

F L O S S S

A New Experience in Dentistry



FLOSS



FLOSS MANAGEMENT

Management also employs an innovative business plan which entails franchising existing FLOSS locations to experienced doctors within the FLOSS brand family. The Company has capitalized on considerable demand from FLOSS doctors to own their own practice. Currently, FLOSS operates 10 locations. The Company continues to achieve consistent, profitable financial performance and has begun to execute on a strategy for national expansion that promises to further redefine the FLOSS brand.

NEW EXPERIENCE IN DENTISTRY

FLOSS's impressive growth and financial performance are built upon the Company's business philosophy or "FLOSSophy" of providing high quality dentistry and unconditional client service in an upscale environment at reasonable, in-network prices. Every aspect of the FLOSS concept is carefully tailored to provide patients with a fun, comfortable experience that is unparalleled in the dental industry. As a result, FLOSS patients consistently praise the relaxed environment fostered by the Company's employees and office decor. FLOSS truly differentiates itself by pairing this premier patient experience with a comprehensive and advanced offering of dental services. The Company's service offering encompasses routine cleanings, general dentistry procedures, cosmetic dentistry, and Invisalign. These services are provided using the latest technology in the industry such as panoramic X-rays, CBCT and intra-oral photography; enabling dentists to effectively diagnose and communicate dental issues with their patients. In addition to this comprehensive service offering, the Company offers free lifetime teeth-whitening for patients who maintain bi-annual visits. All these elements combine to provide a compelling model to drive the Company's industry leading performance, including production per patient visit and patient retention. To execute on the Company's continued strategic goals, Management has created an efficient corporate infrastructure that fuels rapid growth and geographic expansion while maintaining the high-quality patient care that defines the FLOSS experience. The Company has also developed an advanced online training portal that effectively educates employees and instills the Company philosophy at every level of the organization.

UNIQUE FRANCHISE MODEL

The Company further differentiates itself by utilizing a unique franchise model to accelerate de novo growth and attract and retain the most talented dental professionals. After re-establishing FLOSS, the new ownership recognized that a major inhibitor to the successful growth of corporate dental concepts was high doctor turnover and low incentives for doctors to exceed performance standards. With debt levels for graduating dental students rising significantly over the last decade, private practice ownership has become economically infeasible for most graduating dentists. Consequently, there is a tremendous demand for the Company's franchise concept where young dentists are able to learn firsthand how to operate a successful FLOSS practice.



"FLOSS Dental is above the rest. The training they provide to get started, the start-up package and the ongoing support are all second to none. Becoming a FLOSS Brand Partner is about more than just dentistry. The support of owning a FLOSS and, more importantly, a FLOSS franchisee, is of the utmost

importance to us as business owners and dentists. Why reinvent the wheel? The network of mentors you get with FLOSS is priceless. It's a pool of friends, and we all want to help each other succeed."

Dr. Calvin Nguyen
FLOSS Katy Texas

BUSINESS OVERVIEW

With considerable demand from talented, young dentists, the FLOSS franchise model provides the Company with a powerful engine to drive exponential growth. Selling corporate locations to doctors already familiar with the FLOSS concept allows the Company to quickly generate considerable return on invested capital while maintaining brand consistency. The Company has considerable flexibility to sell existing corporate stores or develop a FLOSS start-up in top markets across the country, FLOSS has achieved success in both regards. Furthermore, the Company's experienced brand partners are allotted first choice in new markets to open multiple franchise locations, representing an additional driver of exponential growth while minimizing downside risk to the FLOSS corporate entity.

The FLOSS franchise model also provides the Company with additional operational benefits including (i) enhanced quality control, (ii) a streamlined corporate structure, (iii) the ability to attract and retain top dental talent, and (iv) discounts on supplies and group reimbursement rates:

FLOSS

- **Enhanced Quality Control.** FLOSS brand partners practicing in their own franchise locations have considerable incentives to maintain the highest level of patient care and compliance. With increased individual liability and financial stake, franchisee doctors are compelled to maintain a much higher level of quality control and more closely monitor patient experiences relative to doctors operating in a large dental practice management company.
- **Streamlined Corporate Structure.** With the exception of marketing content creation, FLOSS franchise locations are responsible for funding all aspects of practice operations. As a result, the Company is able to oversee a large number of franchise and corporate locations with a streamlined management structure and minimal corporate overhead.
- **Ability to Attract and Retain Top Dental Talent.** The FLOSS model provides dentists with a very compelling value proposition in terms of compensation, collegial culture, and operational support. For corporate doctors as well as brand partners, potential compensation is much higher than comparable positions elsewhere due to the Company's demonstrated ability to generate greater patient visits and higher production per patient relative to industry benchmarks. FLOSS also provides young talented doctors with a network of like-minded, ambitious individuals; leading to a practice group culture that is unmatched in the dental industry. Furthermore, Management has designed and implemented a number of effective practice tools that allow brand partners to optimally manage practice operations. Altogether these factors allow FLOSS to maintain and grow a highly talented pool of dental professionals.
- **Discounts on Supplies and Group Reimbursement Rates.** FLOSS is able to leverage the Company's combined scale to negotiate reduced rates on dental supplies and reimbursement fees. The Company's group purchasing power provides a significant advantage over competing single office practices and greatly enhances the value proposition for franchise owners.

FLOSS

TRADEMARK AGREEMENT

- Specification of Services. Brand partners receive the right to use the FLOSS trademark for their specific location only. FLOSS, LLC agrees to provide non-clinical quality control and administrative training according to a reasonable schedule established by FLOSS, LLC and primarily administered through an online training portal. FLOSS, LLC also agrees to provide marketing guidance and pay for the creation of marketing campaigns.
- Management and Franchise Fees. Locations that are opened as franchises are required to pay a one-time up-front fee of \$50,000 to FLOSS LLC. Additionally, all franchise locations are required to pay a monthly fee of 3% of monthly collections as specified in the Trademark agreement.
- FLOSS Trademark and Advertising. Brand partners must submit any proposed new use of the FLOSS trademark to FLOSS, LLC for approval, and agree to maintain the interior design and architectural appearance of offices according to FLOSS, LLC approval.
- Buy-back Provisions and Termination of Agreement. In the event a brand partner decides to sell a franchise office to another party, FLOSS, LLC written approval is required. FLOSS, LLC is also able to match any sale price to buy an office back.
- Oversight of Financial Performance. FLOSS, LLC has the right to audit accounting books of any franchise location to verify reported financial performance.
- Termination of Agreement. FLOSS, LLC is able to terminate the management agreement at any time if the brand partner damages the goodwill of the trademark/brand.

SERVICE OFFERING

FLOSS continues to generate rapid growth through continuous expansion of the Company's service offering, which currently includes (i) general dentistry, (ii) cosmetic dentistry, and (iii) Invisalign . With a strong focus on customer service and quality care, the Company differentiates its offering from both individual practices as well as other dental practice management competitors.

GENERAL DENTISTRY

- Teeth cleaning
- Bonding
- Extractions
- Endodontics
- Fluoride treatment
- X-Rays
- Fillings
- Oral surgery
- Sealants
- Crowns/Bridges
- Periodontics
- Sedation

COSMETIC DENTISTRY

- Porcelain veneers
- Resin based veneers

PATIENT WORKFLOW

Given the Company's significant patient volumes, optimizing the Company's workflow is essential to maintaining and advancing customer satisfaction and dentist efficiency, including minimizing patient wait times.

The Company has designed its appointment scheduling and staff roles to ensure the 'perfect visit' every time a patient enters a FLOSS location. Once a patient checks in they are guided by an RDA to take X-rays and tour the office if it is their first appointment. A patient is then brought to an exam operator where a doctor and/or hygienist perform the oral examination and cleaning. Using intra-oral cameras and flat-panel displays, FLOSS doctors are able to show patients problem areas within their mouth and effectively communicate throughout the entire exam. If any further treatment is required following the routine examination, an office manager/treatment manager will sit down with the patient to review different treatment and payment options. FLOSS office staff accompany a patient at all times during a visit to ensure the most enjoyable, high-touch experience possible. This FLOSS patient experience creates an atmosphere where patients feel comfortable undergoing same-day treatment and consistently return for subsequent appointments.

PATIENT SATISFACTION

The unconditional commitment to service that permeates every aspect of the FLOSS patient experience leads to strong patient satisfaction as evidenced by the Company's periodic patient surveys. FLOSS's strong reputation among patients leads to word-of-mouth referrals which contribute significantly to the Company's growing patient base.

QUALITY CONTROL

Management recognizes that quality control is essential to the long-term success of the FLOSS brand and dedicates considerable resources to ensure that it adheres to the highest standards of dental work and patient care. FLOSS maintains high quality control levels through location visits and chart audits conducted by the Company's regional managers. These measures provide timely feedback to continually improve FLOSS's standard of dental care and maintain brand consistency in every market in which the Company operates. The Company's franchise model further drives quality control by placing compliance risk in the hands of practicing brand partners, incentivizing them to maintain the highest standard of dental care.

With the new Ownership's dramatic growth trajectory, Management has begun implementing a plan to further systemize quality control and introduce additional compliance positions at the corporate level. As FLOSS continues to expand and enter new markets, brand consistency and quality care will be the most critical factors in determining continued success. Management understands this fact and through the Company's current and planned quality control procedures, has positioned FLOSS to execute on all of its strategic goals.

DOCTOR AND EMPLOYEE TRAINING PORTAL

In addition to the Company's explicit quality control procedures, Management has designed and implemented an advanced online training portal to ensure the premier FLOSS experience is identical throughout all the Company's locations.

New doctor and employee hires are required to complete a specialized training course that is specifically tailored to their respective level of operations (i.e. doctor, hygienist, dental assistant, and front office). These training programs specifically target the practices, procedures, and customer service that truly distinguish the FLOSS experience. The online training portal is also used for continuing education programs, allowing the Company to seamlessly integrate more effective procedures and technologies into the FLOSS experience at each practice simultaneously.

BRANDING AND MARKETING

The highly regarded FLOSS logo and brand identity epitomizes the Company's unique approach to dentistry and has an undeniable aesthetic appeal that resonates with the Company's core demographics. retailization in the dental industry, and as a result the Company is highly differentiated from the mostly non-branded family offices and private practices which represent FLOSS's primary competitors. Utilizing highly-visible and distinctive signage, the Company is able to quickly establish new locations in a variety of markets while contributing to overall brand recognition. The FLOSS dental practice appeals to patients because of its uncompromising approach to ensuring the highest quality patient experience, which creates an intrinsic value associated with the Company's broad service offering.

COMPREHENSIVE MARKETING APPROACH

FLOSS leverages its distinct brand identity with a comprehensive, operationalized marketing approach to attract new patients and grow the Company's presence in addressable markets. The Company utilizes a three pronged marketing strategy that includes: (i) campaign-driven direct marketing, (ii) community-based guerilla marketing, and (iii) organic marketing through referrals based on patient experience. To maintain this marketing approach across all locations and leverage the Company's full scale, Management has designed and implemented the "Brand Maximizer" system to support the Company's brand partners' marketing efforts. The Brand Maximizer system consists of virtual training and support from corporate marketing staff to help brand partners with decision making, execution, vendor relationships, and ROI analysis.

Management has instituted a corporate marketing department to develop innovative and effective marketing strategies using a variety of mediums. With centralized marketing content creation, FLOSS leverages the combined marketing efforts of the Company's locations. Incorporating the brand's modern, sleek theme, the Company's marketing department continuously develops print, direct mail, radio, television, and online and social media advertising initiatives to promote FLOSS and drive continued growth. FLOSS provides its brand partners with a full menu of marketing content as well as detailed instructions for selecting the most effective marketing plan based on the growth stage and market of each franchise location. Furthermore, the Company utilizes a variety of metrics to track ROI for these different mediums and optimize marketing spend for each individual office.

CORPORATE WEBSITE

The FLOSS corporate website is also a key patient generation tool, supporting the Company's sales and marketing efforts and promoting the unique FLOSS experience. As the site is often a prospective customer's first point of contact with the Company, the website design presents a professional appearance, highlights FLOSS's comprehensive service offering and high-end locations, and provides rich dental care content, conveying to visitors the Company's strong market leadership position within the dental care industry. Additionally, the website features a link to an easy-to-use scheduling application that allows patients to book their dental appointments online.

FACILITY LAYOUT AND DÉCOR

Each FLOSS office utilizes a clean and simple design with sleek lines, bright open spaces, and modern fixtures and artwork to create a relaxed and enjoyable environment for the Company's patients. FLOSS offices have an inviting, efficient layout that is recreated in each of the Company's locations, ensuring brand consistency and allowing FLOSS employees to easily transition between offices. The Company has four to seven fully equipped operatories in each of its offices, providing patients with a comfortable and private setting in which to receive oral care. In many locations, FLOSS maintains a dedicated operatory for Boost whitening treatments, which allows the Company to capitalize on its industry leading whitening service while maintaining sufficient capacity for regular dental work. Furthermore, the Company maintains empty operatories in its newer locations which are systematically equipped and built out as individual locations grow. This enables the company to efficiently scale capacity as individual locations ramp production while minimizing overhead costs.



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