

## **Subject: Australian Business Growth Fund invests \$10 million in dental aggregator Kikada Lane Dental the recipient of the Fund's second investment**

**23 NOVEMBER 2021:** The Australian Business Growth Fund (ABGF) is pleased to announce its \$10 million investment in Kikada Lane Dental (KLD), a unique aggregated clinic model that allows dental practitioners to focus on enhanced clinical outcomes and best practice treatments while maintaining individual business control.

KLD has ambitious growth plans to extend its retail footprint across the eastern seaboard, and then nationally, within five years to over 60 clinics. It currently has 13 locations across New South Wales, Queensland, South Australia and Victoria. ABGF's investment fast-tracks KLD's ability to grow through acquisition and achieve its ambitions of delivering quality care at scale by becoming one of the five largest providers in the country. The KLD investment comes just a month after the Fund's inaugural investment.

ABGF provides growth capital to Australian small-medium enterprises (SME). It was founded with initial capital of \$540 million as a public-private partnership between the Federal Government and six leading banks in Australia. The Fund has a profit-for-purpose investment model for the SME sector. It provides minority-only, patient growth capital that allows owners and founders to retain control of what they've built, while being an active investor.

KLD has developed a partnership model for dental practices built to generate enhanced outcomes on both a clinical and business level. Through this model, practice principals retain up to a 50% stake in the practice, allowing for a partial release of equity and goodwill at the initial acquisition stage, while permitting the principal to still hold equity in the business.

KLD consolidates strategic, clinical and financial interests for individual practitioners, while allowing them to maintain clinical control and business oversight. The model allows for the practice to receive enhanced levels of corporate support such as human resources, finance and operations, economies of scale for procurement purposes and training programs for practitioners and clinical staff. The model also gives access to a future exit strategy that delivers several tiers of enhanced wealth creation for participants.

Anthony Healy, Chief Executive Officer of ABGF, said: "We're excited to make this announcement, just weeks after announcing our inaugural investment, demonstrating our commitment to investing in growth companies, irrespective of the industries they operate in.

"KLD is at a critical point in their growth journey. Investment needed for the next growth phase was too small for a typical private equity fund, and too large for individual investor consortiums to assemble. Plus, they want to maintain control and drive the future growth of the organisation. This fits perfectly with the ABGF mandate."

## It's a new world

BACKING AUSTRALIAN BUSINESSES TO THRIVE

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Dr Peter Hughes, Founder and CEO at KLD said: “The Australian dental industry remains highly fragmented with most dentists operating across 8,000 solo or small group practices. There’s huge potential to expand this model across Australia and support the industry.

“ABGF’s investment will bolster KLD’s thriving business model. In looking at options to grow our business, ABGF had the most attractive offer as we get to benefit from partnering with experienced investors and their strong professional network, without giving up control. We wanted an investor who would partner with us and not put constraints on us.”

ABGFs Co-Head of Investment, Ghazaleh Lyari said: “The Kikada Lane Dental team is an incredibly experienced team of professionals and we believe they have what it takes to deliver on their exciting and ambitious plans for the group. We will be here to support them each step of the way.”

ABGF fills the gap between late-stage venture capital and larger buyout funds. The aim is to support SMEs by connecting them to capital, expertise, and wider local and international networks, while ensuring the original founders retain control of the business.

ABGF is building an investment pipeline of companies with potential for growth. For small-medium enterprise businesses with over \$2 million in revenue and a proven business model, visit [here](#) for more information.

ABGF was founded on a model that was established over ten years ago in the UK to drive economic recovery and long-term growth as their economy emerged from the Global Financial Crisis. Since then, the Business Growth Fund in the UK (BGF UK) has invested £2.7 billion pounds in over 400 companies.

For more information on ABGF, visit <https://www.abgf.com.au/>

## **Additional information**

### **About ABGF**

ABGF was founded with initial capital of \$540 million as a public-private partnership between the Federal Government and six major banks. The fund operates commercially and makes investment decisions independently of its shareholders.

ABGF was set up to act as a catalyst for growth in the Australian SME sector by connecting founders and entrepreneurs to the capital, expertise and wider networks they need to succeed.

The fund bridges the gap between late-stage venture capital and private equity. It provides minority-only, patient growth capital that allows owners and founders to retain control of what they’ve built whilst leveraging the fund’s capital and expertise in achieving their growth aspirations.

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ABGF leverages a proven investment model that has generated hundreds of successful growth outcomes for businesses in the UK and Canada.

### About Kikada Lane Dental

Kikada Lane Dental is a new breed corporate dental aggregation entity. We seek to work in partnership with practice principals by offering options to hold equity in respective practice sites, which will foster several tiers of wealth creation for participating parties in unison with supporting each practice via a comprehensive suite of professional service offerings. The KLD approach allows participant practitioners to concentrate more fully on delivering autonomous and superior clinical services whilst also expanding the scope of treatments available to the local communities they serve

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