

Gold Coast dental roll-up Smiles Inclusive under fire for providing ‘no insight’ into repayment plan

A former dentist at Gold Coast dental group Smiles Inclusive has attacked the company for offering few details on its recapitalisation plan.

[Alister Thomson](#), Business Editor, Gold Coast Bulletin

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SHAREHOLDERS and creditors to embattled Gold Coast dental group Smiles Inclusive have been left in the dark about how it plans to pay back its lender \$12 million and recapitalise the company, a boardroom contender says.

[Dr John Camacho](#) is one of three ex-dentists at Smiles who intends challenging for a board position of the listed company on October 8.

Dr Camacho, Dr Arthur Walsh and Dr Philip Makepeace want to address what they say are substantial financial and corporate issues at the company.

They say that the board has not delivered on its promises and there is a need for a forensic accounting firm to go through the books to ascertain a “true state of the finances”.

Smiles shares have been [suspended from trading](#) on the ASX since early March after it failed to deliver its half-year results.

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The company’s full year result for FY19 showed a [loss of \\$31 million](#).

Last month the company announced a plan to close its accounts with NAB by the end of this month after paying back \$12.347 million of its \$19 million debt by September 11. Smiles said it was part of a broader plan to recapitalise the company through a capital raising.

It said it was in advanced negotiations with a professional underwriter with a view to finalising the raising by the end of the month.

However, on Monday Smiles said it had not been able to meet the September 11 deadline and had asked NAB for an extension.



 John Camacho.



 Shares in Smiles Inclusive were suspending from trading in March. Photo: iStock

Dr Camacho said shareholders and creditors had no clear view of how the company would pay back NAB.

“All we have been told for months is that they are in the advanced stages of a recapitalisation,” he said. “Beyond that there has been no insight, no actual discussion around how that is going to happen.”

He said any capital raising would involve a massive dilution of existing shareholders.

The shares last traded at 3.5c but the last recorded sale involved former CEO Mike Timoney selling off his stake at a record low of 1.1c per share.

Smiles has 150 million shares on issue. If it chooses to raise \$12 million at 2c per share that would involve issuing 600 million more.