

ASX ANNOUNCEMENT

28 October 2016

1300SMILES Ltd – Oventus Medical Collaboration

1300SMILES Ltd is proud to announce it has entered into a collaboration agreement with medical device company Oventus Medical Ltd.

This collaboration allows 1300SMILES's dentists to provide treatment for snoring and sleep apnoea sufferers with Oventus products.

Managing Director of 1300SMILES, Dr Daryl Holmes, said "We are excited about this opportunity to enable our Dentists to provide this innovative, life-changing product and service to our patients. This increases the scope and range of services we offer and hence revenue streams and profitability for our group."

More than 800,000 Australians suffer from obstructive sleep apnoea (OSA)¹, whilst the global sleep disordered breathing market is estimated to be worth \$50 billion annually.

The Oventus device was created by Brisbane dentist Dr Chris Hart, Oventus founder and Clinical Director. It is indicated for use during sleep to aid in the treatment of snoring and OSA. For more information please visit www.ventus.com.au

A clinical study completed earlier this year showed the company's first generation product the O₂VENT Mono™ is successful in treating OSA and that snoring was either eliminated or significantly reduced in 100 per cent of patients². The positive results included those people who had nasal obstructions and mainly breathed through their mouths, when awake and asleep.

Oventus Managing Director and Chief Executive Officer, Neil Anderson, said "We are delighted to be working with a professional and well established dental corporate partner, and look forward to a mutually beneficial collaboration. This collaboration provides us with direct access to the 1300SMILES group of clinicians and will ultimately allow more patients with obstructive sleep apnoea to be brought into care."

This announcement and further information about 1300SMILES Ltd can be found on the company's web-site www.1300SMILES.com.au.

Dr Daryl Holmes
Managing Director

¹ *Deloitte Access Economics. Reawakening Australia: the economic cost of sleep disorders in Australia, 2010. Canberra, Australia.*

² *Beecroft, et al. Oral continuous positive airway pressure for sleep apnea; effectiveness, patient preference, and adherence. Chest 124:2200–2208, 2003*

ABOUT 1300SMILES LTD

OVERVIEW OF THE COMPANY'S BUSINESS

1300SMILES Ltd owns and operates full-service dental facilities at its sites in New South Wales, South Australia, and in the ten major population centres in Queensland. The company continually seeks to expand its presence into other geographical areas throughout Australia. It does so both by establishing its own new operations and by acquiring existing dental practices. The administrative and corporate offices are in Townsville.

1300SMILES enables the delivery of services to patients by providing the use of dental surgeries, practice management and other services to self employed dentists who carry on their own dental practices. The services provided by the company allow the dentists to focus on the delivery of dental services rather than on the administrative aspects of carrying on their businesses. The dentists pay fees to the company for the provision of these services under a Dental Service Agreement with the company. In some circumstances the company also employs qualified dentists.

The dentists who use the company's services range from new graduates to experienced dental professionals. Several dentists who use the company's services have special interests and experience in such areas as endodontics, oral surgery, implants and periodontics and cross-refer work to other dentists who use the company's services.

The company provides comprehensive services in the areas of marketing, administration, billing and collections, and facilities certification and licensing to all participating dentists. The company also provides all support staff, equipment and facilities, and sources all consumable goods using the buying power which derives from such a large group of dental businesses.

FUTURE DEVELOPMENTS

The company's core objective is to continue to increase profits and shareholder returns while providing a rewarding environment for our staff and the dentists using our facilities.

The company aims to achieve a combination of organic growth in its existing locations and the addition of new practice management facilities.

The key drivers for future growth of the company are:

- Increasing profits by attracting more dentists to our existing facilities and expanding those facilities which are already at full capacity;
- Assisting dentists who already practice within the 1300SMILES system to increase their turnover and income through benchmarking, training, and mentoring;
- Establishing new practices in existing and new regions (greenfield sites);
- Acquiring substantial existing practices where we can do so on favourable terms; and
- Managing dental facilities owned by others.

DENTIST ENQUIRIES

Owners of dental practices who are interested in unlocking the goodwill value of their businesses (or freeing themselves from all the management hassles) are invited to contact Dr. Daryl Holmes, Managing Director, on +61 (7) 4720 1300 or md@1300SMILES.com.au.

Qualified dentists who wish to know more about joining one of our established facilities are encouraged to contact Dr. Holmes directly or email dentalcareers@1300smiles.com.au or visit our website www.1300smiles.com.au/careers.