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ACN 621 105 824

## **ASX Announcement**

**2 July 2021**

### **Smiles Inclusive Limited (Administrators Appointed): Outcome of Second Meeting of Creditors**

The Administrators of Smiles Inclusive Ltd (Administrators Appointed) (**SIL**) have confirmed the outcome of the reconvened second meeting of creditors of SIL held today.

With the meeting held online, creditors accepted the Deed of Company Arrangement (**DOCA**) proposed by Exit Solutions Ltd (**ES**)<sup>1</sup> in respect to SIL. It was the Administrators' opinion that approving the DOCA was in the best interest of all creditors.

The DOCA will be signed within 15 business days of today's date.

The key terms of the DOCA and associated agreement(s), now formally approved by creditors, provides for:

- A contribution of \$90,000 to the Administrators to provide for the partial payment of the Administrators' fees and out of pocket expenses
- The release of security interests. One or more of the secured creditor(s) will receive a payment from the Deed Proponent in exchange for releasing their securities
- Creditors' claims are extinguished
- Effectuation upon ES obtaining at least 90% of the issued shares in SI (by way of shareholder resolution or pursuant to section 444GA of the Corporations Act) or within 12 months of the DOCA being executed.

The DOCA is expected to result in a greater return to one or more secured creditors and reduce the overall loss to creditors as a whole as compared to liquidation. Unfortunately, the Administrators do not anticipate any distribution to unsecured creditors under the DOCA due to the terms of the DOCA and the financial position of SIL on appointment.

***This announcement has been approved for release by the Administrators.***

For further information please contact:

#### **Creditor Enquiries**

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<sup>1</sup> ES is a Brisbane-based Australian public company 'established with the mission to enable entrepreneurs a profitable exit from their existing ventures'.