

dentalcorp Closes Initial Public Offering and Concurrent Private Placement for Gross Proceeds of Approximately \$950 Million

NEWS PROVIDED BY
dentalcorp Holdings Ltd. →
May 27, 2021, 09:31 ET

/NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES/

TORONTO, May 27, 2021 /CNW/ - dentalcorp Holdings Ltd. ("dentalcorp" or the "Company"), Canada's leading network of dental practices, announced today the closing of its initial public offering (the "Offering") of 50,000,000 subordinate voting shares of the Company ("Subordinate Voting Shares") at a price of \$14.00 per share, for total gross proceeds of \$700,000,000.00.

The Company also announced the closing of its concurrent private placement to certain institutional shareholders of an aggregate of 10,714,285 shares (the "Initial Specified Shareholders' Investments"), as well as an aggregate of 7,125,000 subscription receipts (the "Additional Specified Shareholders' Investments", together with the Initial Specified Shareholders' Investments", the "Specified Shareholders' Investments"), at a price of \$14.00 per share or per subscription receipt, as the case may be, for gross proceeds of approximately \$250,000,000.00. The subscription receipts will, upon expiry of the Over-Allotment Option (as defined below), result in such shareholders receiving such number of additional Subordinate Voting Shares as is equal to the value of the net proceeds of any unexercised portion of the



Over-Allotment Option that the Company would have otherwise received if the Over-Allotment Option was exercised in full. The proceeds of the sale of any unexercised subscription receipts shall be returned to the purchasers.

The Company has granted the Underwriters (as defined below) an over-allotment option (the "Over-Allotment Option") to purchase up to an additional 7,500,000 Subordinate Voting Shares at a price of \$14.00 per Subordinate Voting Share for additional gross proceeds of up to \$105,000,000 if the Over-Allotment Option is exercised in full. The Over-Allotment Option can be exercised in whole or in part, at any time, in the sole discretion of the Underwriters, for a period of 30 days from and including the closing date of the Offering.

The Company expects to use the net proceeds from the Offering and the Specified Shareholders' Investments to repay certain outstanding debt.

The Subordinate Voting Shares began trading on the Toronto Stock Exchange (the "**TSX**") on May 21, 2021 under the symbol "DNTL".

The Offering was made through a syndicate of underwriters led by CIBC Capital Markets, Jefferies Securities, Inc., BMO Capital Markets and TD Securities Inc. acting as joint active bookrunners, and includes RBC Capital Markets and BofA Securities acting as passive bookrunners, and Canaccord Genuity Corp. and Scotia Capital Inc. (collectively, the "Underwriters").

The Offering was completed pursuant to the Company's supplemented PREP prospectus dated May 20, 2021 (the "**Prospectus**"), and filed with the securities regulators in each of the provinces and territories of Canada, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

The securities under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S.

Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in any jurisdiction in which the offering or sale is not permitted.

Early Warning Reports

On May 27, 2021, in connection with the closing of the Offering, the Company completed a series of transactions (the "Pre-Closing Capital Changes") pursuant to which, among other things, the Company amalgamated with certain of its subsidiaries. In connection with the Pre-Closing Capital Changes, among other things, the common shares and preferred shares of the Company indirectly held by Mr. Rosenberg were converted into Subordinate Voting Shares and subsequently exchanged for multiple voting shares of the Company ("Multiple Voting Shares") and the common shares and preferred shares of the Company held by LC8 DCC Investment Borrower, L.P. ("L Catterton Investor", and together with Mr. Rosenberg, the "Principal Shareholders") were converted into Subordinate Voting Shares.

Prior to the completion of the Pre-Closing Capital Changes, neither of the Principal Shareholders owned or controlled any Multiple Voting Shares or Subordinate Voting Shares. Immediately following the Pre-Closing Capital Changes but before giving effect to the Offering and the Specified Shareholders' Investments, Mr. Rosenberg indirectly owned or controlled 8,112,393 Multiple Voting Shares held by GR BCM2 #2 Acquisition Limited Partnership (representing all of the issued and outstanding Multiple Voting Shares) and L Catterton Investor owned or controlled 61,824,724 Subordinate Voting Shares (representing 68.7% of the issued and outstanding Subordinate Voting Shares).

After giving effect to the Pre-Closing Capital Changes, the Offering and the Initial Specified Shareholders' Investments, Mr. Rosenberg indirectly owns or controls 9,183,822 Multiple Voting Shares (representing all of the issued and outstanding Multiple Voting Shares) and 712,500 subscription receipts, in each case held by GR BCM2 #2 Acquisition Limited Partnership, and L Catterton Investor owns or controls 69,526,980 Subordinate Voting Shares (representing 46.4% of the issued and outstanding Subordinate Voting Shares) and 5,122,001 subscription receipts. Assuming conversion of all of the subscription receipts issued pursuant to the Additional Specified Shareholders' Investments, Mr. Rosenberg will indirectly own or control 9,183,822 Multiple Voting Shares (representing all of the issued and outstanding Multiple Voting Shares)

and 712,500 Subordinate Voting Shares (representing 0.5% of the issued and outstanding Subordinate Voting Shares), in each case held by GR BCM2 #2 Acquisition Limited Partnership, and L Catterton Investor will own or control 74,648,981 Subordinate Voting Shares (representing 47.6% of the issued and outstanding Subordinate Voting Shares).

Pursuant to the terms of the Multiple Voting Shares, they are each convertible into Subordinate Voting Shares on a one-for-one basis, and will convert automatically upon the occurrence of certain events. Upon completion of the Offering and the Specified Shareholders' Investments, if the Multiple Voting Shares indirectly owned or controlled by Mr. Rosenberg are converted into Subordinate Voting Shares in accordance with their terms, the Multiple Voting Shares indirectly owned or controlled by Mr. Rosenberg would represent approximately 5.9% of the issued and outstanding Subordinate Voting Shares, on a partially-diluted basis, assuming conversion of all of the subscription receipts issued pursuant to the Additional Specified Shareholders' Investments.

The Multiple Voting Shares, Subordinate Voting Shares and subscription receipts referenced in this press release were issued pursuant to the Pre-Closing Capital Changes effected in connection with the Offering and pursuant to the Specified Shareholders' Investments and were acquired for investment purposes.

The Principal Shareholders may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of the Company, in such manner as it deems advisable from time to time, subject to applicable laws and the terms of the Company's articles and of the lock up agreements entered into by each of the Principal Shareholders, the coattail agreement entered into by Mr. Rosenberg and the investor rights agreement entered into by, among others, each of the Principal Shareholders each as described in the Prospectus.

The Subordinate Voting Shares are currently listed for trading on the TSX, while the Multiple Voting Shares are not listed on a marketplace. For further information and to obtain a copy of the early warning reports to be filed under applicable Canadian securities laws in connection with the foregoing matters, please see the Company's profile on SEDAR at www.sedar.com.

dentalcorp is Canada's leading network of dental practices, committed to advancing the overall well-being of Canadians by aiming to deliver the best clinical outcomes and unforgettable experiences. dentalcorp acquires leading dental practices, uniting its network in a common goal: to be Canada's most trusted healthcare network. Leveraging its industry-leading technology, know-how and scale, dentalcorp offers professionals the unique opportunity to retain their clinical autonomy while unlocking their potential for future growth. Learn more at <http://www.dentalcorp.ca>.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events, including statements with regard to expected use of the net proceeds for the Offering and the commencement of trading of the Subordinate Voting Shares on the TSX. Forward-looking information is based on a number of assumptions, many of which are beyond the Company's control. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the Prospectus filed on SEDAR. Actual results could differ materially from those projected herein. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this news release is provided as of the date of this news release and dentalcorp does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required under applicable securities laws.

SOURCE dentalcorp Holdings Ltd.

For further information: Graham Rosenberg, CEO & Founder, investors@dentalcorp.ca