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ASX announcement

Operations Update

15 May 2020

Smiles Inclusive is pleased to announce the reopening of all dental centres following the Australian Health Protection Principle Committees (AHPPC) approval to move to Level 1 dental services. The easing of restrictions means full dental services can be provided under the guidance of COVID-19 protocols. While we continue to work through the COVID-19 pandemic it is expected patient demand will be subdued and may take time to reach normal levels, this will be monitored closely.

Commenting on the easing of restrictions, Michelle Aquilina Chief Executive said: "We are incredibly relieved the restrictions set by our government have slowed the spread of COVID-19. However, with the easing of restrictions, we can start to welcome back patients. This unpredictable environment changes daily and we will continue to monitor and embrace the guidance of governing bodies and adapt how we operate to support the safety and wellbeing of our people and the community. This includes our continued commitment to our health and safety standards while also abiding by the social distancing rules to ensure everyone remains safe".

The period has also seen the Company progress its strategic planning, focusing on organisational redesign and consideration of the individual existing centres and businesses. This work has developed a clear pathway to cost efficiency, portfolio simplification and specific growth initiatives expected to maximise shareholder value. As part of this, we today confirm that we intend to explore a sale process of some non-core centres.

Commenting on the new strategic direction, Michelle Aquilina Chief Executive Officer said: "I'm pleased with the quick progression of our new multi-faceted strategy that will not only enhance shareholder value, but also our value proposition by renewing the dental centre model. Totally Smiles is invested in its people for long term sustainability and growth with the immediate focus on improvement - particularly that concerned with the service levels to our existing clinicians".

The company also wishes to advise a senior executive change. Emma Corcoran Chief Financial Officer and Company Secretary will be leaving the Company on Friday 15 May 2020. Michelle Aquilina said: "Emma served as Chief Financial Officer and Company Secretary for a period before my arrival and helped set the Company on its transitional pathway. Personally, I will miss Emma's knowledge and dedication. On behalf of the Executive team and the Board I wish Emma every success for her future".

The existing finance team will continue to provide the finance function to the business, while a recruitment process is completed.

Andrew Ritter has been appointed as Company Secretary.

This announcement has been approved for release by the Board.

For further information please contact:

Michelle Aquilina, Chief Executive Officer