



ABN 27 621 105 824  
ACN 621 105 824

**13 October 2020**

Dear fellow shareholder

### **Board Update**

The Smiles Inclusive Board and management continue to make good progress in implementing the Sustainable Improvement Strategy and making the changes that will continue the encouraging turnaround of the business. I am pleased to report that we have taken a critical step in that direction with the signing of an underwriting agreement with Aitken Murray Capital Partners to raise approximately \$8 million to discharge liabilities to NAB.

The new capital will be raised through a fully underwritten rights issue at 2.5 cents per share, which we anticipate will be completed on or around 7 December 2020. We are also in detailed discussions with interested parties to refinance the balance of the existing NAB facilities and ensure the Company has sufficient working capital to support the business.

More details of the underwriting agreement are available in the announcement dated 8 October 2020 which can be found on the Company's announcements page on the ASX website: <https://www2.asx.com.au/markets/company/sil>.

The company is now trading profitably and along with the other measures that are turning around the performance of the business has been instrumental in allowing the Company to sign the underwriting agreement to raise new capital that will help to create a sustainable financial base for the business. The capital raising will assist the Company to execute the Sustainable Improvement Strategy that we recently shared with shareholders and provide real momentum to the turnaround.

Along with the recent appointment of Dr Genna Levitch as a non-executive director of Smiles Inclusive, the capital raising shows that we are de-risking the business and heading in the right direction. Dr Levitch was a founding executive of Australia's first corporate dental group, Pacific Smiles Group and ultimately oversaw that business grow from three practices with annual total turnover of \$5 million to 17 practices with annual revenue of \$35 million. Dr Levitch has practiced as a dentist and established a multi-disciplinary healthcare design and construction business which advised dental professionals on developing and expanding their practices. His appointment to the Board and investment in Smiles Inclusive shares are an endorsement of the strategic direction of the Company and the progress we are making in building a sustainable business.

We look forward to providing further updates on the progress of the business turnaround and the Sustainable Improvement Strategy.

### **Upcoming EGM**

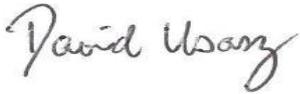
Shareholders should by now have received Smiles Inclusive's official response to the Notice of Meeting despatched by a group of former Totally Smiles dentists for an extraordinary general meeting to be held on Friday 23 October 2020.

The Board encourages all shareholders to vote using the official Smiles Inclusive proxy form, and send the proxy form to the Company's share registry, Link Market Services by no later than 10.00am (Brisbane time) on Wednesday, 21 October 2020.

If you have already sent a proxy form to Advanced Share Registry and wish to re-vote using the official Smiles Inclusive proxy form, you can do so by completing the proxy form from Smiles Inclusive and lodging it with Link Market Services.

Your Directors unanimously recommend shareholders vote against all of the resolutions proposed by the requisitioning shareholders, for the reasons set out in the communication to shareholders dated 23 September 2020.

Yours sincerely

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

**David Usasz**

**Chairman**