

Dental Fund

EXTRACTING NEW OPPORTUNITIES

TARGET DISTRIBUTION: 9% annually, paid quarterly
TARGET RAISE: \$120M
TERM: Five (5) years with up to two (2) additional one-year extensions

Series & Fundserv Code
 Series B | RBS1203

Fund Concept

Management believes that dental operations are a consistent and stable source of revenue based on historical data from the dental industry. Dentistry has high net margins relative to other industries operating in the healthcare space, which, in management’s opinion, has an ability to convert profits into cash flow. A fund comprised of investments in several well-managed clinics can be an attractive component within a larger portfolio of investments. The dental industry in Canada exhibits a low level of revenue volatility. While, in response to low discretionary income, patients may curb their demand for elective procedures, such as implants, many consumers still routinely visit their dentist for annual or semi-annual need-based procedures, which generally lowers revenue volatility.¹

The Opportunity

The Canadian dental industry is only 5% corporately owned (as per the Canadian Dental Association), whereas the United States dental industry is 30-40% corporately owned², suggesting that a similar trend of consolidation may occur in Canada. The Dental Fund has taken proven dental practices with a strong track record and consolidated them into one fund.

Total Production Revenue Across The Portfolio³

Dentallook owns 12 clinics that it has owned for at least 18 months. Total production revenue for these 12 clinics has a compound annual growth rate of 8.8% for the previous five years. For Fig. 1 below, production shown for 2020 and CAGR reflects July to December 2020 run rate based on the 12 clinics owned by Dentallook as at December 31, 2020.⁴

Dentallook Delivers a Proven Model

Newlook Capital has established Newlook Capital Dental Services Trust (“Dental Fund”), which allows investors to purchase trust units of the Dental Fund. The Dental Fund uses proceeds from the issuance of trust units to purchase 9% secured debentures of Dentallook.⁵ Dentallook uses proceeds from the issuance of debentures to finance the acquisition of dental clinics.

Dentallook is a multi-city, multi-clinic group of practices operating in Saskatchewan, Ontario and Alberta. Our operating partner, Dr. Said Mazahreh, DDS (“Dr. Sam”) has experience growing and acquiring practices.

Management

The clinics owned by Dentallook are all established dental practices that have, on average, greater than 20 years of operating history. Collectively, as at November 22, 2022, the clinics have more than 55,000 patients. For the clinics that have been owned for at least 18 months, the organic compound annual growth rate (CAGR) is approximately 8.8%. See Fig. 1.

Dentallook Locations

As at November 22, 2022: (i) 15 clinics are located in the Province of Ontario; (ii) 10 clinics are located in the Province of Saskatchewan; and (iii) two clinics are located in the Province of Alberta.

Fig. 1

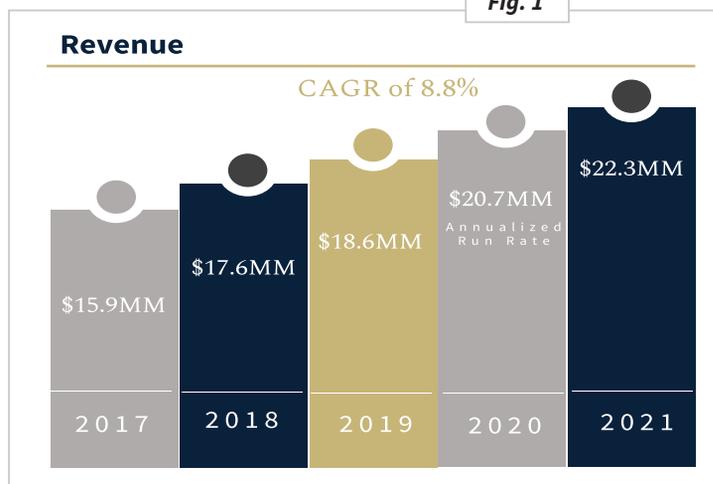


Fig. 2



Management



Elroy Gust (CEO)

Elroy has over 20 years of experience in M & A and private equity. Elroy continues to build management teams to execute fund strategies.



Abbas Osman (CIO)

Abbas has approximately 20 years of experience in M&A and has participated in over 100 transactions. Previously, Abbas was the Group Investment Manager of the Abudawood Group global investment office.



Tony Diab (CFO)

Prior to joining Newlook Capital, Tony worked in public accounting for over nine years specializing in advisory, audit and international tax for both private and public corporations.



Gavin Treanor (Head of Global Sales)

Gavin has 15 years of experience in commodity M&A and has been involved in over \$400 million in structured finance deals. He is an Aerospace Engineer.



Oliver Blum (Managing Director)

Oliver joined Newlook Capital in 2018 as the Fund Manager for Fund II. He has an Honours BA in History and Economics from Queen's University and an MBA from Harvard University.



Hass Keshavji (General Counsel)

Hass has over 10 years of experience in M&A. Hass articulated and practiced in the Business Law Group at McCarthy Tétrault LLP from 2010-2017.



Dental Fund Portfolio

27 DENTALOOK LOCATIONS

55,000+ PATIENTS

40+ DENTISTS

50+ HYGIENISTS

125+ OPERATORIES

7 THERAPISTS

Risks

For a complete list of risks associated with this investment, including, but not limited to, investment risks, general economic risks, disease outbreak risks, business risks and industry risks, please refer to Item 8 – *Risk Factors* of the Offering Memorandum.

Redemptions Limitations

Please note that there is no guarantee that the redemption price will be the same as the purchase price. Redemption notes may be given for notices in excess of the aggregate quarterly cash limit of \$50,000, and redemption notes are not eligible to be held in exempt plans under the Income Tax Act. For more information, please refer to Item 2.7.1 *Declaration of Trust* – Redemption of Trust Units of the Offering Memorandum.

Period of time between the issuance and redemption	Series A	Series B	Series F
< 1 year	92.0%	89.0%	95.0%
1 year < 2 years	93.6%	91.0%	97.0%
2 years < 3 years	95.2%	93.0%	99.0%
3 years < 4 years	96.8%	95.0%	100.0%
4 years < 5 years	98.4%	97.0%	100%
5 years and greater	100%	100%	100%

Notes:

1. Source: IBISWorld Industry Report 62121CA Dentists in Canada, Aging teeth: The burgeoning elderly population will spur industry demand (August 2018).
2. Canadian Dental Association. Economic Realities of Practice. <https://www.cda-adc.ca/en/services/internationallytrained/economic/> (Accessed on May 30, 2021).
3. The revenue amounts reflects clinics owned by Dentalook for at least 18 months. Accordingly, the revenue amounts gives effect to the acquisitions of the 12 clinics owned by Dentalook as at December 31, 2020 as if such acquisitions occurred at the beginning of 2017 and is derived from unaudited financial statements prepared by management of Dentalook as well as unaudited financial statements prepared by previous management of the acquired clinics. Total production revenue across the 12 clinics has a compound annual growth rate of 8.8% for the previous five years.
4. For illustration purposes only. Past Performance is not indicative of future results.
5. "Dentalook" means Dentalook Inc.

An offering memorandum dated May 28, 2022 (the "Offering Memorandum") containing important information relating to the securities described in this document has or will be filed with the securities regulatory authorities in each of the jurisdictions where a distribution has occurred or will occur pursuant to the Offering Memorandum. A copy of the Offering Memorandum is required to be delivered to you at the same time or before you sign the agreement to purchase the securities described in this document pursuant to the Offering Memorandum. This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the entire Offering Memorandum of Newlook Capital Dental Services Trust, including, but not limited to the sections relating to: "Forward-Looking Information", "Risk Factors" and "Investor's Rights", before making an investment decision.

