



SmileDirectClub Completes New \$255 Million Secured Debt Facility

April 28, 2022

Increases Liquidity and Provides Greater Flexibility to Drive the Business and Support Key Growth Initiatives

NASHVILLE, Tenn., April 28, 2022 (GLOBE NEWSWIRE) -- [SmileDirectClub](#), Inc. (Nasdaq: SDC), the next generation oral care company with the first medtech platform for teeth straightening, today announced that SDC U.S. SmilePay SPV ("SPV"), a wholly-owned special purpose subsidiary of the Company, completed a new \$255 million secured debt facility, strengthening the Company's liquidity and providing greater flexibility to fuel its continued operations and future growth plans.

"Earlier this year, we right-sized our operating structure and focused our business around core growth initiatives that we believe will produce the highest return on investment. This new debt facility enables us to access additional liquidity on favorable terms by leveraging our account receivables, positioning SmileDirectClub to execute its strategy to drive future growth," said Troy Crawford, Interim Chief Financial Officer and Chief Accounting Officer, SmileDirectClub.

The Company entered into a Loan Agreement (the "Loan Agreement") by and among SPV, as borrower, SmileDirectClub, LLC as the seller and servicer, the lenders from time to time party thereto, and HPS Investment Partners, LLC, as administrative agent and collateral agent, providing a 42-month secured delayed-draw term loan facility to SPV in an aggregate maximum principal amount of up to \$255 million. On April 27, 2022, \$65 million was outstanding under the new Loan Agreement.

Subject to certain exceptions, the Loan Agreement is secured by first-priority security interests in SPV's assets, which consist of certain receivables, cash, intellectual property and related assets. SPV's obligations under the Loan Agreement are guaranteed on a limited basis by SmileDirectClub, LLC and SDC Financial LLC (collectively, the "Guarantors").

SVB Securities served as sole placement agent to SmileDirectClub.

About SmileDirectClub

SmileDirectClub, Inc. (Nasdaq: SDC) ("SmileDirectClub") is an oral care company and creator of the first medtech platform for teeth straightening. Through its cutting-edge telehealth technology and vertically integrated model, SmileDirectClub is revolutionizing the oral care industry. SmileDirectClub's mission is to democratize access to a smile each and every person loves by making it affordable and convenient for everyone. SmileDirectClub is headquartered in Nashville, Tennessee, USA. For more information, please visit [SmileDirectClub.com](#).

Forward-Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Forward-looking statements generally relate to future events and include, without limitation, projections, forecasts and estimates about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans, and objectives. Some of these statements may include words such as "expects," "anticipates," "believes," "estimates," "targets," "plans," "potential," "intends," "projects," and "indicates."

Although they reflect our current, good faith expectations, these forward-looking statements are not a guarantee of future performance, and involve a number of risks, uncertainties, estimates, and assumptions, which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to: the duration and magnitude of the COVID-19 pandemic and related containment measures; our management of growth; the execution of our business strategies, implementation of new initiatives, and improved efficiency; our sales and marketing efforts; our manufacturing capacity, performance, and cost; our ability to obtain future regulatory approvals; our financial estimates and needs for additional financing; consumer acceptance of and competition for our clear aligners; our relationships with retail partners and insurance carriers; our R&D, commercialization, and other activities and expenditures; the methodologies, models, assumptions, and estimates we use to prepare our financial statements, make business decisions, and manage risks; laws and regulations governing remote healthcare and the practice of dentistry; our relationships with vendors; the security of our operating systems and infrastructure; our risk management framework; our cash and capital needs; our intellectual property position; our exposure to claims and legal proceedings; and other factors described in our filings with the Securities and Exchange Commission, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2021.

New risks and uncertainties arise over time, and it is not possible for us to predict all such factors or how they may affect us. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We are under no duty to update any of these forward-looking statements after the date of this press release to conform these statements to actual results or revised expectations. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this press release.

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