



ABN 27 621 105 824

ACN 621 105 824

27 September 2019

Smiles Inclusive Limited (ASX: SIL) Entitlement Offer

Dear Shareholder

As announced on 25 September 2019, Smiles Inclusive Limited (**Company**) is offering shareholders the fully underwritten 1 for 1 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**). The record date to be registered as a shareholder for participation in the Entitlement Offer will be 7pm (Sydney Time) 27 September 2019.

The Company has today announced the successful completion of the accelerated component of the Entitlement Offer (**Institutional Entitlement Offer**), receiving and accepting applications for approximately 12.8 million fully paid ordinary shares (**New Shares**) in the Company from institutional, sophisticated and professional investors in Australia and New Zealand at \$0.05 per New Share (**Offer Price**) raising approximately \$640,000. Shares issued under the retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be offered at the same price and on the same terms as the those issued under the Institutional Entitlement Offer.

The proceeds of the Entitlement Offer will be used to to repay temporary banking facilities, to retire debt associated with equipment purchases, for capital expenditure requirements, for working capital requirements and pay the costs of the offer.

Ineligible Shareholders

The Company has determined, in compliance with Listing Rule 7.7.1, that it is unreasonable to make the Entitlement Offer to shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to each of the following:

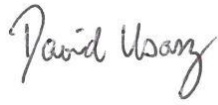
- (a) the number of those security holders registered;
- (b) the number and value of the securities that would have been offered to those security holders; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in some overseas jurisdictions.

According to the Company's share registry, you are a shareholder who has a registered address outside Australia and New Zealand, and the Company has decided you are therefore an Ineligible Shareholder.

Accordingly, you are excluded from and are ineligible to participate in the Entitlement Offer and you will not be sent a copy of the Entitlement Offer Booklet. As the Entitlement Offer is non-renounceable, you will not receive any payment or value for rights in respect of any new shares that would have been offered to you if you were eligible.

On behalf of the board of the Company, I thank you for your continued support.

Yours faithfully

A handwritten signature in black ink that reads "David Usasz". The signature is written in a cursive, flowing style.

David Usasz
Chairman

- ends -