NEWS RELEASE

dentalcorp Reports Fourth Quarter and Full Year Fiscal 2022 Results

3/23/2023

-Double-Digit Revenue and Adjusted EBITDA(1) Growth-
-Robust Start to the Year-

Fourth Quarter 2022 Highlights

- Revenue of $331.0 million for the fourth quarter 2022, an increase of 21.5% compared to the same period in 2021
- Adjusted EBITDA(1) of $60.6 million for the fourth quarter 2022, an increase of 21.0% compared to the same period in 2021; Adjusted EBITDA Margin(1) of 18.3% for the quarter
- Net income of $6.6 million for the fourth quarter 2022
- Same Practice Revenue Growth(1) of 2.0% for the fourth quarter 2022
- Acquired seven practices in the quarter expected to generate $4.9 million in PF Adjusted EBITDA(1)

Full Year 2022 Highlights

- Full Year Revenue of $1,250.3 million increased by $219.5 million or 21.3% compared to 2021
- Full Year Adjusted EBITDA(1) of $230.6 million increased by 20.2% compared to 2021; Adjusted EBITDA Margin(1) of 18.4% for the year
- Full Year Net loss of ($16.6) million
- Full Year Adjusted Same Practice Revenue Growth(1) of 2.5%
- Adjusted free cash flow(1) for the year was $124.6 million, representing a 38% increase over 2021

- Acquired 91 practices in 2022 expected to generate $59 million in PF Adjusted EBITDA(1)
- Last 12-months PF Revenue(1) and PF Adjusted EBITDA(1) of $1.3 billion and $254.2 million, respectively; PF Adjusted EBITDA Margin(1) of 19.0%

First Quarter 2023 Outlook

- Revenues are estimated to increase by 22% to 24%, with Adjusted EBITDA Margins(1) expanding compared to the same period in 2022
- Same Practice Revenue Growth(1) is estimated to be 7% to 8%
- Expecting to complete acquisitions representing PF Adjusted EBITDAafter rent(1) between $4.0 million and $5.0 million

(1) Non-IFRS financial measure, non-IFRS ratio or supplementary financial measure. See “Non-IFRS and Other Measures” section of this news release for definitions and quantitative reconciliations.

TORONTO--(BUSINESS WIRE)-- dentalcorp Holdings Ltd. (“dentalcorp” or the “Company”) (TSX: DNTL), Canada’s largest, and one of North America’s fastest growing networks of dental practices, announced today its three and 12 month financial and operating results for the period ended December 31, 2022. All references to dollar values in this press release are in Canadian dollars, unless otherwise indicated.

“dentalcorp achieved more than 20 percent growth in revenue and Adjusted EBITDA in its fourth quarter over the same period in 2021, demonstrating the strength of our business,” said Graham Rosenberg, Chief Executive Officer. “Same Practice Revenue Growth combined with focused practice-level performance, along with the successful execution of our acquisitions, drove our results with margins stable compared to the same period last year, despite a backdrop of increased labour costs,” Mr. Rosenberg added.

Financial and Operating Results for the Three and 12 Months Ended December 31, 2022

- Revenue for the fourth quarter 2022 was $331.0 million, an increase of $58.5 million or 21.5% over the fourth quarter 2021. The increase in revenue for the quarter was driven by incremental revenue from acquired practices, and Same Practice Revenue Growth. Full Year Revenue of $1,250.3 million increased by $219.5 million or 21.3% compared to 2021.
- Same Practice Revenue Growth was 2.0% over the fourth quarter 2021 with Full Year Adjusted Same Practice Revenue Growth of 2.5% compared to 2021, driven by overall demand for services and the Company’s insourcing initiatives.
- Adjusted EBITDA increased by $10.5 million to $60.6 million in the fourth quarter 2022 over the same period in 2021, an increase of 21.0%. Full year 2022 Adjusted EBITDA was $230.6 million representing an increase of 20.2% compared to 2021. Adjusted EBITDA Margin of 18.3% in the fourth quarter 2022 and 18.4% for the full

year were consistent with the corresponding periods in 2021. Strong practice-level performance and margins provided us with the resources to upgrade our core information technology systems and overall infrastructure.

- Adjusted net income for the year was $117.3 million, an increase of 97% over 2021. Adjusted net income for the fourth quarter 2022 was $48.9 million, an increase of 426% over the fourth quarter 2021.
- Adjusted free cash flow for the year was $124.6 million, representing a 38% increase over 2021. For the quarter Adjusted free cash flow was $7.6 million, compared to $22.2 million in the fourth quarter 2021, primarily due to the timing of changes in working capital, which was neutral for the year.
- The Company acquired seven dental practices during the fourth quarter 2022, which are budgeted to generate approximately $4.9 million in PF Adjusted EBITDA, for total consideration of $32.0 million. As at December 31, 2022, the Company owned 542 dental practices in Canada, compared to 458 practices at December 31, 2021.
- The Company ended the fourth quarter 2022 with liquidity of $795.8 million, comprised of $110.5 million in cash and $685.3 million in debt capacity under its $1.75 billion aggregate senior debt facilities. Approximately $1.1 billion of its senior debt facilities were drawn at year end. At year end approximately 50% of the Company's outstanding debt was fixed at a blended interest rate of 6.5%.

Consolidated Financial Results

	Year ended December 31,	
	2022 $	2021 $
Revenue	1,250.3	1,030.8
Cost of revenue	638.4	535.4
Gross Profit	611.9	495.4
Selling, general and administrative expenses	403.5	343.2
Depreciation and amortization	190.3	158.5
Share-based compensation	12.5	75.2
Foreign exchange gain	(2.5)	(76.2)
Net finance costs	68.0	115.0
Change in fair value of derivative instruments	(1.7)	65.9
Change in fair value of contingent consideration	19.0	15.6
Change in fair value of conversion option	—	(30.8)
Share of associate losses	0.2	0.2
Loss before income taxes	(77.4)	(171.2)
Income tax recovery	(60.8)	(10.8)
Net income (loss) and comprehensive income (loss)	(16.6)	(160.4)

Other Metrics

Adjusted net income(a)	117.3	59.6
Adjusted EBITDA(a)	230.6	191.8

(a) Non-IFRS financial measure, non-IFRS ratio or supplementary financial measure. See "Non-IFRS and Other Measures" section of this news release for definitions and quantitative reconciliations.

First Quarter 2023 Outlook

"Fiscal 2023 is off to a strong start with first quarter revenues expected to grow by 22.0% to 24.0% over the same period last year with Same Practice Revenue Growth of 7.0% to 8.0% driven by price increases, a rebound in patient visit volumes and reductions in previously imposed regulatory restrictions. During the first quarter, we expect to acquire practices representing PF Adjusted EBITDA after rent between $4.0 million to $5.0 million with such acquisitions expected to be completed at purchase multiples 15% to 20% lower than the same period in fiscal 2022. Finally, we expect Adjusted EBITDA Margin to expand as compared to the same period last year, with solid practice-level performance offsetting the significant investments we have made in our marketing and talent teams, and the upgrades to our core information technology systems," said Mr. Rosenberg.

Mr. Rosenberg continued, "Earlier in March 2023, dentalcorp hedged an additional $300.0 million of its bank debt. Approximately 75% of our bank debt exposure, or $800.0 million, is now carrying a fixed CDOR rate plus margin for an all-in cost of approximately 6.4%, which adds significant certainty and benefit to our Adjusted free cash flow, as we continue to progress towards de-leveraging and self-funding our acquisition program."

The foregoing outlook with respect to the first quarter are based the Company's current strategies and may be considered forward-looking information under applicable securities laws. Such targets are based on estimates and assumptions made by the Company regarding, among other things, the assumptions set out under "Forward-Looking Information". Readers are cautioned that actual results may vary materially from the above targets if the Company's assumptions are incorrect or as a result of the risks and uncertainties that may impact our business and that may cause actual results to vary. See "Forward-Looking Information".

Strategic Review Process

On November 21, 2022, the Company announced that its Board of Directors formed a special committee of non-executive, independent directors (the "Special Committee") to undertake, in consultation with its financial and legal advisors, a review and evaluation of strategic alternatives that may be available to the Company to unlock shareholder value.

The Special Committee continues to conduct an extensive review and evaluation of alternatives available to the Company. There can be no assurance that this process will lead to the approval or completion of any transaction. The Company does not currently intend to provide any updates with respect to this process unless and until its Board of Directors approves a specific transaction or otherwise concludes its review of strategic alternatives.

Conference Call Notification

The Company will hold a conference call to provide a business update on Thursday, March 23, 2023 at 8:30 a.m. ET. A question-and-answer session will follow the business update.

LIVE CONFERENCE CALL DETAILS	
DATE:	Thursday, March 23, 2023
TIME:	8:30 a.m. ET
WEBCAST:	**https://events.q4inc.com/attendee/713457832**
DIAL-IN NUMBER:	1 (888) 660-6396 or 1 (929) 203-0889
REFERENCE NUMBER:	9097710
REPLAY	
DIAL-IN NUMBER:	1 (800) 770-2030 or 1 (647) 362-9199
REFERENCE NUMBER:	9097710

Notice of Annual General Meeting

The Company announced today that it will hold its annual general meeting ("AGM") of shareholders virtually on May 25, 2023, at 11:00 a.m. ET. The record date for determining a shareholder's entitlement to receive notice of and to vote at the AGM will be April 5, 2023. Further information regarding the AGM will be set forth in the Notice of Meeting and Record Date filed on SEDAR on March 10, 2023, and in the management information circular to be filed on SEDAR.

Executive Compensation Matters

Subsequent to the end of the quarter, the Company's Board of Directors, on the recommendation of its Governance, Nominating and Compensation Committee, approved the restructuring of the loans that had been made to each of the Company's President, Guy Amini and Chief Financial Officer, Nate Tchaplia under the Company's management loan program, in order to more appropriately incentivize Messrs. Amini and Tchaplia to advance the interests of the Company, with the restructuring to become effective five business days after the date of this news release, subject to the satisfaction of certain customary closing conditions.

Pursuant to the restructuring, the Company's full interest in its loans to each of Mr. Amini and Mr. Tchaplia (each of which has a face amount of $12.8 million, is non-interest bearing, is 50% forgivable if the Company's share price exceeds $28 per share, matures in 2026 and is limited in recourse to 1.2 million subordinate voting shares of the Company owned by each of these executives) will be transferred to private holding companies which are wholly owned by Messrs. Amini and Tchaplia, respectively (each, a "HoldCo"). In consideration for the transfer of these loan receivables, each HoldCo will issue $12.8 million face amount of redeemable preferred shares to the Company (the "Preferred Shares"). Please refer to the Company's management information circular dated April 13, 2022 for information regarding the Company's existing management loan program, which is available under the Company's profile on SEDAR at **www.sedar.com**.

Each HoldCo may redeem a specified face amount of the Preferred Shares on specified dates for nominal consideration ($6.4 million face amount on the second anniversary of issuance; $3.2 million face amount of its Preferred Shares on the third anniversary of issuance; and $3.2 million face amount on the fourth anniversary of issuance). If certain change of control events occur during 2023, then $6.4 million face amount of each HoldCo's Preferred Shares would become redeemable for nominal consideration, and $6.4 million of each HoldCo's Preferred Shares would be required to be redeemed immediately at 100% of their face value. If either of Messrs. Amini or Tchaplia is terminated for cause or resigns without good reason, then all of the Preferred Shares issued by the relevant HoldCo would be required to be redeemed immediately at 100% of their face value. If either of Messrs. Amini or Tchaplia is terminated without cause in connection with certain change of control events that occur after 2023, or if any of them suffers a death or disability, all of the relevant HoldCo's Preferred Shares that remain outstanding would become redeemable for nominal consideration. If either of Messrs. Amini or Tchaplia is terminated without cause, $6.4 million face amount of the relevant HoldCo's Preferred Shares would become redeemable for nominal consideration immediately (and if such termination occurs prior to the second anniversary of issuance, the remaining Preferred Shares of the relevant HoldCo would become redeemable at 100% of their face value six months later).

The ability of a HoldCo to make any redemption payment that may be required under the terms of its Preferred Shares will be subject to the value of the subordinate voting shares of the Company owned by the HoldCo, net of any liabilities of the HoldCo, being sufficient to satisfy such redemption payment. Although each HoldCo has agreed to certain restrictive covenants imposing limitations (subject to certain exceptions) on its ability to (among other things) sell subordinate voting shares of the Company, incur additional liabilities, pay dividends or similar distributions, and repurchase its own common shares, there can be no assurance that a HoldCo will have sufficient funds to satisfy a redemption payment on the Preferred Shares.

Non-IFRS and Other Measures

As appropriate, we supplement our results of operations determined in accordance with IFRS with certain non-IFRS financial measures that we believe are useful to investors, lenders, and others in assessing our performance and which highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. Our management also uses non-IFRS measures for purposes of comparison to prior periods, to prepare annual operating budgets, for the development of future projections and earnings growth prospects, to measure the profitability of ongoing operations and in analyzing our financial condition, business performance and trends, including the run-rate of the business after taking into consideration the acquisitions of dental practices. As such, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective, including how we evaluate our financial performance and how we manage our capital structure. We also believe that securities analysts, investors, and other interested parties frequently use these non-IFRS measures and industry metrics in the evaluation of issuers. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and may include or exclude certain items as compared to similar IFRS measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. For further information on non-IFRS financial measures, including, the most directly comparable IFRS measures, composition of the measures, a description of how we use these measures and an explanation of how these measures provide useful information to investors, and applicable reconciliations refer to the "Non-IFRS and Other Measures", "Non-IFRS Financial Measures", "Non-IFRS Ratios" and "Supplementary Financial Measures" sections of our management discussion and analysis for the three months and year ended December 31, 2022 (the "MD&A"), available on the Company's profile on SEDAR at **www.sedar.com**, which is incorporated by reference herein.

EBITDA

"EBITDA" means, for the applicable period, net loss and comprehensive loss plus (a) net finance costs, (b) income tax recoveries, and (c) depreciation and amortization. We present EBITDA to assist investors in understanding the mathematical development of Adjusted EBITDA. Management does not use EBITDA as a financial performance metric but we present EBITDA to assist investors in understanding the mathematical development of Adjusted EBITDA. The most comparable IFRS measure to EBITDA is Net income (loss) and comprehensive income (loss).

	Three months ended,		Year ended,	
	December 31, 2022 $	December 31, 2021 $	December 31, 2022 $	December 31, 2021 $
	(expressed in millions of dollars)			
Net income (loss) and comprehensive income (loss)	6.6	(43.1)	(16.6)	(160.4)
Add:				
Finance costs, net	24.1	12.1	68.0	115.0
Income tax recovery	(39.9)	1.1	(60.8)	(10.8)
Depreciation and amortization	51.1	42.6	190.3	158.5
EBITDA	41.9	12.7	180.9	102.3

Adjusted EBITDA

"Adjusted EBITDA" is calculated by adding to EBITDA certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance or impact the ability to assess the operating performance of our business, including: (a) net impact of unrealized foreign exchange gains and losses on non-cash balances, change in fair value of derivative instruments, change in fair value of conversion option, and share of associate losses; (b) share-based compensation; (c) external acquisition expenses; (d) COVID-19 costs; (e) change in fair value of contingent consideration; (f) IPO costs; (g) special process costs; (h) other one-time corporate costs (consisting primarily of consulting costs related to our recent ERP implementation; and (i) other one-time adjustments. Adjusted EBITDA is a supplemental measure used by management and other users of our financial statements to assess the financial performance of our business without regard to the effects of interest, depreciation and amortization costs, expenses that are not considered reflective of underlying business performance, and other expenses that are expected to be one-time or non-recurring. We use Adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis from period to period and to provide for a more complete understanding of factors and trends affecting our business. The most comparable IFRS measure to Adjusted EBITDA is Net income (loss) and comprehensive income (loss).

	Three months ended,		Year ended,	
	December 31, 2022 $	December 31, 2021 $	December 31, 2022 $	December 31, 2021 $
	(expressed in millions of dollars)			
EBITDA	41.9	12.7	180.9	102.3
Add:				
Net impact of foreign exchange, change in fair value of derivatives, change in fair value of conversion option, and share of associate losses(a)	(1.8)	0.1	(1.6)	(40.9)
Share-based compensation	6.8	7.7	12.5	75.2
External acquisition expenses(b)	5.2	3.1	14.9	7.6
COVID-19 costs(c)	—	8.7	—	11.2
Change in fair value of contingent consideration(d)	4.9	13.4	19.0	15.6
IPO costs(e)	0.5	0.8	0.5	15.7
Special process costs(f)	1.5	—	1.5	—
Other corporate costs(g)	1.6	3.6	8.2	5.1
Other one-time adjustments(h)	—	—	(5.3)	—
Adjusted EBITDA	60.6	50.1	230.6	191.8

a. Represents the sum of (i) unrealized foreign exchange gain (ii) change in fair value of derivative instruments, (iii) change in fair value of conversion option and (iv) share of associate losses.
b. Represents professional fees and other expenses paid to third parties related to practice acquisitions. These costs are excluded as they are incurred in connection with each practice acquisition and are not related to underlying business operations of the Company.
c. Represents costs incurred as a result of the COVID-19 pandemic that are not expected to recur, including additional employee benefits and retention payments to staff, retrofitting expenses at practices, and payments to safety consultants. The Company's cost of revenue was also impacted in 2021 due to the normalization of the cost of consumable inventories from previously inflated rates as a result of COVID-19.
d. On acquisition, and at each subsequent reporting date, obligations under earn-out arrangements are measured at fair value with the changes in fair value recognized in the consolidated statements of loss or comprehensive loss.
e. Represents costs that are not expected to recur related to the Company's IPO.
f. Represents costs related to the Strategic Review, including costs incurred by the Company to evaluate strategic alternatives to unlock shareholder value.
g. Represents costs related to the implementation of new corporate systems and the undertaking of vendor consolidations.
h. Represents adjustments for the impact of the gain on legal settlement of $14.5 million, offset by relief provided by the Company to Partner dentists and employees of $9.4 million.

Adjusted EBITDA Margin

"Adjusted EBITDA Margin" means Adjusted EBITDA divided by revenue. We use Adjusted EBITDA Margin to facilitate a comparison of our operating performance on a consistent basis from period to period and to provide for a more complete understanding of factors and trends affecting our business.

Adjusted net income

"Adjusted net income" is calculated by adding to net loss and comprehensive loss certain expenses, costs, charges or benefits incurred in such period which in management's view are either not indicative of underlying business performance or impact the ability to assess the operating performance of our business, including: (a) amortization of intangible assets; (b) share-based compensation; (c) change in fair value of contingent consideration; (d) external acquisition expenses; (e) COVID-19 costs; (f) IPO costs; (g) special process costs; (h) other corporate costs (consisting primarily of consulting costs related to our recent ERP implementation); (i) other one-time adjustments; and (j) the tax impact of the above. We use Adjusted net income to facilitate a comparison of our operating performance on a consistent basis from period to period and to provide for a more complete understanding of factors and trends affecting our business. The most comparable IFRS measure to Adjusted net income is Net income (loss) and comprehensive income (loss).

PF Revenue

"PF Revenue" in respect of a period means revenue for that period plus the Company's estimate of the additional revenue that it would have recorded if it had acquired each of the practices that it acquired during that period on the first day of that period, calculated in accordance with the methodology described in the reconciliation table in "Reconciliation of Non-IFRS Measures". Given the highly acquisitive nature of our business, PF Revenue is more reflective of our expected run-rate. We use PF Revenue to determine components of employee compensation. The most comparable IFRS measure to PF Revenue is Revenue.

	Year ended December 31, 2022
	(expressed in millions)
Revenue	$1,250.3
Add:	
Acquisition adjustment(a)	$88.4
PF Revenue	$1,338.7

a. The Company regularly acquires dental practices and estimates that if it had acquired each of the practices that it acquired during the LTM period ended December 31, 2022, it would have recorded additional revenue of $88.4 million. These estimates are based on the amount of revenue budgeted by the Company to be earned by the relevant practices at the time of their acquisition by dentalcorp. There can be no assurance that if the Company had acquired these practices on the first day of the applicable fiscal period, they would have actually generated such budgeted revenue, nor is this estimate indicative of future results.

PF Adjusted EBITDA

"PF Adjusted EBITDA" in respect of a period means Adjusted EBITDA for that period plus the Company's estimate of the additional Adjusted EBITDA that it would have recorded if it had acquired each of the practices that it acquired during that period on the first day of that period, calculated in accordance with the methodology described in the reconciliation table in "Reconciliation of Non-IFRS Measures". Both creditors and the Company use PF Adjusted EBITDA to assess our borrowing capacity and given the highly acquisitive nature of our business is more reflective of our expected run-rate. We also use PF Adjusted EBITDA to determine components of employee compensation. The most comparable IFRS measure to PF Adjusted EBITDA is Net income (loss) and comprehensive income (loss).

PF Adjusted EBITDA Margin

"PF Adjusted EBITDA Margin" means PF Adjusted EBITDA divided by PF Revenue. Both creditors and the Company use PF Adjusted EBITDA Margin to assess our borrowing capacity and given the highly acquisitive nature of our business is more reflective of our expected run-rate.

	Year ended December 31, 2022
	(expressed in millions)
Adjusted EBITDA	$230.6
Add:	
Acquisition adjustment(b)	$23.6
PF Adjusted EBITDA	$254.2
PF Adjusted EBITDA Margin	19.0%

b. The Company regularly acquires dental practices and estimates that if it had acquired each of the practices that it acquired during the LTM period ended December 31, 2022, it would have recorded additional Adjusted EBITDA of $23.6 million. These estimates are based on the amount of Practice-Level EBITDA budgeted by the Company to be earned by the relevant practices at the time of their acquisition by dentalcorp. There can be no assurance that if the Company had acquired these practices on the first day of the applicable fiscal period, they would have actually generated such budgeted Practice-Level EBITDA, nor is this estimate indicative of future results.

PF Adjusted EBITDA after rent

"PF Adjusted EBITDA after rent" in respect of a period means PF Adjusted EBITDA less interest and principal repayments on leases. Both creditors and the Company use PF Adjusted EBITDA after rent to assess our borrowing capacity and given the highly acquisitive nature of our business is more reflective of our expected run-rate. The most comparable IFRS measure to PF Adjusted EBITDA after rent is Net income (loss) and comprehensive income (loss).

Adjusted free cash flow

"Adjusted free cash flow" is calculated by adding or subtracting from cash flow from operating activities: (a) external acquisition expenses; (b) COVID-19 costs; (c) IPO costs; (d) special process costs; (e) other corporate costs (consisting primarily of consulting costs related to our recent ERP implementation); (f) other one-time adjustments;

(g) repayment of principal on leases; and (h) maintenance capex. We use Adjusted free cash flow to facilitate a comparison of our operating performance on a consistent basis from period to period, to provide for a more complete understanding of factors and trends affecting our business, and to determine components of employee compensation. The most comparable IFRS measure to Adjusted free cash flow is cash flow from operating activities.

Same Practice Revenue Growth

"Same Practice Revenue Growth" in respect of a period means the percentage change in revenue derived from Established Practices (other than Legacy Specialty Practices) in that period as compared to revenue from the same practices in the corresponding period in the immediately prior year. A practice will be deemed to be an "Established Practice" in a period if it was operating as part of dentalcorp for the entirety of the relevant period and for the entirety of the corresponding period in the immediately prior year. A "Legacy Specialty Practice" means a practice acquired prior to mid-2014 using a legacy deal structure that is no longer utilized today.

Adjusted Same Practice Revenue Growth

"Adjusted Same Practice Revenue Growth" in respect of a period means the percentage change in revenue derived from Established Practices (other than Legacy Specialty Practices) plus the Company's estimate of the impact on Same Practice Revenue Growth of the COVID-19 Omicron variant and Hurricane Fiona. For the three months and year ended December 31, 2022, the Company estimates that this impact was a reduction of approximately nil% and 1.6%, respectively which arose from practice closures, patient cancellations and lost provider days. A practice will be deemed to be an "Established Practice" in a period if it was operating as part of dentalcorp for the entirety of the relevant period and for the entirety of the corresponding period in the immediately prior year. A "Legacy Specialty Practice" means a practice acquired prior to mid-2014 using a legacy deal structure that is no longer utilized today.

Forward-Looking Information

This news release includes forward-looking information and forward-looking statements within the meaning of applicable Canadian securities legislation, including the Securities Act (Ontario) (collectively, "forward-looking statements"), which reflect management's expectations regarding the Company's future growth, future financial outlook, our ability to sustain momentum in our business and advance our strategic growth drivers, results from operations (including, without limitation, future expansion and capital expenditures), performance (both operational and financial) and business prospects, future business plans, opportunities and our goals for the first quarter of 2023 for Revenue, Same Practice Revenue Growth, PF Adjusted EBITDA after rent, acquisition multiples realizable for practice acquisitions and Adjusted EBITDA Margin. Wherever possible, words such as "plans", "expects", "scheduled", "budgeted", "projected", "estimated", "timeline", "forecasts", "anticipates", "suggests", "indicative", "intend", "guidance", "outlook", "potential", "prospects", "seek", "strategy", "targets" or "believes", or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, “could”, “would”, “should”, “might” or “can”, or negative or grammatical versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions, have been used to identify forward looking statements. Such forward-looking information includes, but is not limited to, the forward-looking information related to the Canadian dental industry; addressable markets for the Company’s services; expectations regarding its revenue and its revenue generation potential; its business plans and strategies; its competitive position in its industry and its expectations regarding double-digit growth, and the information and statements under “Outlook” relating to our goals for the first quarter of 2023 for Revenue, Same Practice Revenue Growth, PF Adjusted EBITDA after rent, acquisition multiples realizable for practice acquisitions and Adjusted EBITDA Margin.

The purpose of disclosing such forward-looking information is to provide investors with more information concerning the financial results that the Company currently believes are achievable based on the assumptions below. Readers are cautioned that the information may not be appropriate for other purposes. While these targets are based on underlying assumptions that management believes are reasonable in the circumstances, readers are cautioned that actual results may vary materially from those described above.

Forward-looking statements are necessarily based upon management’s perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking statements. Such factors and assumptions include, but are not limited to, the following assumptions for the remainder of 2023 and the medium-term, as applicable: the Company’s business, operations and capital structure continuing as currently maintained, that the Company’s acquisition program continues without any divestitures of non-core assets or re-deployment of capital of the Company, the Company’s ability to realize pricing increases, an increase in patient visit volumes in the first quarter of 2023, reductions in previously imposed industry wide regulatory restrictions, the impact of the investments the Company has made in its marketing and talent teams and the upgrades to its core information technology systems; the Company’s ability to continue to make and integrate acquisitions at attractive valuations including a reduction in acquisition Practices Level EBITDA Purchase multiples as compared to prior periods, the impact of corporate investments made in 2022 and 2023 on the Company’s operations, including the Company’s corporate infrastructure and technology stack, including its new Human Resource Information system and ERP system, the Company benefiting from its unhedged borrowings due to future and forecasted rate decreases,the expansion of service offerings and frequency of patient visits which contribute to optimal patient care, the Company’s ability to mitigate anticipated supply chain disruptions, geopolitical risks, inflationary pressures and labour shortages, ability to expand service offerings, cash flow generation ability, no changes in the competitive environment or legal or regulatory developments affecting our business; visits by patients to our Practices at the same rate as current visits; a steady improvement in the general COVID-19 environment including, the continued reopening of the economy and no further significant restrictions and other factors listing under the heading Risk Factors in the Company's Annual Information Form dated March 25, 2022 and the MD&A. While the Company considers these assumptions to be reasonable, many assumptions are based on factors and events that are not within its control and there is no assurance that they will prove to be correct.

By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking statements. Such risks include, but are not limited to, the Company's potential inability to successfully execute its growth strategy and complete additional acquisitions; its dependence on the integration and success of its acquired dental practices; the potential adverse effect of acquisitions on its operations; its dependence on the parties with which the Company has contractual arrangements and obligations; changes in relevant laws, governmental regulations and policy and the costs incurred in the course of complying with such changes; competition in the dental industry; increases in operating costs; the risk of difficulty complying with public company reporting obligations; and the risk of a failure in internal controls.

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. Accordingly, investors should not place undue reliance on forward-looking statements. All the forward-looking statements are expressly qualified by the foregoing cautionary statements.

About dentalcorp

dentalcorp is Canada's largest and one of North America's fastest growing networks of dental practices, committed to advancing the overall well-being of Canadians by delivering 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. To learn more, visit dentalcorp.ca

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