IC Report: Project ABC

JULY 2019

Executive Summary

Specialty Lending Investment Opportunity

DEAL SUMMARY	
Project Name:	Project ABC
Date:	January [ ], 2019
Deal Team:	Member 1/Member 2
Company:	Company ABC
Deal Agent:	XXX
XXX Participation	$12.0mm of RCF, $60.1mm of TL and $28.0mm of MDTL (100% of Facility)
Gross Returns	YTM 8.5% IRR / 1.34x MOIC | YTT 10.3% IRR / 1.27x MOIC

RCF, TL & MDTL (COLLECTIVELY, 1ST LIEN FACILITY) TERMS	
Facility Size:	$12.0mm RCF / $60.1mm TL / $28.0mm MDTL (soft commitment to upsize to $90.0mm upon successful deployment of the MDTL)
Maturity:	Seven Years
Rate:	L + 7.50% (with rate step-downs) • TL: L+7.00% at a leverage of < 5.0x • MDTL: L+6.75% at a leverage < 4.5x
Unused Fee:	0.50%
MDTL Availability:	$60.0mm so long as the pro forma Total Net Leverage Ratio is not greater than 5.5x; 24-month availability period ("MDTL Availability Period")

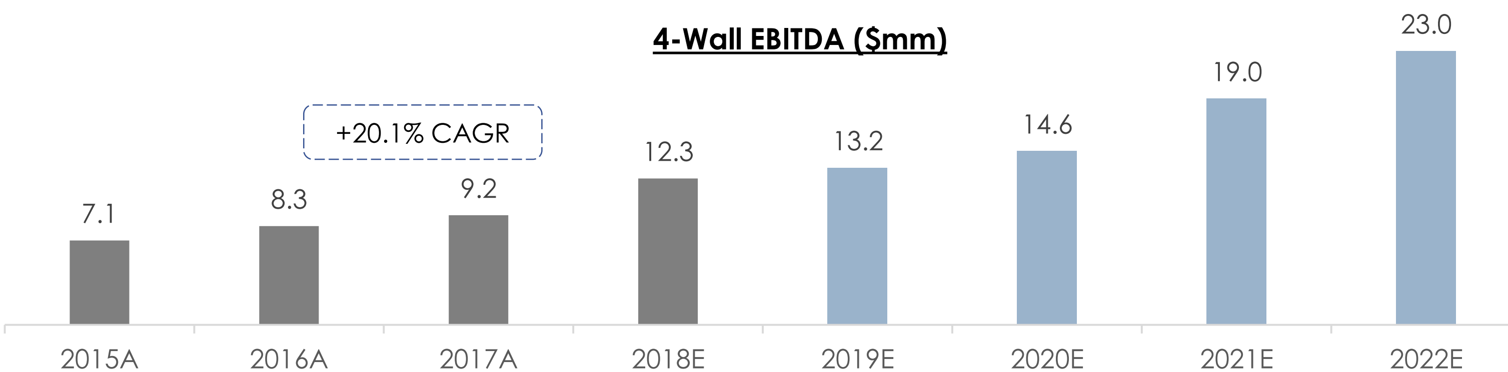
RCF, TL & MDTL (COLLECTIVELY, 1ST LIEN FACILITY) TERMS	
Collateral:	First lien on all tangible and intangible assets (including intellectual property) and equity interests of the Company and affiliated dental practices
Call Protection:	102 / 101 / 100
Amortization:	1.00%; commencing on the last day of the second full fiscal quarter
ECF Sweep:	50%; reduced to 30% at 3.5x, 0% at 2.5x
Covenants:	• Fixed Charge Coverage Ratio • Maximum Leverage • Negative covenants to include limitations on distributions, fundamental changes, disposition of assets, acquisitions, and transaction with affiliates

Executive Summary (1 of 2)

COMPANY OVERVIEW

- Founded in 2004 by xxx, Company ABC ("ABC" or the "Company") is a regional Dental Support Organization ("DSO") with 25 affiliated multi-specialty dental offices (including 4 pending affiliations under LOI) in the XXX region, out of which 13 offices are branded as ABC. Clinical team includes 50 general practitioners, 25 specialists, and 65 hygienists supported by 160 dental assistants
- The Company is one of the largest DSO platforms in the XXX region with 2018E revenue, Adjusted 4 Wall EBITDA and Adjusted Consolidated EBITDA of $62.1mm, $18.5mm and $12.3mm (19.8% margin), respectively
- The Company's growth has been driven by acquiring dental offices, retaining the patient base and in-sourcing certain specialty services that are currently being referred out to third parties. The Company has been very acquisitive, having completed six transactions since 2013, in addition to four pending transactions under LOI
- The Company maintains a very attractive payor mix consisting of 75% private insurance and 25% cash with zero government reimbursement exposure
- ABC operates a diversified business model with no doctor contributing more than 5% of production and a balanced service mix of general dentistry and pedodontics (75%) and specialty (25%), including periodontics, prosthodontics, oral surgery, implant dentistry, endodontics, and orthodontics
- The Company has achieved significant growth over the last several years, achieving revenue, Adjusted 4 Wall EBITDA and Adjusted EBITDA CAGRs of 23%, 20.1% and 38%, respectively since 2015
- ABC's growth plan is to continue focusing on M&A (acquiring ~$2-5mm of EBITDA every year). The Company also expects to drive growth via (i) de novo builds and (ii) building a dedicated business development function to drive greater traffic at existing locations

4-Wall EBITDA ($mm)



Executive Summary (2 of 2)

TRANSACTION DYNAMICS

- XXX was introduced to this opportunity via XYZ Partners ("XYZ" or the "Sponsor"). XYZ signed an LOI for ABC in June 2019. Current investors include Founder and CEO (50%), The XXX Group (50%). XYZ will be purchasing 100% of the current PE sponsor's shares (The XXX Group) and 80% of the Founders' shares, with an expectation that the Founder will want to transition out of the business by end of the hold period (e.g. 4-5 years). The Sponsor anticipates closing the acquisition all equity and will refinance $60mm of their own capital later in August 2019
- XYZ is seeking $60.1mm term loan funded at close **(4.9x 2018 EBITDA of $12.3mm)**, with an additional unfunded $28mm Delayed Draw Term Loan ("DDTL"), and a revolver ("RCF") of $12mm (collectively, the "Credit Facility"). There is also a clause for an incremental $60mm DDTL subject to pro-forma covenant compliance and Lender discretion
- The portion of the Facility that will be unfunded at close will be used to provide acquisition and de novo financing for next 24 months. Currently the Company has 14 practices to acquire by 2019. The practices are in varying stages of acquisition ranging from closing imminently to initial diligence
- Two large targets are expected to be under LOI in near-term and close within next 6 months

Sources			Uses		
Company XYZ Term Loan	84.7	63.5%	TBD	133.5	100.0%
Company Equity	48.7	36.5%			
Total	**133.5**	**100.0%**		**133.5**	**100.0%**

- As part of the proposed investment, the capital structure shall have a minimum of 45% equity at close, including seller roll
- Based upon a $130.0mm EV, the Credit Facility at close will attach at a 46% loan-to-value and through 4.9x pro forma LTM EBITDA

Pro-Forma Capital Structure

				Funded at Close		Max Available							
($ in millions)	Funded at Close	Max Available	Outstanding % of Capital	LTV	xEBITDA[1]	LTV	xEBITDA[1]	Rate	LIBOR Floor	Undrawn Fee	Call Protection	Amortization	OID
Company XYZ Term Loan	84.7	84.7	63.5%	63.5%	5.4x	63.5%	5.4x	L + 8.3%	2.20%	0.60%	NC1,103,102,101	0/3/3/3/3	2.20%
Total Debt	**$84.7**	**$84.7**	**63.5%**	**63.5%**	**5.4x**	**63.5%**	**5.4x**						
Company Equity	48.7	48.7	36.5%	100.0%	8.5x	100.0%	8.5x						
Enterprise Value	**$133.5**	**$133.5**	**100.0%**	**100.0%**	**8.5x**	**100.0%**	**8.5x**						

(1) Based on 2018 EBITDA of $15.7mm

Investment Merits

MERIT	SUPPORTING DETAIL
Attractive Risk-Adjusted Return Profile	• Attractive 8.5% YTM and 10.3% YTT (3-year) IRR, while attaching through x 4-Wall EBITDA or a 55.0% LTV
Multi-site platform with strong regional density, scale, and brand awareness that benefits from highly reoccurring patient visits	• **One of the largest multi-site DSO platforms in the XXX region**, with 35 offices • The dental industry is highly fragmented and is being actively consolidated by private equity. **In a downside scenario individual locations, or groups of locations, could be sold** • The Company experiences high customer retention; **~95%+ of visits are with repeat patients**
Highly diversified model across providers, services, and payors	• **Zero government reimbursement exposure and low concentration among commercial issuers**. • Large base of 80 doctors **with no doctor contributing over 5% of production**. • Balanced service mix across general dentistry and pedodontics (75%) and multiple specialties (25%), including periodontics, prosthodontics, oral surgery, implant dentistry, endodontics
Strong Doctor Retention	• Patients becomes very loyal to their doctors; doctor retention drives the business model. The Company maintains **exceptionally low doctor turnover** – since 2015, long-term doctor turnover has **averaged just 13% vs. industry average of over 20%**
Strong Operating Leverage Positions the Company to Quickly Grow EBITDA	• The Company has made significant investments in its infrastructure, which is highly scalable. The Company well-positioned to leverage its corporate infrastructure, which has been built for scale. All key administrative, financial, and operational, functions, including provider recruiting, training, and credentialing, are centralized
Highly actionable same-store and affiliation growth strategy	• **Proven ability to enhance regional density and expand the Company's footprint into new geographies through accretive affiliations** – 8 transactions since 2015 reflecting an average purchase price of 5.0x EBITDA at close, which has compressed to 4.0x as of TTM April 2018 EBITDA due to same store growth and operational efficiencies • **Proven ability to grow same-store sales post-closing through the introduction of new providers, integration of specialty services, and enhanced marketing capabilities to drive patient volume** • Significant momentum and **growing pipeline** representing over $76.5mm in incremental revenue (over $12.3mm EBITDA)
Attractive Industry Dynamics	• The dental industry has proven to be very resilient, highlighted by national dental expenditures growing at a 2.7% CAGR from 2007-2010 • The national dental expenditure is projected to further rise at a CAGR of 4.6% till 2026 at the back of ageing population and increasing awareness of oral health issues across the nation

Risk and Mitigants (1 of 2)

KEY RISKS	POTENTIAL CONCERN	MITIGANTS

$28mm Unfunded Committed Capital at Close	• MDTL draws could be used for acquisitions or other purposes that are not accretive to the business and drive up LTV	• The Credit Agreement mitigates this risk in a few key ways:
		  • Only 5% of the $28mm MDTL is to be used for general corporate purposes, the remainder is to be used for acquisitions
		  • The Facility is governed by a cap on gross leverage ratio of 7.0x, the Company is currently valued at 5.1x

Highly Regulated Industry	• Improper billing and coding or compliance policies could negatively impact ABC	• DSOs tend to face regulatory consequences less often by adopting the 'Affordable Dentures & Implants practices' as it helps in creating a consistent level of quality and patient satisfaction
Reimbursement Rates	• The Company could be negatively impacted by changes to reimbursement rates	• XXX Group's industry experts indicated that the outlook for codes related to general purpose visits are unlikely to come under significant pressure in the near future • The Company is able to accommodate lower reimbursement from public insurance programs better than smaller private dental practices, as it can leverage scale economies to treat patients at lower individual cost and reduced overhead • Conversions of private dental plans to managed care administrators allow DSOs to negotiate more favorable reimbursement rates
Provider Integration	• Providers may leave for competing practices if they are not satisfied with ABC post-acquisition	• A standard diligence request list is used for all affiliations, and all diligence and negotiation is carried out in-house • New affiliations open as a Company-affiliated location on day one, with the entire integration process carried out over the course of 45 days • The Company has demonstrated the ability to help doctors grow their practices - doctor production on average has historically increased by 20% post-transaction • Doctors are compensated based on a percentage of collections, and on average earn 25% more than the average GP in NJ and PA • The Company has historically experienced very low doctor turnover - ~13% since 2015 vs. Industry average of 20%

Risk and Mitigants (2 of 2)

KEY RISKS	POTENTIAL CONCERN	MITIGANTS
Ability to Source Pipeline of Accretive Deals	• The Company's strategy is reliant on making accretive acquisitions and the pipeline could diminish	• There is an industry wide trend towards consolidation that should continue to feed the ABC pipeline • In general, administrative and financial burden of solo practices, and lucrative opportunities offered by large practices have led to aggregation of dentists into mid or large sized practices • XXX responded to the XXX proposed XXX by stating that acquisition not to exceed \$20mm of enterprise value; QofE required for acquisitions over \$8mm of enterprise value
Adjustments to EBITDA	• The Company has proposed a number of adjustments to EBITDA – for provider turnover; and also for timing of new affiliations, transaction fees, earnouts, and non-recurring expenses	• The normalized figures primarily adjust for the impact of provider turnover; timing of new affiliations; and adjustments for transaction fees, earnouts, and non-recurring expenses • Management has proposed adjustments to 2018 EBITDA for net provider turnover, amounting to ~\$0.8mm, or 7.7% of unadjusted facility-level EBITDA of \$12.3mm • These adjustments have been validated using a bottom-up approach, using reasonable assumptions detailed by the Company • Separately, the Company has made adjustments to EBITDA, which increased EBITDA by 20.1% at the store level, and decreased corporate expenses by 15.3% for 2018 • \$1.8mm, or 79% of the adjustments to facility-level EBITDA relate to full-year adjustments to completed affiliations (\$0.7mm) and pending affiliations under LOI (\$0.6mm) • The remaining adjustments to facility-level EBITDA relate to addbacks for provider earnouts, winter storm impact, and savings from an office combination in July 2018 • \$0.3mm or 50% of the adjustments to corporate expense relates to non-recurring advisory fees paid to the XXX Group • The remaining portion of corporate expense-adjustments relate to transaction fees for new affiliations (~\$0.3mm) and non-recurring IT consulting and professional fees
Doctor Retention	• Doctor turnover can affect the Company's value proposition and profitability	• The Company follows a "Doctor-First" culture to incentivize them • Doctors are compensated based on a percentage of collections, and on average earn 20% more than the average GP in NJ and PA • The Company has historically experienced very low doctor turnover - ~13% since 2015 vs. Industry average of 20%

Financial Summary – Historical and Projected Financials

- **Revenue**
  - Since 2015, revenue has grown at a 18.1% CAGR which has been the result of acquisitions and increase in same store sales
  - The Company expects a growth of 22.0% CAGR in revenue, as the management forecasts top line to grow from $36.0mm in 2017 to $47.6mm by 2020
- **Corporate Expenses**
  - The Company's corporate expenses (as a % of revenue) have fallen significantly from 8% in 2015 to 4.3% in April 2018, and is expected to further drop by 100bps by 2022
  - The Company leverages its investment in corporate infrastructure, centralizing the fixed costs at an office-level – includes the upgrade to XXX Enterprise, thereby facilitating lower corporate costs due to economies of scale
- **EBITDA**
  - The Company's EBITDA in 2017 stood at $5.1mm and is expected to grow at a CAGR of 20.1% to $9.7mm by 2019 primarily due to newer affiliations
  - The EBITDA margin, thus, stands at 13.9% and is expected to grow to 17.6% in 2019 primarily due to operating leverage of corporate expenses

FINANCIAL PERFORMANCE									
	Historical				Projected				
($ in k)	2015	2016	2017	TTM Apr 2018	2018	2019	2020	2021	2022
Revenue									
Dental Practice revenue	$25,109.1	$33,275.2	$36,060.6	$36,399.3	$40,765.9	$46,495.7	$47,571.2	$48,444.0	$49,245.7
Cash basis revenue	(0.2)	-	301.2	61.1	0.1				
Returns and refunds	4.2	(1.1)	(0.4)	(0.1)	(0.1)				
Management revenue	-	-	-	-	-				
2018P Affiliations Revenue	-	-	-	-	1,262.0	3,931.3	4,008.1	4,079.5	4,141.5
Future Affiliations Revenue						3,355.2	12,570.8	26,648.3	43,353.1
Total Revenue	**$25,113.0**	**$33,274.0**	**$36,361.3**	**$36,460.3**	**$42,028.0**	**$53,782.2**	**$64,150.1**	**$79,171.9**	**$96,740.2**
% Growth		*31.2%*	*8.9%*	*5.3%*	*15.0%*	*26.8%*	*18.5%*	*22.5%*	*21.3%*
Revenue Management Adjustments	-	$277.0	$102.1	$295.0	$295.0	-	-	-	-
Total Management Adjusted Revenue	**$25,113.0**	**$33,551.0**	**$36,463.5**	**$36,755.3**	**$42,323.0**	**$53,782.2**	**$64,150.1**	**$79,171.9**	**$96,740.2**
% Growth		*32.3%*	*8.3%*	*5.0%*	*15.4%*	*26.0%*	*18.5%*	*22.5%*	*21.3%*
Pro Forma Revenue Adjustments									
Pro Forma Revenue Adjustments	-	$1,262.4	$536.3	$8,589.7	$4,223.5	-	-	-	-
2018P Affiliation Revenue Adjustment	-	-	-	-	2,525.3	-	-	-	-
Future Affiliation Revenue Adjustment	-	-	-	-	-	3,355.2	5,592.0	7,828.8	7,828.8
Total Pro Forma Adjusted Revenue	**$25,113.0**	**$34,813.4**	**$36,999.7**	**$45,345.0**	**$49,071.8**	**$57,137.4**	**$69,742.1**	**$87,000.7**	**$104,569.0**
% Growth		*37.1%*	*6.0%*	*26.7%*	*31.3%*	*15.8%*	*21.2%*	*23.8%*	*19.4%*
Total Cost of Good Sold	**$14,502.0**	**$19,662.9**	**$21,083.5**	**$21,084.8**	**$24,528.3**	**$31,514.8**	**$37,608.0**	**$46,497.8**	**$56,877.6**
Gross Profit	**$10,611.0**	**$13,611.1**	**$15,277.8**	**$15,375.5**	**$17,499.7**	**$22,267.4**	**$26,542.1**	**$32,674.1**	**$39,862.6**
% Margin	*40.6%*	*39.3%*	*40.3%*	*40.5%*	*40.0%*	*39.7%*	*39.7%*	*39.6%*	*39.6%*
Total Operating Expenses	**$5,171.1**	**$6,554.7**	**$7,238.0**	**$7,501.2**	**$8,159.6**	**$10,120.2**	**$11,905.1**	**$14,510.6**	**$17,558.3**
Facility-Level EBITDA	**$5,439.8**	**$7,056.4**	**$8,039.8**	**$7,874.3**	**$9,340.1**	**$12,147.2**	**$14,637.0**	**$18,163.5**	**$22,304.3**
% Margin	*20.8%*	*20.4%*	*21.2%*	*20.7%*	*21.3%*	*21.7%*	*21.9%*	*22.0%*	*22.1%*
Facility-Level Management Adjustments									
Facility-Level Management Adjustments	-	$373.3	$27.9	$319.9	$255.8	-	-	-	-
Total Facility Level Management Adjustments	**-**	**$373.3**	**$27.9**	**$319.9**	**$255.8**	**-**	**-**	**-**	**-**
Adj. Facility-Level EBITDA	**$5,439.8**	**$7,429.7**	**$8,067.7**	**$8,194.2**	**$9,595.9**	**$12,147.2**	**$14,637.0**	**$18,163.5**	**$22,304.3**
% Margin	*20.8%*	*21.3%*	*21.2%*	*21.4%*	*21.8%*	*21.7%*	*21.9%*	*22.0%*	*22.1%*
Pro Forma Adjustments									
Pro Forma Adjustments	-	$245.1	$103.6	$1,937.5	$992.5	-	-	-	-
2018P Pro Forma EBITDA Adjustments	-	-	-	-	493.3	-	-	-	-
Future Affiliations EBITDA Adjustments	-	-	-	-	-	749.7	1,249.4	1,749.2	1,749.2
Total Pro Forma Adjustments	**-**	**$245.1**	**$103.6**	**$1,937.5**	**$1,485.8**	**$749.7**	**$1,249.4**	**$1,749.2**	**$1,749.2**
PF Adj. Facility-Level EBITDA	**$5,439.8**	**$7,674.8**	**$8,171.2**	**$10,131.7**	**$11,081.6**	**$12,896.8**	**$15,886.4**	**$19,912.7**	**$24,053.5**
% Margin	*20.8%*	*21.2%*	*21.2%*	*21.4%*	*21.7%*	*21.7%*	*21.9%*	*22.0%*	*22.1%*
Total Management Expenses	**$1,745.4**	**$2,554.7**	**$2,762.2**	**$2,738.4**	**$2,552.3**	**$2,396.4**	**$2,783.3**	**$3,300.0**	**$3,827.9**
Management Adjustments									
Management Adjustments	-	$675.2	$581.2	$585.8	$411.8				
Total Management Adjustments	**-**	**$675.2**	**$581.2**	**$585.8**	**$411.8**				
Total Adj. Corporate Expenses	**$1,745.4**	**$1,879.5**	**$2,181.0**	**$2,152.6**	**$2,140.5**	**$2,396.4**	**$2,783.3**	**$3,300.0**	**$3,827.9**
% Growth		*7.4%*	*15.4%*	*14.5%*	*(1.8%)*	*11.5%*	*15.5%*	*17.8%*	*15.4%*
Consolidated EBITDA	**$3,694.4**	**$4,501.7**	**$5,277.5**	**$5,135.9**	**$6,787.8**	**$9,750.8**	**$11,853.6**	**$14,863.5**	**$18,476.4**
% Margin	*14.1%*	*13.0%*	*13.9%*	*13.5%*	*15.5%*	*17.4%*	*17.7%*	*18.0%*	*18.3%*
Consolidated PF Adj. EBITDA	**$3,694.4**	**$5,795.3**	**$5,990.2**	**$7,979.2**	**$8,941.2**	**$10,500.5**	**$13,103.1**	**$16,612.7**	**$20,225.6**
% Margin	*14.1%*	*16.0%*	*15.5%*	*16.9%*	*17.5%*	*17.6%*	*18.0%*	*18.3%*	*18.6%*
Adj. Corporate as % of Revenue	6.7%	5.2%	5.7%	4.6%	4.2%	4.0%	3.8%	3.6%	3.5%

Financial Summary – Historical and Projected Expenses

- **COGS**
  - The Company's COGS primarily consists of compensation to dentists, dental assistants, and hygienists, which constitute ~68% of total COGS for TTM April 2018
  - Lower dental supplies, and lab fees have historically helped in maintaining the Company's EBITDA margin
- **Operating Expenses**
  - Major operating costs include non-clinical admin salaries, occupancy costs, office expenses, and patient financing expenses (~80% of total Opex for TTM April 2018)
  - All key administrative, financial and operational functions (including training, recruiting) are centralized, with an aim to reduce operating costs – the above costs expected to fall to ~58% of the total by 2020
- **Management Expenses**
  - Management expenses contribute ~7.1% of April 2018 total revenues, with major constituents being Corporate benefits, and professional fees
- **Capital Expenditures**
  - The capital expenditures from 2015 through 2017, averaged $0.4mm which exclude one-time upgrade to XXX Enterprise with a capital expenditure averaged ~$0.6mm

EXPENSES									
	Historical				Projected				
($ in k)	2015	2016	2017	TTM Apr 2018	2018	2019	2020	2021	2022
Cost of Goods Sold									
Compensation - Dentist	$6,576.7	$8,236.1	$8,688.2	$8,668.9	$9,372.4	$10,685.0	$10,928.6	$11,128.6	$11,312.3
Compensation - Dental Assistants	2,724.8	3,535.0	3,736.2	3,752.3	4,204.8	4,671.3	4,775.3	4,861.1	4,941.7
Compensation - Hygienists	1,721.2	2,436.4	2,512.2	2,522.2	2,926.1	3,325.1	3,390.4	3,452.7	3,509.7
Payroll taxes	928.7	1,146.2	1,115.6	1,112.5	1,407.0	1,591.5	1,626.8	1,656.5	1,684.0
Temporary labor	2.6	16.8	21.2	34.4	52.0	53.9	55.3	56.4	57.4
Contract Services	-	715.0	1,021.4	1,078.8	1,425.4	1,725.3	1,769.9	1,802.3	1,830.6
Benefits	129.8	152.7	157.7	148.1	171.1	205.8	210.7	214.8	218.4
Dental Supplies	1,200.9	1,765.7	1,991.0	1,960.3	2,165.7	2,560.9	2,576.7	2,623.0	2,665.3
Lab Fees	1,217.4	1,659.3	1,840.0	1,807.3	2,036.0	2,332.8	2,388.1	2,432.3	2,472.6
2018P Affiliations Cost of Goods Sold					767.7	2,350.0	2,378.8	2,411.4	2,448.0
Future Affiliations Cost of Goods Sold						2,013.1	7,507.5	15,858.8	25,737.7
Total Cost of Good Sold	**$14,502.0**	**$19,662.9**	**$21,083.5**	**$21,084.8**	**$24,528.3**	**$31,514.8**	**$37,608.0**	**$46,497.8**	**$56,877.6**
Operating Expenses									
Non-clinical admin salary	$1,522.0	$2,244.2	$2,550.3	$2,640.0	$2,902.6	$3,264.3	$3,341.5	$3,402.8	$3,458.9
Payroll taxes, non-clinical	142.8	217.3	249.2	256.5	296.3	329.4	337.2	343.4	349.1
Temporary labor expense	-	-	-	-	-	-	-	-	-
Benefits - non clinical	6.2	3.0	0.8	0.7	0.8	0.9	1.0	1.0	1.1
Occupancy costs	1,823.2	2,397.8	2,636.8	2,722.2	2,770.6	2,940.4	2,971.8	3,003.5	3,035.6
Marketing	218.4	56.4	89.8	91.3	95.2	115.2	113.1	115.1	116.9
Technology	119.1	134.4	160.8	187.1	207.4	215.2	217.4	219.6	221.8
Repairs and maintenance	216.6	245.4	288.9	239.7	219.3	244.1	250.2	255.2	260.1
Rent- Non-building	1.2	0.1	-	-	-	-	-	-	-
Insurance	196.6	201.4	212.8	221.2	229.8	258.9	264.0	268.0	272.0
Employee Benefits	6.0	1.2	3.3	2.8	(0.2)	4.2	4.4	4.5	4.6
Travel	9.9	9.9	11.4	11.9	19.2	28.6	29.2	29.7	30.2
Office expense	222.0	302.2	370.9	378.0	423.2	493.9	501.7	507.2	512.3
Professional fees	87.2	76.8	24.9	54.8	78.7	85.6	85.8	85.9	86.1
Collection charges and fees	-	-	-	-	0.2	2.1	2.2	2.3	2.3
Taxes, Licenses & Regulatory	31.4	30.7	56.0	60.5	43.9	54.0	54.5	55.1	55.6
Recruiting expenses	-	-	-	-	-	-	-	-	-
Patient financing expenses	439.9	537.2	491.9	542.9	530.1	588.9	601.5	611.9	621.5
Bad Debt Expense	124.6	96.1	88.8	90.4	98.2	112.2	114.8	116.9	118.9
Miscellaneous	3.9	0.7	1.1	1.3	2.2	6.3	6.3	6.3	6.3
2018P Affiliations Operating Expenses					242.0	783.5	798.5	812.2	824.2
Future Affiliations Operating Expenses						592.5	2,210.0	4,669.8	7,580.8
Total Operating Expenses	**$5,171.1**	**$6,554.7**	**$7,238.0**	**$7,501.2**	**$8,159.6**	**$10,120.2**	**$11,905.1**	**$14,510.6**	**$17,558.3**
Management Expenses									
MGMT - Cost of Good Sold	-	-	$0.1	$15.1	-				
MGMT - Operating Expenses	-	5.6	(0.6)	(0.2)	1.4				
MGMT - Corporate salaries and benefits	916.5	1,069.8	1,219.0	1,207.6	1,200.6				
MGMT - Corporate payroll taxes	66.9	84.6	97.2	93.6	96.6				
MGMT - Management fee expense	3.6	1.4	4.3	4.9	2.0				
MGMT - Insurance	22.0	40.1	44.7	47.1	47.4				
MGMT - Marketing	-	376.7	546.4	541.2	581.4				
MGMT - Travel	13.0	8.1	10.4	14.8	9.9				
MGMT - Office expenses	53.4	53.0	39.7	59.4	52.5				
MGMT - Technology	34.5	37.6	51.9	42.9	27.6				
MGMT - Repairs and maintenance	-	6.4	1.5	2.5	1.6				
MGMT - Professional fees	587.4	823.3	639.2	616.0	485.7				
MGMT - Recruiting Expenses	-	-	60.5	31.0	7.2				
MGMT - Rent	0.1	-	-	-	-				
MGMT - Financing Fees	48.0	48.0	48.0	62.3	38.3				
Total Management Expenses	**$1,745.4**	**$2,554.7**	**$2,762.2**	**$2,738.4**	**$2,552.3**	**$2,396.4**	**$2,783.3**	**$3,300.0**	**$3,827.9**

Company Discussion

Company Overview

FOUNDING AND INITIAL EXPANSION

- Founded in 2004 by XXX, a distinguished doctor with expertise in dental implants, sedation dentistry, and orthodontics
- Initial expansion from one to ten offices, driven by affiliations with high-quality doctors in the surrounding area who recognized the benefits of scale in terms of multi-specialty capabilities and centralized resources
- Key hires include XXX, the Company's VP of Operations, as well as several credentialing, billing, and collections staff

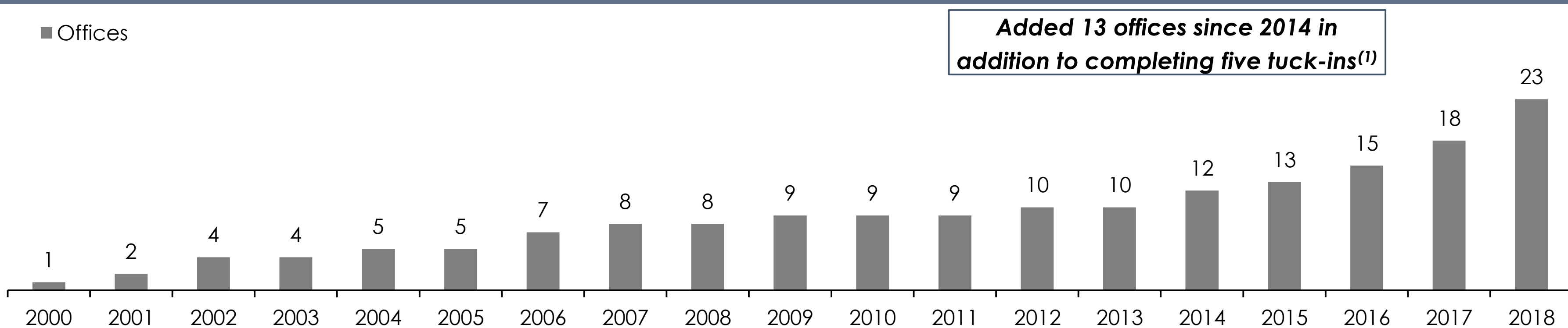
PLATFORM INVESTMENT

- Partnered with The XXX Group in May 2012 to accelerate the Company's growth
- Added ten offices through 2017 (four in PA, and two in NJ)
- Added 65 doctors, including 24 specialists across endodontics, periodontics, prosthodontics, oral surgery, implants, and orthodontics
- Hired XXX as Chief Financial Officer, in addition to the Company's VP of Marketing and several credentialing, billing, and collections staff
- Completed the upgrade and conversion of all offices to XXX enterprise in 2015

SIGNIFICANT MOMENTUM

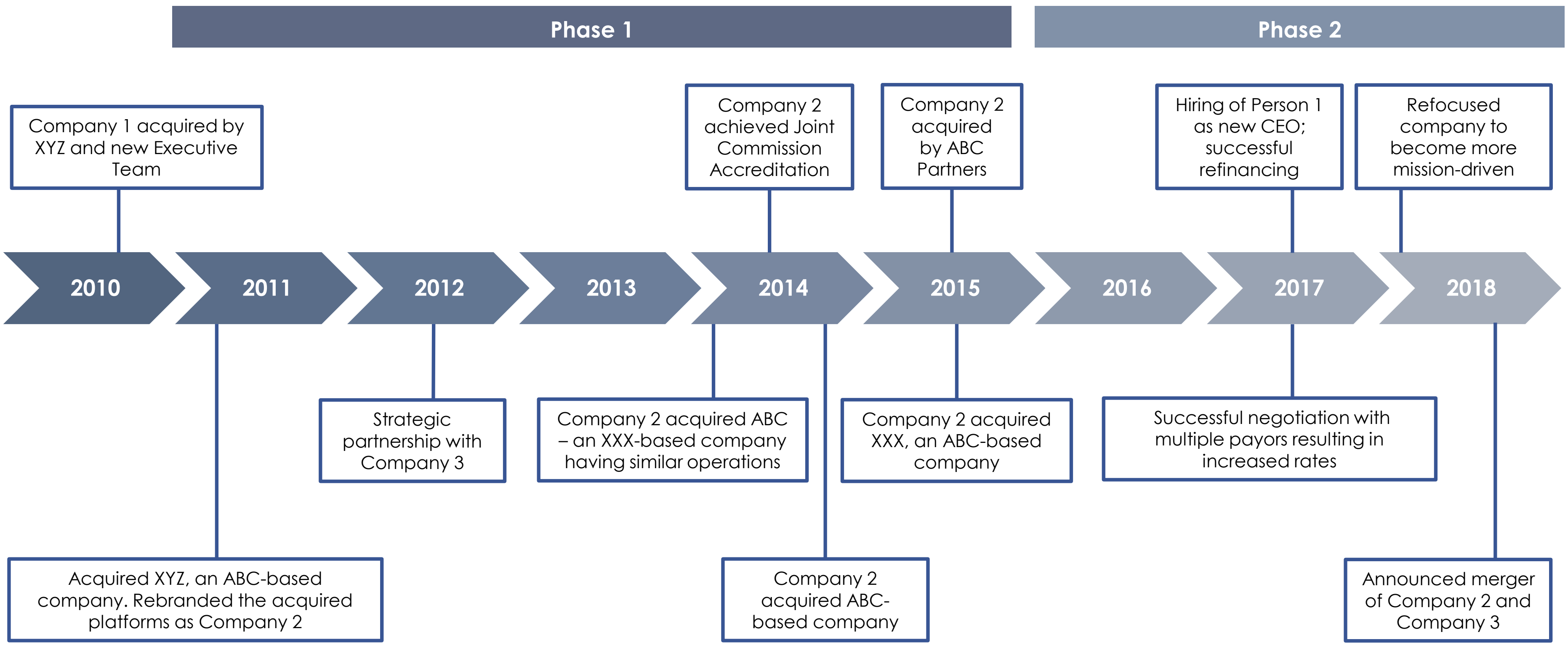
- Differentiated strategy and value proposition, positioned to achieve continued growth as one of the largest DSO platforms in the XXX
- Twelve new doctors hired YTD August 2018, with one doctor's hire planned to start in September 2018
- Recently completed the Company's largest transaction to date through the affiliation of a 10-doctor practice generating EBITDA of ~$1.5mm, with significant upside potential from cost savings and improved productivity
- Robust development pipeline comprised of 18 opportunities representing over $10.0mm EBITDA, including three opportunities under LOI representing $1.5mm in EBITDA

OFFICE GROWTH



1. Pro-Forma for pending affiliations under LOI

Company Timeline



Year	2011	2012	2013	2014	2015	2016	2017	2018 (1)
Facilities' Count	29	47	65	86	105	112	109	109

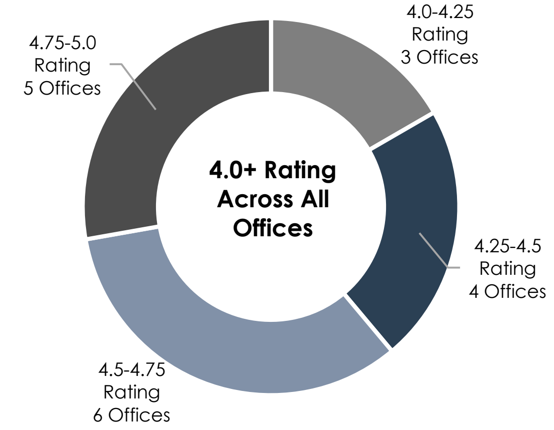
(1) 2018 facilities count as of June 30, 2018.

Patient Visits

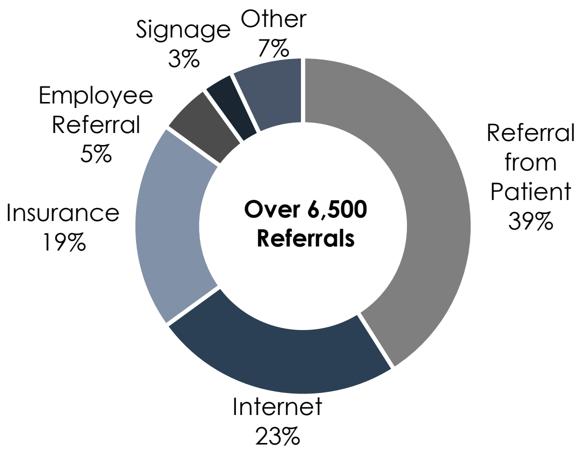
ABC is committed to maintaining strong patient satisfaction through exceptional clinical care and ease of access / scheduling; this differentiated approach has driven consistent growth in patient visits

- Total patient visits grew at a CAGR of 23% over 2015-2017
  - The existing patients of ABC refer others to ABC, which account for 45% of total referrals for TTM May 2018
- XXX has a strong patient satisfaction ratings (4.3+) across all offices as shown at the right
  - Patient testimonials:
    - *Client Review 1*
    - *Client Review 2*
    - *Client Review 3*

PATIENT SATISFACTION

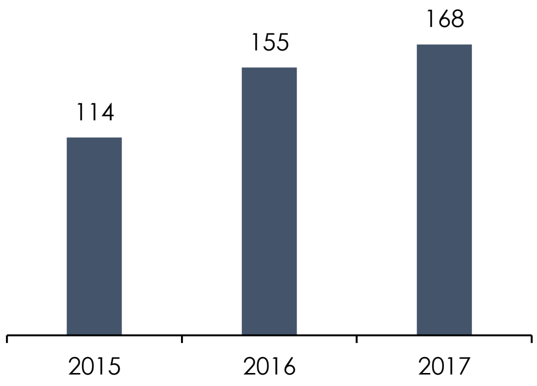


TTM MAY-18 REFERRALS BY SOURCE



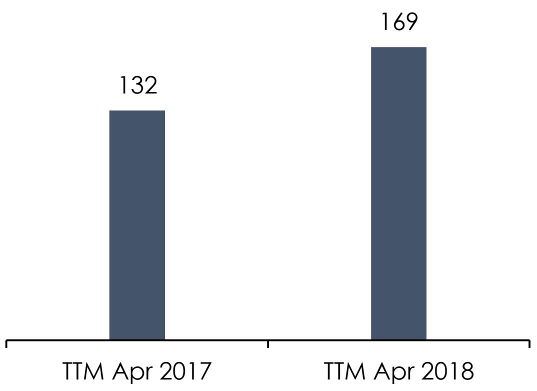
PATIENT VISITS

(visits in k)



PATIENT VOLUME

(visits in k)



Note: TTM Apr-18 patient visits pro-forma for affiliation of new office completed in June 2018

Regional Density in XXX Market

The Company services the XXX area, which is the XXX largest MSA in the country

Map with Locations

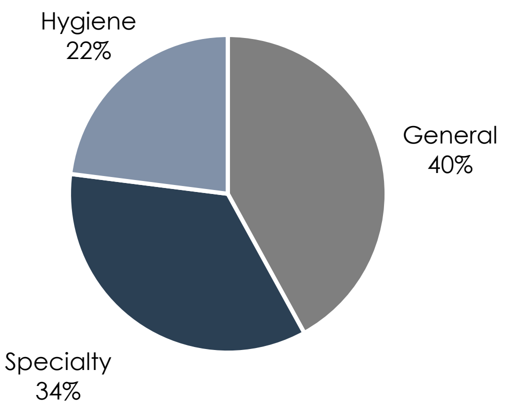
- The XXX offers high household income (~5.0% greater than the US). Historically, higher regional household income supports greater utilization of dental services. Supporting this notion is the fact that 69% of adults living in the XXX region visited the dentist over the past year, ~4% higher than the national average
- With 12 of the country's 65 dental schools (18%), the XXX region produces nearly 25% of all dental school graduates each year providing ABC with a strong and steady supply of dentists
- Company will continue to build upon existing density in the Philadelphia metropolitan area. Key Benefits of density include:
  - Improved provider utilization as doctors are able to work across offices to serve a broader patient base
  - Enhanced relationship and negotiating with payors and vendors
  - Established a strong market reputation, making it a partner of choice for doctors in its geographies

Highly Diversified Business Model

The Company maintains diversification across payors, services and providers

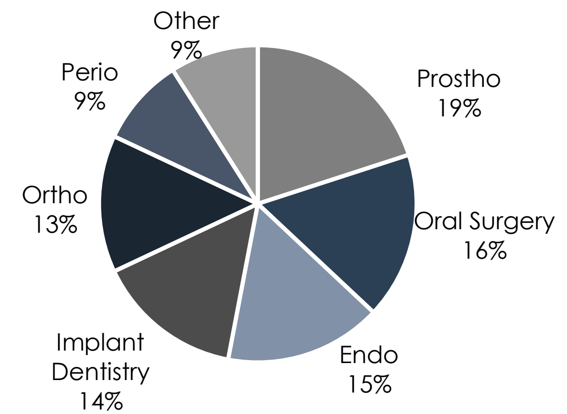
PRODUCTION BY SERVICE LINE

Specialty Services (the highest margin business) makes up 34% of revenue.



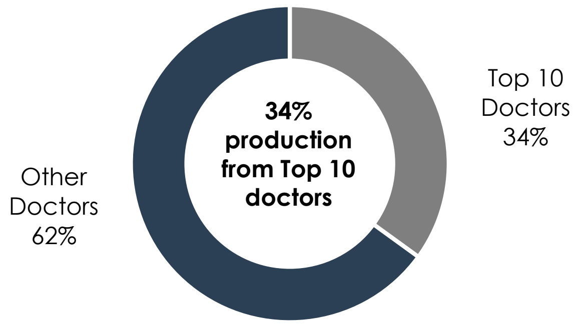
PRODUCTION WITHIN SPECIALTY SERVICES

Within Specialty Services, the Company maintains a variety of services that contribute to their top line.



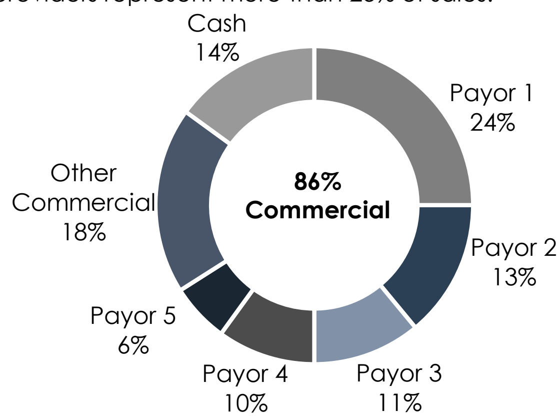
PRODUCTION BY DOCTOR

No doctor accounts for more than 6% of production with the top 10 doctors accounting for 35% of production.



PAYOR MIX

The payor mix is dominated by private insurance (86%) followed by cash (14%) with no government reimbursement exposure. No insurance providers represent more than 25% of sales.



Track Record of Successful Affiliations

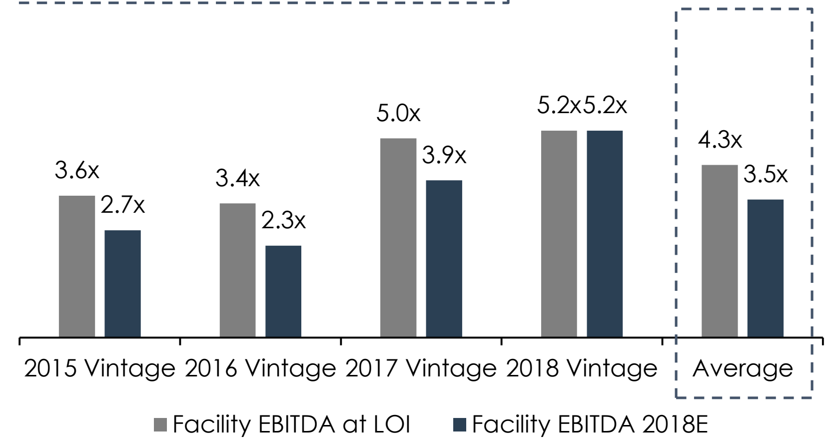
The Company has maintained a disciplined affiliation strategy

OVERVIEW

- Since 2014, ABC has completed seven affiliations, with two affiliations currently under LOI scheduled to close within the next four to six months
- Transactions are structured to include meaningful retention bonuses / earn-outs to selling doctors paid over a period of one to three years
- The Company's CEO, XXX, managed communication with potential targets and is supported by multiple individuals who help with both development and integration
- Purchase multiples have remained steady and highly accretive to the ABC platform, with an average of 5.5x EBITDA
- ABC' target selection is guided by pursuing practices that have at least two full-time doctors generating ~$2MM in annual revenue with the potential to increase production by ~25% post-affiliation, no government payor exposure, and a market presence that is complementary to the Company's existing geographical footprint

PURCHASE PRICE MULTIPLE COMPRESSION

Includes the Company's largest affiliation to date ($1.6mm EBITDA)



MULTI-PRONGED STRATEGY TO DRIVE GROWTH

- Revenue synergies through fee schedule uplift
- Improved doctor productivity through reduction of administrative burden
- Material cost savings across supplies / labs, insurance, professional fees, etc.
- Operational efficiencies through sharing and adoption of best practices (e.g., scheduling)
- Utilization of incumbent specialty providers across existing ABC offices
- Adding new specialist doctors to supplement recurring general dentistry services
- Leveraging brand value and existing marketing initiatives to drive new patient volume

DISCIPLINED AFFILIATION GROWTH STRATEGY

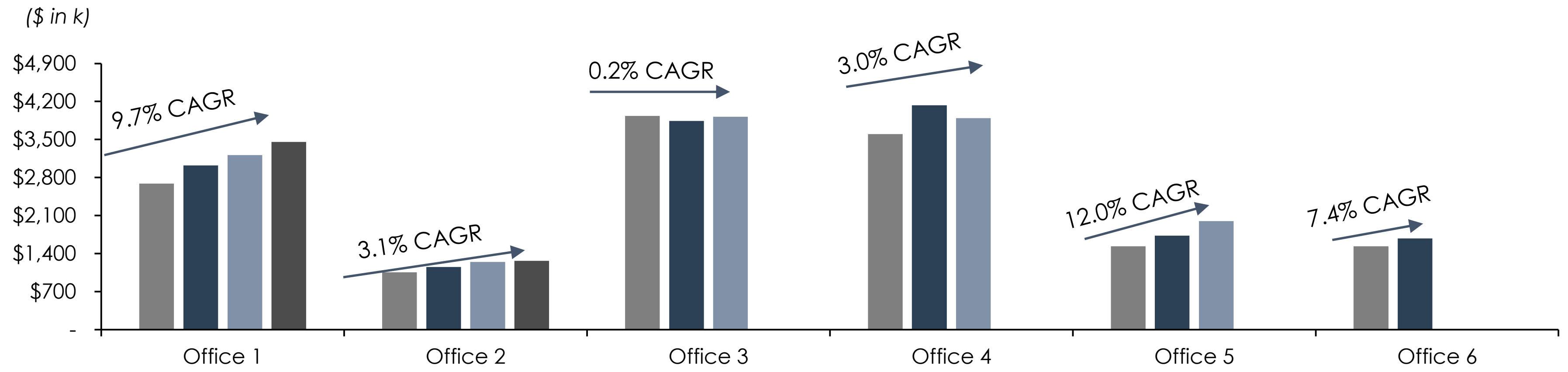
($ in mm, revenue and EBITDA at LOI)

	2015 Vintage	2016 Vintage	2017 Vintage	2018 Vintage	Total
Number of Affiliations	3	4	2	6	15
Revenue	$4.8	$10.3	$0.6	$15.9	$31.6
EBITDA	$0.9	$2.9	$0.2	$4.3	$8.3

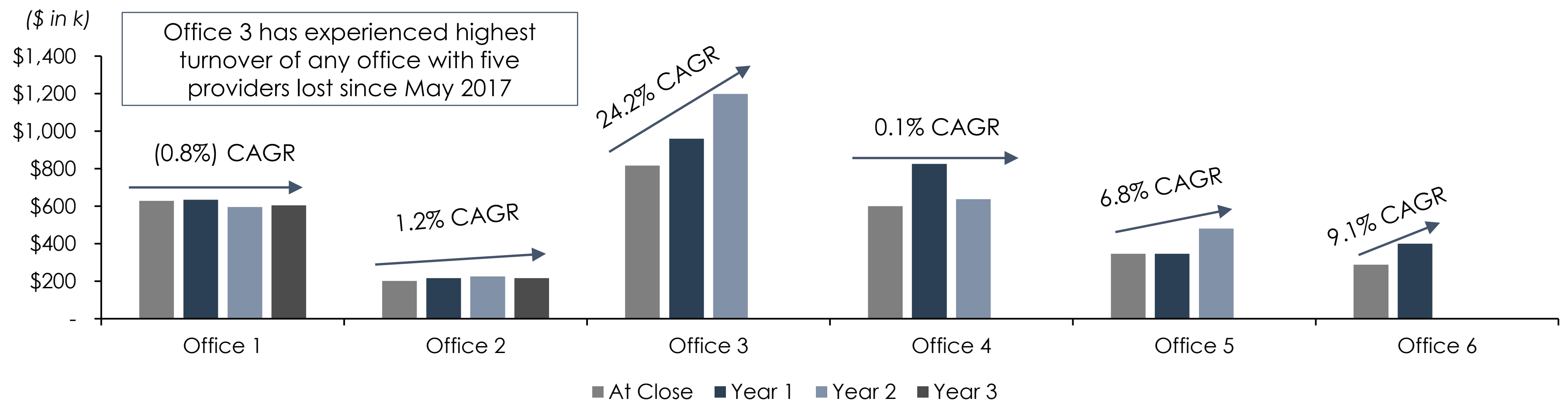
Post-Acquisition Performance Improvement

- Average year 1 revenue growth of 13.7%
- Average year 1 EBITDA growth of 12.8%; average margin expansion of 85bps
- Performance improvement driven by increased specialty revenue, synergies in payor contracting and other areas, pooling of resources, and implementation of clinical best practices (e.g. scheduling, treatment planning, etc.)

ACQUIRED OFFICE REVENUE GROWTH



ACQUIRED OFFICE EBITDA GROWTH



Margin Δ:	**(6.0%)**	**(2.2%)**	**10.0%**	**(0.3%)**	**1.5%**	**5.1%**

Affiliation Pipeline

- Current pipeline of 16 deals represents $77.5mm revenue and $16.5mm EBITDA opportunity
- Two deals are expected to have LOI signed by early-2019 and represent ~$7-$8mm EBITDA in aggregate (Practices 8 and 17)

(In $ k)

TARGET	STATE	TYPE	REVENUE	EBITDA	NUMBER OF OFFICES	NUMBER OF DOCTORS	MANAGEMENT COMMENTARY
Practice 1	PA	Stand alone	$2,099	$400	1	2	Signed LOI
Practice 2	PA	Stand alone	$1,847	$377	1	3	Signed LOI
Practice 3	NJ	Tuck-in	$757	$224	0	1	Signed LOI
Practice 4	NJ	Stand alone	$4,067	$830	2	1	Potential LOI in early 2019
Practice 5	NJ	Stand alone	$2,600	$574	1	4	Potential LOI in early 2019
Practice 6	NJ	Stand alone	$2,524	$340	1	5	Potential LOI in early 2019
Practice 7	NJ	Stand alone	$2,000	$560	1	1	Merged with Practice 8
Practice 8[(1)]	PA	Stand alone	$14,500	$2,500	7	23	LOI expected near-term
Practice 9	PA	Stand alone	$4,939	$1,241	2	8	Interested and staying in contact. Reassess in Q2'19
Practice 10	NJ	Stand alone	$4,800	$960	5	10	Interested and staying in contact. Reassess in Q2'19
Practice 11	NJ	Stand alone	$3,000	$600	2	2	Interested and staying in contact. Reassess in Q2'19
Practice 12	NJ	Stand alone	$2,385	$460	1	4	Interested and staying in contact. Reassess in Q2'19
Practice 13	PA	Stand alone	$2,200	$440	1	3	Interested and staying in contact. Reassess in Q2'19
Practice 14	PA	Stand alone	$1,600	$320	1	2	Interested and staying in contact. Reassess in Q2'19
Practice 15	NJ	Stand alone	$1,053	$109	1	1	Interested and staying in contact. Reassess in Q2'19
Practice 16	NJ	Stand alone	$739	$39	1	2	Interested and staying in contact. Reassess in Q2'19
Practice 17	NJ	Stand alone	$21,100	$4,500	4	10	LOI expected near-term
Total Pipeline			**$77,508**	**$16,474**	**33**	**81**	

1. Includes synergies.

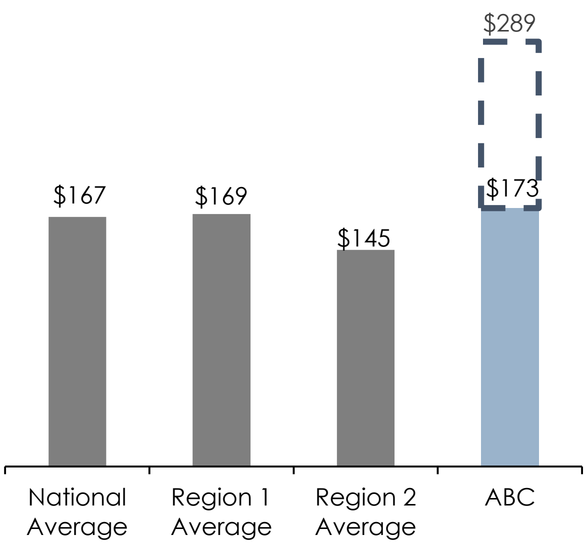
Note: Revenue is adjusted for additional specialty services and EBITDA is adjusted for vendor savings, reduction of admin employees, and corporate infrastructure leverage.

Value Proposition for Doctors

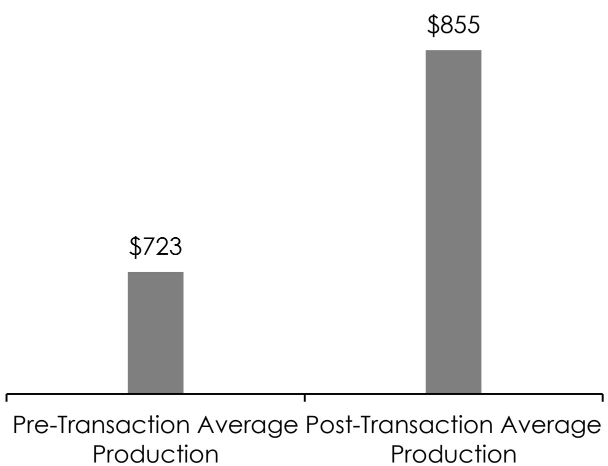
The Company provides above-average compensation in addition to the "doctor-first" culture

- Affiliated general dentists earn up to ~$270k per year and ~$165k on average, which is ~20% higher than the average general dentist in Pennsylvania and New Jersey due to higher productivity
- Doctors are compensated as a percentage of collections following onboarding (typically 30%-35% for general dentists and 40%-50% for specialists), less 35%-40% of lab costs (in-line with the market)
- Low doctor turnover (13%) has resulted from the Company's value proposition and strategical partnership
- ABC has been highly selective in doctor recruiting – since 2017, 85% of new doctor hires have been experienced candidates with 24 years in practice, on average

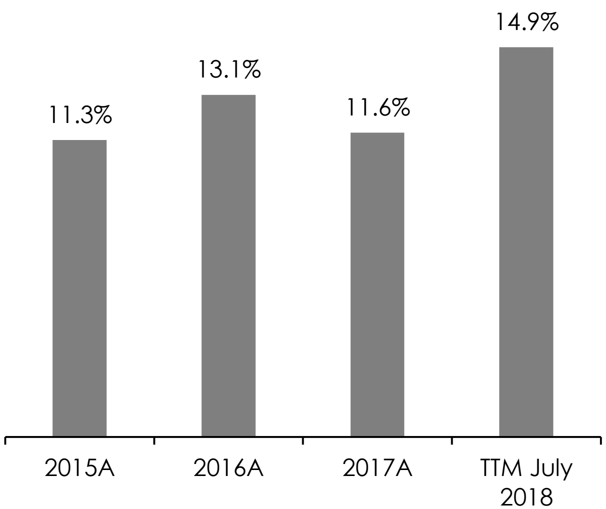
ABOVE-MARKET EARNINGS POTENTIAL[1]



INCREASED DOCTOR PRODUCTION[2]



CONSISTENTLY LOW DOCTOR TURNOVER[3]



Source: U.S. Bureau of Labor Statistics
1. Reflects average 2017 general dentist compensation.
2. Reflects average annual production across all doctors with at least 12 months of production data prior to and following their affiliation with the Company.
3. Excludes doctors working less than one year on the ABC platform.

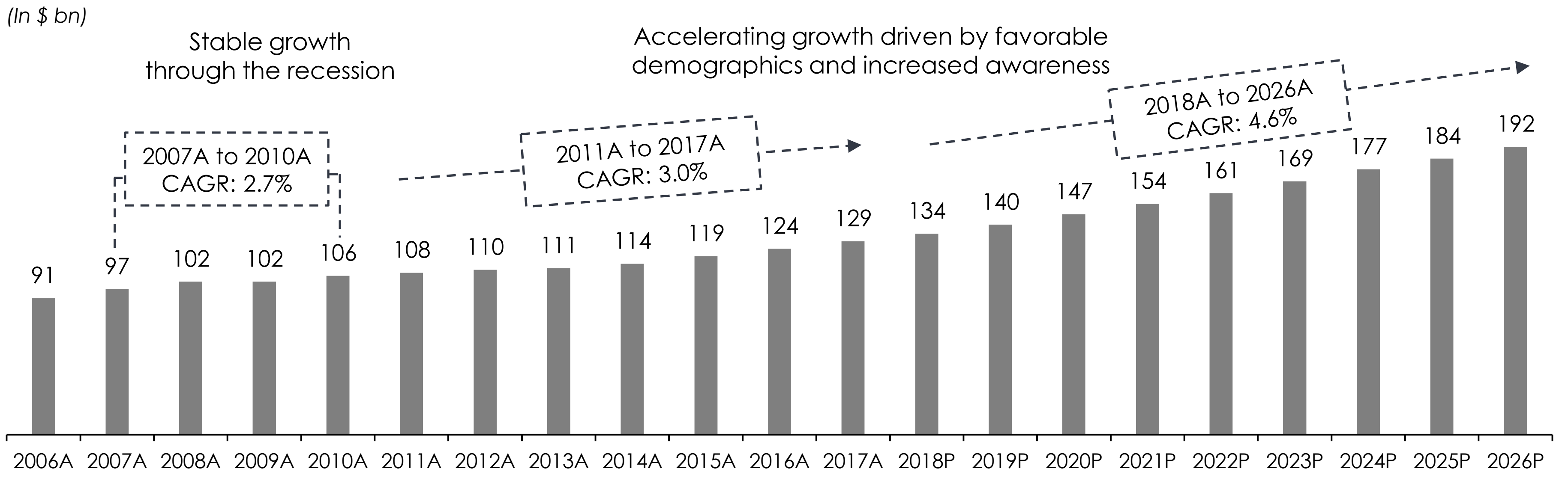
Industry Overview

Industry Overview

The DSO sector is fragmented and is supported by underlying economic drivers

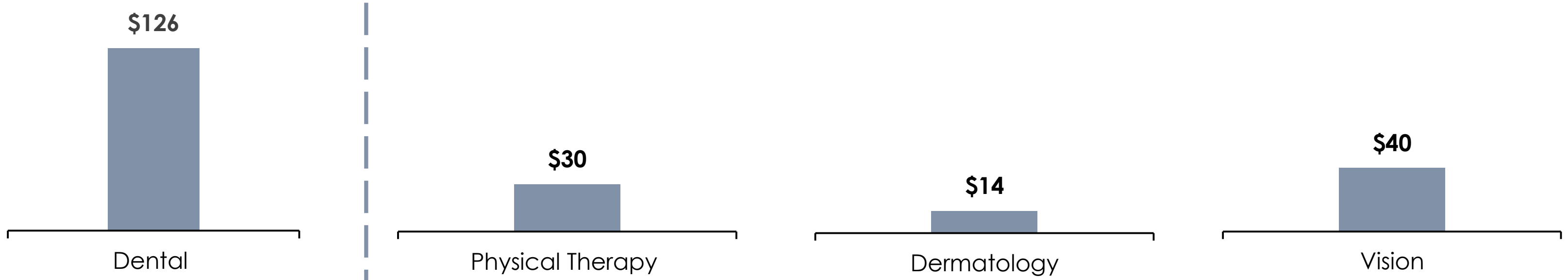
- The current National Dental Expenditure in the U.S was $129.9bn in 2017, and is expected to grow to $192.0bn by 2026
- The Dentistry industry is expected to grow steadily through the economic cycles as there is an increasing percentage of ageing population, and awareness of oral health issues grows across the U.S
- The DSO model is filling a key need by providing business services to the dentistry industry (currently accounting for ~16% of the total dental practices in the U.S.), and is expected to grow at 15% annually, over the next five years (indicating ~30% penetration by 2021). As per American Dental Association (ADA), ~7.4% of the U.S. dentists are affiliated with DSO's, as of 2017
- The industry is impacted by higher regional household incomes which support greater utilization of dental services
- Currently, DSO's average doctor turnover is ~20% in the U.S. – primarily due to lack of personalization in services after rendering through a DSO
- According to ADA, it is forecasted that there would be ~63 dentists per 100,000 population by 2023, as compared to ~61 dentists per 100k population in 2017

CONSISTENT GROWTH IN NATIONAL DENTAL EXPENDITURES IN VARIOUS ECONOMIC ENVIRONMENTS



Provider Landscape Overview

The provider landscape across healthcare continues to consolidate, with industry valuations driven by total market size, growth and available whitespace



	Dental	Physical Therapy	Dermatology	Vision
Market Size ($ in billions)	$126	$30	$14	$40
Market Growth	2.8%	2.2%	2.5%	2.9%
Avg. Industry Multiples	11.5x	11.0x	10.2x	13.5x
% Consolidated	10.0%	40.0%	5.0%	35.0%

Source: XYZ

Dental Support Organizations (DSOs) Overview

- Dental Support Organizations contract with dental practices to provide critical business management and support including non-clinical operations
    - Support functions are centralized in one location and the individual dental offices rely on this centralized point for non-clinical services
    - Services include marketing, human resources, billing, IT, payroll and accounting
- DSO maintain ownership of all equipment, leases, and nonclinical employment agreements for those practice locations. Additionally, the DSO assumes operational control of the practices
- The only aspects of the business that must remain under the control of the PC are clinical decisions, which are made by the licensed principals and their clinical "employees" across all DSO-supported locations
- The creation of DSOs have allowed dentists to maximize their practice with the support of professional office management. The DSO model enables dentists to focus on the patient while delivering excellent dental care

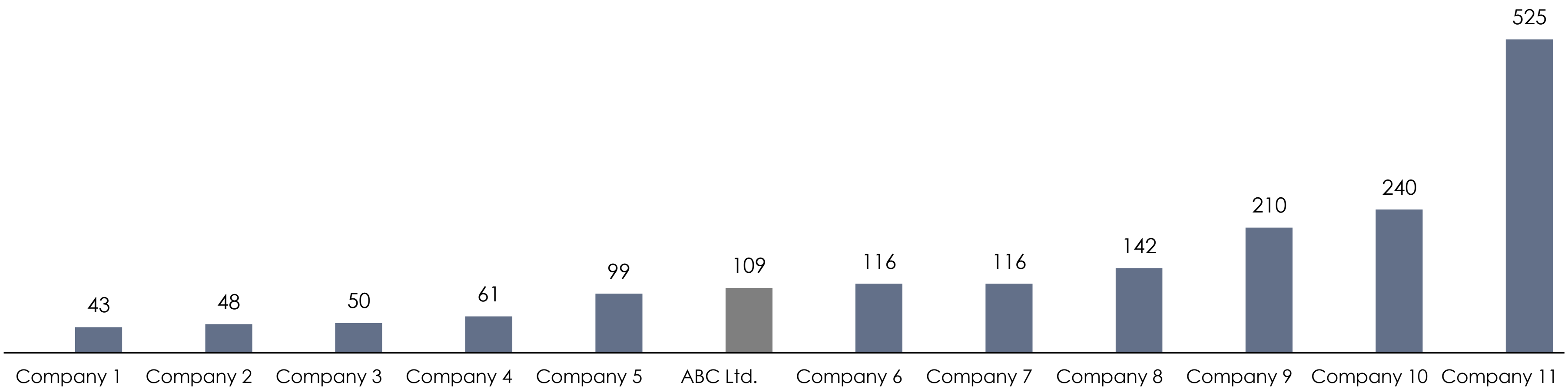
Competitive Landscape

COMPETITIVE LANDSCAPE

- Highly fragmented market with competition primarily at the local clinic level
- XXX market is comprised of over ~9,000 clinics nationwide with less than 10% of the market consolidated
  - XXX market has been a target for consolidation, although due to limited platforms of scale, few combinations have been completed
- Largest operator, XXX, is primarily an occupational health platform; added ~160 locations through its combination with XXX in June 2018
- XXX is owned and operated by XXX
- Expansion of XXX platform primarily driven by growth of franchise business model; owns ~30% of all locations

XXX PLATFORMS

(Number of clinics)

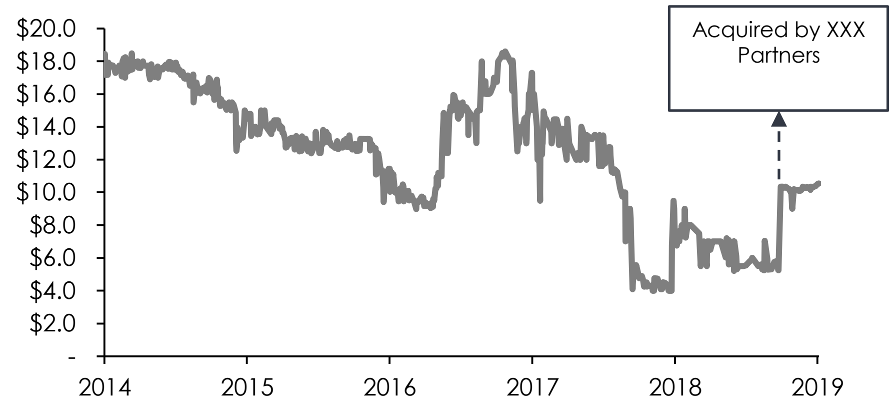


Comparable Public Company Analysis (1 of 2)

XXX is the closest comp to ABC in terms of business classification with March'19 LTM Revenue and LTM EBITDA multiples of 0.48x and 50.2x respectively

- Founded in 1995, **XXX Management Services Inc. ("XXX")** (operating under XXX brand) is a provider of dental care services in Colorado, New Mexico and Arizona. XXX offers business services to dental practice networks, dentists, patients and third-party payers in patient-friendly, family practice settings
- XXX has 68 dental offices with more than 110 dentists serving patients for their dental needs
- The dental services offered include cosmetic dentistry, orthodontics, endodontics, periodontics, dental implants, pediatric dentistry, oral surgery, gum therapy, teeth cleanings, fillings, etc.
- The dental services industry is fragmented, consisting primarily of solo and smaller group practices
- There is one similar company each in Region 1 and Region 2, namely XXX Corporation Limited and XXX Group Limited, respectively

STOCK PRICE CHART



Comparable Public Company Analysis (2 of 2)

XXX is the closest comp to ABC in terms of business classification with LTM revenue and LTM EBITDA multiples of 1.35x and 8.5x respectively

				EV / REVENUE	EV / EBITDA	
NAME	PRICE ($)	EV ($mm)	MARKET CAP ($mm)	LTM	LTM	EBITDA MARGIN
Company 1	55.83	19,259	9,267	1.69x	9.0x	18.8%
Company 2	34.73	4,888	3,106	1.35x	8.5x	15.9%
Company 3	12.31	4,064	602	2.30x	13.4x	17.2%
Company 4	106.82	1,498	1,355	3.36x	21.5x	15.7%
Company 5	11.96	1,195	389	1.46x	6.9x	21.3%
Company 6	19.75	1,173	728	1.12x	12.7x	8.8%
Company 7	11.70	1,138	572	1.19x	9.6x	12.5%
Company 8	18.30	685	624	1.01x	4.0x	25.2%
Company 9	10.56	29	20	0.48x	50.2x	0.9%
Min	**11.70**	**1,138**	**389**	**1.12x**	**6.9x**	**8.8%**
Mean	**36.16**	**4,745**	**2,288**	**1.78x**	**11.6x**	**15.7%**
Median	**19.75**	**1,498**	**728**	**1.46x**	**9.6x**	**15.9%**
Max	**106.82**	**19,259**	**9,267**	**3.36x**	**21.5x**	**21.3%**

Company 1	Description 1
Company 2	Description 2
Company 3	Description 3
Company 4	Description 4
Company 5	Description 5
Company 6	Description 6
Company 7	Description 7
Company 8	Description 8
Company 9	Description 9

Comparable Transactions Analysis (1 of 2)

XXX, with an implied valuation of 66.3x LTM EBITDA, has entered into an agreement to get acquired by XXX Partners

- **XXX has entered into an agreement to be acquired by XXX Partners** (“XXX”), via its financial sponsors XXX Partners and XXX & Company, through a **$25.18mm LBO** on September, 2018 for an undisclosed sum
- The acquisition will enable XXX Partners to expand its geographic footprint into the Southwest of the U.S
- Under the terms of the agreement, an affiliate of XXX will purchase all of the **outstanding shares of XXX for $12.6 in cash**
  - Shareholders will also receive one Contingent Value Right (CVR) per share of XXX common stock owned. **The CVR entitles shareholders to an additional cash payment of up to $0.15 per share under certain circumstances following the closing of the transaction**
- The acquisition will increase XXX Partners affiliate offices projected annual revenues to more than $110mm
- XXX, the Financial Advisor to XXX had proposed an Enterprise Value of $40.4mm based on the 3.62mm outstanding shares on a fully diluted basis – leading to an Implied LTM Sep-18 EBITDA multiple of 56.3x
- The Implied multiple comes down to 33.6x for a TTM Aug-18 Adjusted EBITDA of $1.3mm – as reported by the management in the preliminary proxy SEC filings, and further down to 8.2x for FY 2019 EBITDA of $4.1mm
- XXX expects an EBITDA growth of 6.2% for FY 2019 – up from an estimated growth rate of 2.7% for 2018. This might explain why XXX agreed to pay a premium of 105% over the last closed price of XXX (as on September, 2018)
- The EBITDA multiple of 8.2x lies close to – the median of the EBITDA multiple of precedent transactions that have happened in the U.S DSO industry (~9.8x for transactions during 2010 to 2015); and the median of EBITDA multiple of other public comparables (~9.0x for listed DSO’s in the U.S)

		Implied EBITDA Multiple
Total Enterprise Value	$38.4	
LTM Adj. EBITDA (Sep 2018)	$0.6	66.3x
TTM Adj. EBITDA (Aug 2018)	$1.1	36.6x
FY 2019E Adj. EBITDA	$4.4	8.7x

Comparable Transactions Analysis (2 of 2)

- The following table consists of other similar transactions involving DSOs across the years:

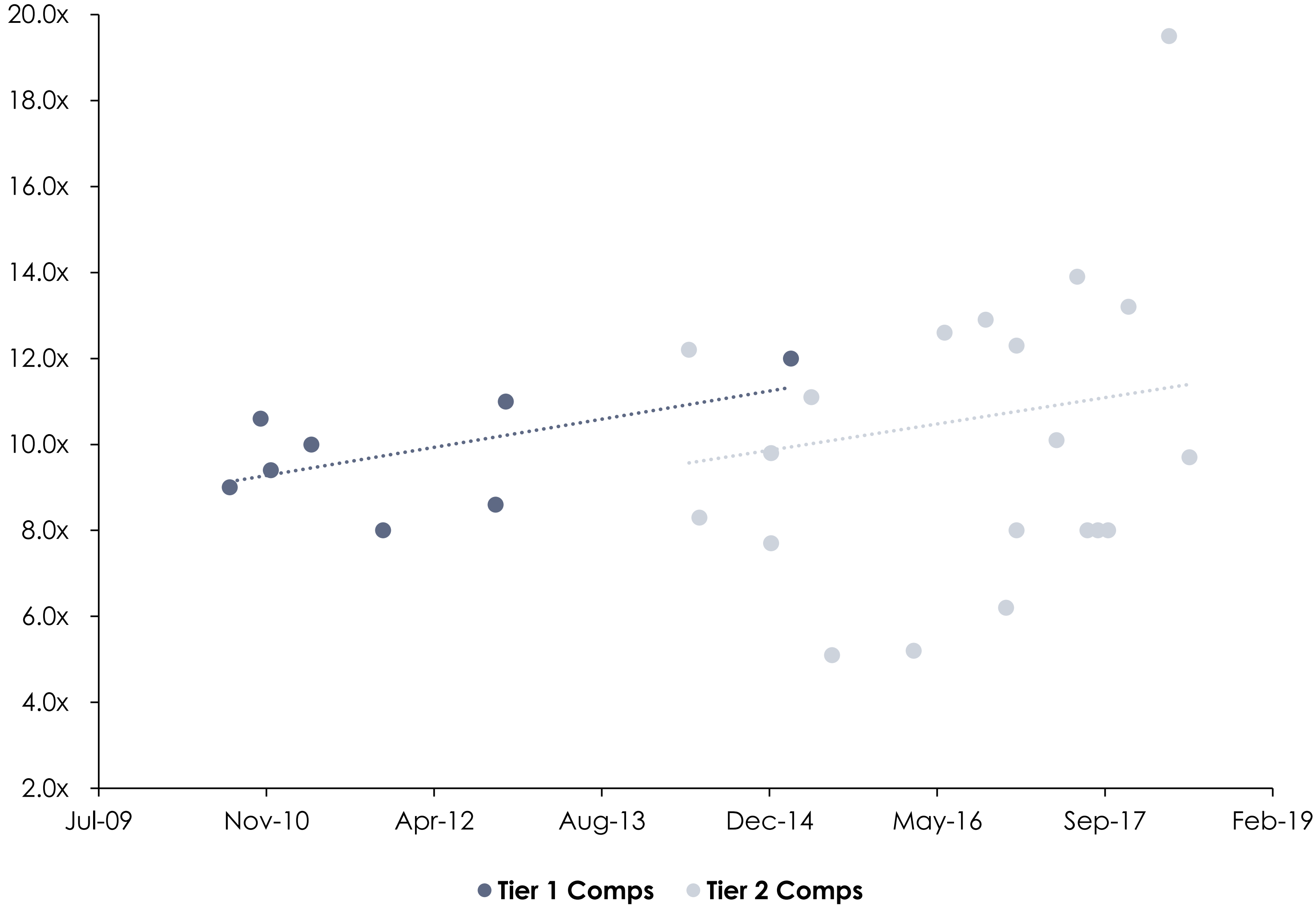
#	ANNOUNCEMENT DATE	TARGET	ACQUIRER	EV ($ mm)	LTM EBITDA ($ mm)	EV/LTM EBITDA	EBITDA Margin
1	Mar-15	Target 1	Acquirer 1	912.0	79.2	11.5x	NA
2	Nov-12	Target 2	Acquirer 2	1,226.6	116.2	10.6x	NA
3	Oct-12	Target 3	Acquirer 3	528.0	64.0	8.3x	16.2%
4	Nov-11	Target 4	Acquirer 4	376.3	49.0	7.7x	NA
5	Apr-11	Target 5	Acquirer 5	144.0	15.0	9.6x	NA
6	Dec-10	Target 6	Acquirer 6	168.0	18.6	9.0x	NA
7	Nov-10	Target 7	Acquirer 7	731.5	71.9	10.2x	NA
8	Aug-10	Target 8	Acquirer 8	525.6	60.8	8.6x	22.5%

- The following table consists of other similar transactions involving other multi-site healthcare companies across the years:

#	ANNOUNCEMENT DATE	TARGET	ACQUIRER	EV ($ mm)	LTM EBITDA ($ mm)	EV/LTM EBITDA	EBITDA Margin
1	Jun-18	Target 1	Acquirer 1	10,001.3	1,074.0	9.3x	12.9%
2	Apr-18	Target 2	Acquirer 2	2,064.0	110.3	18.7x	7.1%
3	Dec-17	Target 3	Acquirer 3	4,704.0	371.2	12.7x	NA
4	Oct-17	Target 4	Acquirer 4	97.1	12.6	7.7x	17.2%
5	Sep-17	Target 5	Acquirer 5	64.7	8.4	7.7x	17.2%
6	Aug-17	Target 6	Acquirer 6	75.5	9.8	7.7x	17.2%
7	Jul-17	Target 7	Acquirer 7	600.0	45.0	13.3x	NA
8	May-17	Target 8	Acquirer 8	480.0	49.5	9.7x	NA
9	Jan-17	Target 9	Acquirer 9	71.1	9.3	7.7x	17.4%
10	Jan-17	Target 10	Acquirer 10	4,002.2	338.9	11.8x	25.7%
11	Dec-16	Target 11	Acquirer 11	769.1	129.2	6.0x	24.2%
12	Oct-16	Target 12	Acquirer 12	5,788.6	467.4	12.4x	10.3%
13	Jun-16	Target 13	Acquirer 13	7,623.1	630.2	12.1x	10.7%
14	Mar-16	Target 14	Acquirer 14	115.2	23.1	5.0x	15.8%
15	Aug-15	Target 15	Acquirer 15	1,577.1	81.7	19.3x	10.9%
16	Jul-15	Target 16	Acquirer 16	129.6	26.5	4.9x	15.8%
17	May-15	Target 17	Acquirer 17	480.0	45.0	10.7x	23.3%
18	Jan-15	Target 18	Acquirer 18	118.1	12.6	9.4x	8.8%
19	Jan-15	Target 19	Acquirer 19	364.8	49.4	7.4x	15.8%
20	Jun-14	Target 20	Acquirer 20	163.2	20.5	8.0x	15.8%
21	May-14	Target 21	Acquirer 21	2,250.8	192.2	11.7x	19.7%

Comparable Transactions Analysis – Valuation Trends

Tier 1 comps have traded a bit lower at 9.8x LTM EBITDA, compared to the Tier 2 comps which have traded at 10.6x LTM EBITDA



Appendices

Appendix A: Management Bios (1 of 2)

Person 1
Chairman

Photo

Person 1 has been part of Company 1 since 14 years and currently serves as a Chairman. He served on the Company's Advisory Board from 2004 to 2016. Person 1 is the co-founder and CEO of Company 2, a large investor in Company 1 as well as a key shareholder of the firm. Person 1 brings over two decades of experience investing in and helping to build leading growth companies with specific expertise in international markets.

Prior to co-founding Company 2 in 1996, he worked in various departments at Company 3 in New York, including Equity Research, Equity Proprietary Trading and Principal Investments specializing in Technology and Energy investments. Person 1 is active in education and serves on the advisory boards of the School 1 and School 2. Person 1 holds a B.Sc. from XYZ University and an MBA from ABC Business School. He also received the "Best XYZ award" from the XXX Journal in 1987.

Person 2
Managing Partner

Photo

Person 2 has been part of Company 1 since 2015 as a member of the firms Operating Committee, with a key role supporting Company 1's business development and global marketing programs. He now serves as the Managing Partner of Company 1. Person 2 is also the Head of Private Investments at XYZ Group of Companies where he has worked since 2005. He is responsible for private equity investments and new business development, including work on corporate initiatives like the acquisition and oversight of Company 1. He has led investments for Company 2 across a number of sectors including financial services, healthcare and technology.

Person 2 serves on the Board of Directors of XXX Advisors, a real-assets focused private equity firm. In this role, he provides strategic guidance and oversight for XXX's investment programs. Person 2 is also currently a member of the Board of Directors for Company 2 portfolio companies: PortCo 1, PortCo 2, and PortCo 3. He previously served on the investment team of XXX, a private equity investor in US. Before that he worked in a management role with a venture-backed technology firm based in XYZ, that provided software outsourcing solutions to technology companies. Person 2 holds a BA in Sociology from XXX University and an MBA from XXX school.

Appendix A: Management Bios (2 of 2)

Person 3
Founder & Senior Advisor

Photo

Person 3 co-founded Company 1 in 1999 and served as the firm's Managing Director. In 2016, he transitioned out of his managerial role and became a senior advisor and consultant to the firm. Person 2 provides key consulting services that include advising on venture capital relationships as well as providing insight on portfolio investments, both direct and fund level. Prior to the formation of Company 1, he was an independent investor in top-tier venture funds and an angel investor in a number of silicon-valley start-ups.

Person 3 earned his B.S. degree in Industrial Engineering from XYZ University. At XYZ, he was an Academic All-American and was honored as the top male scholar-athlete in the nation. He was a 2007 inductee into the XYZ Athletics Hall of Fame, and he currently serves as a panelist for the ABC College Football Poll, which ranks the nation's top-25 college football teams for the Bowl Championship Series (BCS).

Person 4
Founder & Senior Advisor

Photo

Person 4 co-founded Company 1 in 1999 and served as the firm's Managing Director. In 2016, he transitioned out of his managerial role and became a senior advisor and consultant to the firm. Person 4 provides key consulting services that include advising on venture capital relationships as well as providing insight on portfolio investments, both direct and fund level. He has been an investor in Silicon Valley's venture capital funds as well as an angel investor in several silicon valley start-ups including Company A. Company B, Company C, Company D, etc.

Person 4 played 12 years in the National Football League, including 10 with the ABC team where he was a four-time All-Pro performer and three-time Super Bowl champion. He was honored as the XYZ Award recipient in 1997 for outstanding character in the home, on the field, and in the community. Person 4 earned his BS in Economics from the XXX university.

Appendix B: EBITDA Adjustment Detail

- **Full-Year Adjustment for Completed Affiliations –** EBITDA contribution from completed affiliations as if completed at the beginning of the period
- **Full-Year Adjustment for Pending Affiliations under LOI –** EBITDA contribution from two pending affiliations under LOI as if completed at the beginning of the period
- **Office Fire –** The Company suffered a total loss of all property at one office in 2016 due to a fire. This adjustment normalized for lost revenue and related expenses in addition to the removal if insurance proceeds received
- **Cash-basis Rent –** Removes non-cash adjustments for straight-line rent recognized once annually
- **Provider Earnout Compensation –** Removes bonus paid to selling doctor for purchase of practice
- **Winter Storm Impact –** Normalizes for lost revenue associated with the unusually harsh winter weather that disrupted the Company's operations across all offices in January and March 2018
- **Office Combination –** Cost savings associated with the co-location of two of the Company's offices completed in July 2018
- **Advisory Fees –** Removes non-recurring fees paid to the Company's financial sponsor, The XXX Group
- **Affiliation Transaction Fees –** Removes legal, accounting, and other professional fees associated with add-on affiliation transactions
- **Non-Recurring IT Consulting Costs –** Removes the third-party cost associated with upgrading all offices to XXX Enterprise in addition to the creation of customized reporting tools
- **Non-Recurring Professional Fees –** Other professional fees incurred related to one-time matters, including recruiting expenses, lender fees, consulting fees, and legal fees

ADJUSTMENTS

($ in k)	2016	2017	TTM Apr 2018	2018
Office-Level EBITDA	**$7,056**	**$8,040**	**$7,874**	**$9,340**
Office-Level Adjustments				
Full-Year Adj. for Completed Affiliations	$245	$104	$1,729	$871
Full-Year Adj. for Pending Affiliations under LOI	-	-	-	493
Office Fire	173	(191)	(30)	-
Cash-Basis Rent	104	145	145	-
Non-Recurring IT Consulting Costs	44	34	20	12
Non-Recurring Professional Fees	9	4	15	12
Provider Earnout Compensation	44	36	45	109
Winter Storm Impact	-	-	124	124
Office Combination	-	-	208	122
Total Office-Level Adjustments	**$618**	**$132**	**$2,258**	**$1,741**
Adjusted Office-Level EBITDA	**$7,675**	**$8,172**	**$10,132**	**$11,081**
Corporate Expense	**$2,555**	**$2,762**	**$2,738**	**$2,553**
Coporate Adjustments				
Advisory Fees	$327	$278	$279	$198
Affiliation Transaction Costs	208	114	125	158
Non-Recurring IT Consulting Costs	26	29	40	17
Non-Recurring Professional Fees	113	159	141	38
Total Corporate Adjustments	**$675**	**$581**	**$586**	**$412**
Adjusted Coporate Expense	**$1,880**	**$2,181**	**$2,152**	**$2,141**

Appendix C: Provider Normalization EBITDA Adjustment

- XXX bottoms-up approach validates management proposed Provider Normalization Adjustment of ~$600k-$700k based on recent hires

PROVIDER NORMALIZATION EBITDA ADJUSTMENT			
($ in mm)			
(1) Jan-Sep'18 New Hires (Excl. Acquisitons)			
General Practicioner	3		
Specialist	7		
Jan-Sep'18 Terminations			
General Practicioner	4		
Specialist	4		
Net Hires / (Terminations)			
General Practicioner	**(1)**		
Specialist	**3**		
(2) Avg. Revenue / GP	$0.662		
(3) Avg. Revenue / Specialist	$0.899		
(4) Assumed GP EBITDA Flow-Thru %	28.8%		
(4) Assumed Specialist EBITDA Flow-Thru %	28.8%		
Implied GP Revenue Gained / (Lost)	($0.636)		
Implied Specialist Revenue Gained / (Lost)	$2.589		
Implied GP EBITDA Gained / (Lost)	($0.183)		Management
Implied Specialist EBITDA Gained / (Lost)	$0.746		Proposed Adjustment
Total Implied Revenue Gained	**$1.953**		$1.588
Total Implied EBITDA Gained	**$0.563**		$0.636
Implied Flow-Thru	28.8%		40.0%

Notes:
1. Provider normalization Adjustment not applied to recently acquired offices.
2. Reflects avg. production for all doctors employed by ABC (incl. specialists); GP production likely lower.
3. Reflects avg. production of top-5 doctors only.
4. Estimated based on ~40% Gross Profit margin and ~20% Office-Level OpEx % of Sales; assumes 100% COGS and 50%OL OpEx are variable.

Appendix D: Payor Analysis (1 of 2)

- Fee schedule generally varies by zip code, with the exception of certain payors with which ABC has negotiated flat rates across geography
- ABC has opportunity to renegotiate rates with key players annually
- In ~30 years of management team's experience, have not experienced rate decreases
- The payor mix is dominated by private insurance (86%) followed by cash (14%) with no government reimbursement exposure

PAYOR (% OF ABC REVENUE)	TOP 6 OVERALL CODES	RATE	AVG RATE	ABOVE/BELOW AVG (%)	RELATIONSHIP COMMENTARY (IF AVAILABLE)
XXX (35%)	XXX	$33	$35	(5.0%)	- Rates vary by geography of office
	XXX	$62	$64	(2.1%)	
	XXX	$12	$12	9.0%	
	XXX	$17	$16	4.7%	
	XXX	$25	$26	(4.8%)	
	XXX	$39	$40	(0.6%)	
XXX (16%)	XXX	$41	$35	18.8%	- Negotiate XXX fees through DHA; drives above average overall rates
	XXX	$69	$64	6.7%	- Negotiation allows for flat rates across geographies
	XXX	$11	$12	(4.9%)	- For acquired practices, XYZ is able to terminate existing XXX plan, renegotiate
	XXX	$21	$16	25.7%	after 120 days
	XXX	$25	$26	(4.8%)	
	XXX	$44	$40	10.8%	
XXX (14%)	XXX	$29	$35	(16.2%)	- Anticipating rate increases after renegotiating in 2019
	XXX	$62	$64	(3.6%)	
	XXX	$9	$12	(25.5%)	
	XXX	$14	$16	(9.3%)	
	XXX	$30	$26	12.3%	
	XXX	$35	$40	(12.7%)	
XXX (15%)	XXX	$25	$35	(27.1%)	- XYZ' lowest payor: stubborn on rates
	XXX	$49	$64	(23.2%)	- XXX possible soon to be brokered
	XXX	$9	$12	(21.7%)	
	XXX	$14	$16	(9.1%)	
	XXX	$21	$26	(17.7%)	
	XXX	$31	$40	(21.1%)	

Appendix D: Payor Analysis (2 of 2)

PAYOR (% OF ABC REVENUE)	TOP 6 OVERALL CODES	RATE	AVG RATE	ABOVE/BELOW AVG (%)	RELATIONSHIP COMMENTARY (IF AVAILABLE)
XXX (9%)	XXX	$41	$35	20.1%	
	XXX	$72	$64	11.5%	
	XXX	$13	$12	16.1%	
	XXX	$15	$16	(8.3%)	
	XXX	$26	$26	(0.7%)	
	XXX	$47	$40	17.3%	
XXX (6%)	XXX	$42	$35	22.8%	- Anticipating rate increases in 2019
	XXX	$71	$64	9.6%	- Single rate across geographies
	XXX	$15	$12	32.4%	
	XXX	$22	$16	31.7%	
	XXX	$26	$26	(2.0%)	
	XXX	$50	$40	24.9%	
XXX (3%)	XXX	$37	$35	10.3%	
	XXX	$75	$64	16.2%	
	XXX	$13	$12	14.6%	
	XXX	$16	$16	(0.6%)	
	XXX	$24	$26	(6.3%)	
	XXX	$42	$40	4.5%	
XXX (2%)	XXX	$38	$35	12.3%	- Anticipating rate increases after renegotiating in 2019
	XXX	$72	$64	12.1%	
	XXX	$14	$12	25.3%	
	XXX	$18	$16	11.0%	
	XXX	$28	$26	6.8%	
	XXX	$46	$40	14.5%	

Appendix E: Recent SSS Performance

- Recent SSS declines driven by physician turnover; normalized SSS is flat / slightly positive
- Normalization adjustments add back lost revenue due to provider turnover

	REPORTED SSS GROWTH									ADJUSTED SSS GROWTH								
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Office 1	(7.0%)	(3.1%)	(15.1%)	4.3%	(31.6%)	(12.5%)	(0.4%)	6.7%	2.0%	1.7%	2.6%	(7.7%)	12.2%	(26.0%)	(6.7%)	12.9%	12.8%	4.5%
Office 2	11.8%	(4.4%)	(12.9%)	2.1%	4.8%	(7.2%)	6.7%	(8.3%)	5.6%	11.8%	(3.9%)	(12.6%)	2.1%	4.8%	(1.9%)	6.7%	(8.3%)	5.6%
Office 3	6.8%	13.3%	23.4%	47.7%	26.0%	(3.6%)	13.3%	10.7%	8.4%	15.7%	25.1%	31.0%	58.0%	36.4%	4.1%	22.8%	22.2%	11.8%
Office 4	(1.4%)	9.0%	(11.3%)	4.1%	(4.4%)	(14.9%)	(3.6%)	(9.9%)	(3.6%)	(1.4%)	10.0%	(8.4%)	7.4%	(2.1%)	(11.3%)	(2.1%)	(5.1%)	0.9%
Office 5	(7.4%)	11.4%	(6.3%)	8.8%	6.0%	2.9%	(6.4%)	(9.5%)	4.9%	(7.4%)	12.2%	(2.4%)	11.0%	12.7%	4.3%	(4.0%)	(5.6%)	7.1%
Office 6	0.5%	3.2%	15.3%	(11.3%)	(22.1%)	(26.9%)	7.2%	(2.7%)	(12.6%)	0.5%	9.2%	29.2%	(6.2%)	(16.4%)	(22.8%)	10.3%	4.7%	(3.6%)
Office 7	74.2%	(61.1%)	11.7%	33.3%	11.6%	2.0%	11.0%	8.4%	(36.1%)	74.2%	(61.1%)	11.7%	33.3%	11.6%	2.0%	11.0%	8.4%	(36.1%)
Office 8	(16.8%)	(32.4%)	(27.0%)	(12.1%)	(9.5%)	(23.7%)	(5.3%)	(31.0%)	(5.0%)	(16.8%)	(32.4%)	(25.7%)	(12.1%)	(9.2%)	(23.7%)	(5.3%)	(31.0%)	(5.0%)
Office 9	8.4%	(10.8%)	(8.8%)	2.6%	(4.4%)	(13.2%)	6.6%	9.3%	16.5%	8.4%	5.5%	(1.5%)	8.0%	0.6%	(7.9%)	14.6%	18.0%	19.4%
Office 10	(30.7%)	8.6%	(39.7%)	(21.0%)	(40.8%)	(24.2%)	(28.1%)	(17.9%)	(17.1%)	(21.4%)	22.8%	(26.9%)	(13.7%)	(36.6%)	(16.0%)	(17.9%)	(7.0%)	(11.1%)
Office 11	(4.2%)	(0.9%)	(5.7%)	(27.6%)	(29.4%)	(9.4%)	(23.9%)	(18.2%)	(9.4%)	63.6%	74.3%	55.7%	34.4%	34.9%	57.4%	47.2%	48.1%	60.5%
Office 12	(5.7%)	9.1%	(29.7%)	4.7%	0.3%	18.3%	(13.7%)	(24.8%)	2.7%	(5.7%)	9.1%	(29.7%)	4.7%	0.5%	18.3%	(13.7%)	(24.8%)	2.7%
Office 13	(8.6%)	7.7%	(21.4%)	(0.7%)	(18.5%)	(17.6%)	(6.4%)	(9.8%)	(15.5%)	15.5%	32.3%	(12.4%)	14.8%	(3.8%)	(3.8%)	11.3%	0.9%	0.8%
Office 14	10.2%	(14.5%)	(17.4%)	(0.4%)	(6.1%)	(19.1%)	(15.3%)	(8.8%)	8.9%	13.2%	(12.3%)	(14.8%)	7.3%	2.0%	(14.3%)	(8.0%)	(1.1%)	12.6%
Office 15	40.2%	(1.7%)	(6.6%)	(4.8%)	(5.2%)	(13.3%)	(9.8%)	(9.3%)	(10.8%)	57.8%	9.1%	1.8%	11.2%	8.2%	(2.1%)	(9.8%)	3.7%	2.9%
Office 16	NA	NA	NA	NA	(5.1%)	5.9%	15.5%	(15.1%)	21.2%	NA	NA	NA	NA	(5.1%)	5.9%	15.5%	(15.1%)	21.2%
Total	**6.9%**	**(3.1%)**	**(5.7%)**	**5.1%**	**(10.8%)**	**(11.5%)**	**(4.3%)**	**(7.0%)**	**(3.3%)**	**20.1%**	**9.5%**	**5.0%**	**18.2%**	**0.6%**	**(0.3%)**	**8.1%**	**5.5%**	**7.9%**

Normalizing Adjustments (Equal to Prior Year Revenue for Terminated Provider)

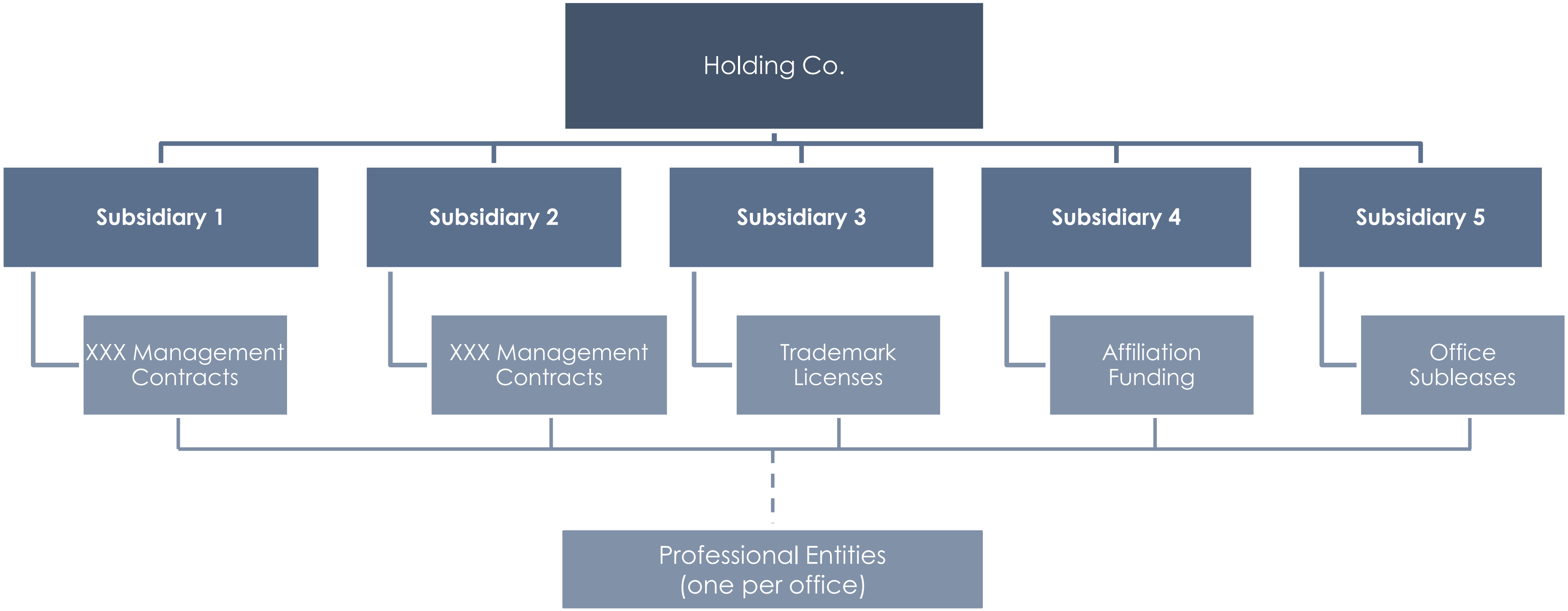
Total Office 1 (N=1)	$28	$16	$24	$22	$22	$17	$34	$20	$7
Total Office 2 (N=2)	-	$1	$1	-	-	$13	-	-	-
Total Office 3 (N=1)	$19	$23	$17	$21	$24	$19	$22	$26	$6
Total Office 4 (N=1)	-	$1	$4	$4	$3	$4	$2	$6	$4
Total Office 5 (N=3)	-	$1	$8	$3	$11	$2	$5	$8	$3
Total Office 6 (N=1)	-	$9	$21	$10	$14	$9	$5	$13	$15
Total Office 8 (N=1)	-	-	$1	-	$0	-	-	-	-
Total Office 9 (N=2)	-	$9	$14	$12	$11	$12	$17	$19	$4
Total Office 10 (N=1)	$13	$16	$18	$10	$7	$12	$12	$14	$8
Total Office 11 (N=5)	$231	$205	$174	$221	$197	$196	$204	$234	$180
Total Office 12 (N=1)	-	-	-	-	$0	-	-	-	-
Total Office 13 (N=3)	$90	$73	$35	$51	$60	$58	$55	$36	$58
Total Office 14 (N=2)	$10	$8	$10	$26	$30	$17	$27	$32	$10
Total Office 15 (N=2)	$22	$17	$15	$26	$20	$21	-	$28	$23

- At Office 12, two key producers experienced individual health issues this year and cut back production (one by ~50%)
- Office 13 experienced retirement of prior owner/top producing doctor; other providers from Office 6 were flexed to Office 11 to make up for lost capacity

Does not account for new hires that replaced terminated providers. XXX is currently working on analysis to fully understand net new provider impact

Appendix F: Legal Organization Structure

XXX Management Holdings, Inc., files a consolidated federal tax return as a taxpaying entity and is the sole owner of five operating companies that maintain contractual relationships with affiliated professional entities



Appendix G: Specialty Lending Investment Opportunity

FACILITY TERMS	
Borrower	Holdings Co.
Agent	XXX
Total Facility Size	$110.1mm (collectively the "Facility") • **Revolver ("Revolver"):** $12.0mm (unfunded at close) • **Term Loan ("Term Loan"):** $60.1mm • **Multi-Draw Term Loan ("MDTL"):** $28.0mm (unfunded at close)
XXX Participation	100.0% Participation (Will sell down a piece to another lender)
Maturity	60 months (5 Years)
Facility Fee (OID)	**TL:** 1.00%; **MDTL:** 1.50% on Initial Funding Date + 1.25% on each Draw
Interest Rate (Cash)	Initial rate: L+7.50% @ >= 5.0x (Step-down to L+6.75% @ < 5.0x; further to L+6.50% @ < 4.5x)
Default Rate	Applicable interest rate to increase by 1.75%
Unused Fee	0.50% per annum
Underwriting Fee	1.50% of the Term Loan, Revolver Facilities, 1.25% on Delayed Draw commitment, with additional 1.00% paid as Delayed Draw commitment is funded
Admin Fee	$60,000 annually
Amortization	1.00%; commencing on the last day of the second full fiscal quarter
ECF Sweep	50%; reduced to 30% at 3.5x, 0% at 2.5x
Call Premium	102 / 101 / 100
Collateral	Substantially all assets of XXX and affiliated dental practices
Financial Covenants	• Net cash limited to $4mm for Net Debt • Fixed charge coverage • 30% of consolidated EBITDA based on analysis of sponsor projections model • Maximum gross leverage ratio never to exceed 6.5x
Leverage	5.4x (2018 EBITDA of $12.3mm)
Minimum Equity	45.0% including seller roll