



6 February 2020

Mr Corey Lian
Adviser, Listings Compliance (Sydney)

Email: ListingsComplianceSydney@asx.com.au

Dear Corey,

1. **Does SIL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

The Company is continuing to implement its turnaround plan, which consists of several discrete initiatives, which vary in complexity, being executed. Results remain positive despite the cash flows for the last quarter which were negatively affected by the typical end of year seasonal slowdown, an additional pay-cycle for the month of December and several one-off legal, insurance and business restructure costs.

The Company expects improvements in cash flows in the short to medium term, however the likelihood of negative operating cash flows for the time being continues to remain relatively high.

2. **Has SIL taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

The Company is actively considering all funding avenues open to it, including debt, equity and where appropriate asset sale. It remains confident it would be successful should it so elect to raise further funds, whether via equity capital markets, or through alternative means. In the last quarter it completed the following fund-raising activities:

- Successful completion of a \$3.3 Million 1:1 Accelerated Rights Issue; and
- Successful completion of the sale of two non-core operating practices for \$2Million.

3. **Does SIL expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

The Company continues to believe in its underlying business model and the current board and **management remain committed to the objectives set out in the Company's prospectus and market announcements, including focusing on implementing its turnaround plan, improving business performance** and providing reliable dental services.

The Company expects to be able to continue its operations and to meet its business objectives on the basis that it continues to have the support of its stakeholders and that **it is seeing positive tangible change within the business (including in respect of cash flows on a like-for-like basis) as a result of the implementation of its turnaround plan.**



4. **Please confirm that SIL is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.**

The Company considers that it is complying with listing rule 3.1 and there is no information that should be given to ASX about its financial condition that has not already been released to the market.

5. **Please confirm that SIL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SIL with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed.

Yours faithfully,

A handwritten signature in black ink that reads "David Usasz".

David Usasz
Chairman