally, the Bidder Group may now pass special resolutions of the Company (where they are entitled to vote) which would enable the Bidder Group to, amongst other things, change the Company's constitution.

You should also note that if the Voting Power of the Bidder Group exceeds 90% of the BLG Shares on issue the intention of the Bidder is to compulsorily acquire any remaining BLG Shares on issue. For further details please see section 1.6.3(b) of the Bidder's Statement (which is contained in the Takeover Booklet).

¹ As disclosed in the First Supplementary Target's Statement, Fay Bou and Jason Murray resigned from their position as BLG Directors on 6 June 2023 and are no longer members of the BLG Independent Board Committee.

2.2 **BLG Directors' Recommendations and Reasons**

Section 2.2 of the Original Target's Statement sets out the BLG Directors' Recommendations and Reasons in relation to the Offer as amended by the Second Supplementary Target's Statement.

The Continuing Independent Directors now recommend that BLG Shareholders **ACCEPT THE OFFER WITHOUT DELAY.**

Previously the Continuing Independent Directors had recommended BLG Shareholders who have a longer term investment horizon and are comfortable remaining a minority shareholder in BLG may consider 'taking no action'. However, since that time in view of the increase in the Bidder's Voting Power in BLG Shares on issue to above 80%, the two recent trading updates released to ASX, and having regard to the risks of remaining a minority shareholder as noted in section 2.5 of the Original Target's Statement (including the risk that BLG may delist from the official list of ASX), there is unlikely to be a liquid market in which you can sell your BLG Shares to other investors. Further, the intention of the Bidder is to proceed to compulsory acquisition if it increases its Voting Power in BLG Shares on issue to 90%. In this event you would be paid the Offer Price for your unaccepted BLG Shares, but as disclosed in the Fourth Supplementary Bidder's Statement the earliest you will receive payment will be approximately 6 weeks after the Bidder proceeds to compulsory acquisition, whereas if you accept the Offer, you will be paid the Offer Price within 7 days of your acceptance.

The Original Target's Statement notes that each of the Continuing Independent Directors advised the Company that she or he currently intends not to accept the Offer in respect of the BLG Shares that they individually hold or control.² **Having regard to the new circumstances outlined in this Third Supplementary Target's Statement, the Continuing Independent Directors now intend to accept the Offer for all of the BLG Shares that he or she individually hold or control.**

3. **ACCEPTING THE OFFER**

BLG shareholders who wish to accept the Offer should do so online at <https://events.miracle.com/BestAndLess-TakeoverOffer> or by using the Acceptance Form sent with the Takeover Booklet.

²

As originally disclosed in the Takeover Booklet, Colleen Callander does not individually hold or control any BLG Shares.

4. **AUTHORISATION**

This Third Supplementary Target's Statement has been authorised by the BLG Directors.

Signed for and on behalf of BLG:

A handwritten signature in black ink, appearing to be 'S. Heath', written in a cursive style.

Stephen Heath
Non-Executive Director and Chair of the BLG Independent Board Committee
Date: 30 June 2023