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ASX announcement

Operations Update

1 May 2020

Totally Smiles is pleased to announce the easing of level 3 restrictions following the Australian Health Protection Principal Committee (AHPPC) announcement. As a result, the business is now commencing its COVID-19 recovery plan with the re-opening of 20 practices from 27 April 2020. While the easing of restrictions is the first step in moving forward, the health and safety of our people and patients remains paramount. Totally Smiles will continue to adhere to AHPPC regulatory requirements, with an approach to increasing utilisation and opening the remaining practices in the coming weeks as the need for increased services arise.

The COVID-19 pandemic, and associated forced shut down imposed by the federal government, has impacted the financial performance of the business, and while some staff have returned to work the remainder of Totally Smiles employees have been temporarily stood down. Those employees returning to work consist of both practice staff and support office staff and are now in receipt of a JobKeeper funded wage paid by the Company. We will continue to monitor the Government's public health advice to determine how and when we will resume normal operations and return all to work.

In addition to managing the impact of the COVID-19 pandemic, the Company has been continuing its efforts to turn the business around. As at 31 March 2020, the Company reported positive operating cashflow, and the Board is also in advanced stages of negotiations to recapitalise the Company's balance sheet to support our operations and the ongoing restructuring of the business.

Commenting on the easing of restrictions: Michelle Aquilina Chief Executive Officer said: "None of us could have imagined where our nation stands today amid the COVID-19 pandemic. This truly extraordinary event resulted in the forced closures of all our dental practices across Australia. While the easing of restrictions is a positive step forward, Totally Smiles will continue to take precautionary measures to ensure the health and safety of our people and the community continues. Everyone including dentists and staff have been working through the COVID-19 crisis as best they can, and I sincerely thank everyone for their efforts and commitment to patient care as we work through these challenges".

Totally Smiles will continue to monitor the COVID-19 situation and provide updates accordingly.

For further information please contact:

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