

OMERS Private Equity Acquires Forefront Dermatology

TORONTO, ONTARIO--(Marketwired – February 12, 2016) – OMERS Private Equity ("OPE"), the private equity arm of the OMERS pension plan, in partnership with existing physician owners, has acquired Forefront Dermatology ("Forefront" or the "Company") from Varsity Healthcare Partners ("Varsity"). Headquartered in Manitowoc, Wisconsin, Forefront provides practice management services to Dermatology Associates of Wisconsin ("DAW"), a large specialty group practice, operating across 11 states, comprising community-based board certified specialists that provide best-in-class dermatology care.

In 2001, Dr. Kenneth H. Katz, President and Founder, formed Dermatology Associates of Wisconsin and subsequently expanded the group practice and dermatology services platform to over 40 clinics operating in three states. In 2014, DAW began operating under the Forefront name and accelerated its pace of expansion. Forefront now operates more than 80 clinics across 11 Midwestern and Mid-Atlantic states. Guided by Dr. Katz's physician leadership, Forefront has grown to include over 90 board-certified dermatologists and has delivered a consistent track record of clinical excellence, highlighted by exceptional patient satisfaction scores and high employee retention rates.

"We are extremely pleased to partner with OPE at this time in Forefront's evolution," said Dr. Kenneth H. Katz, President and Founder, Forefront Dermatology. "OPE brings significant resources and experience in partnering with healthcare professionals to build leading multi-site healthcare companies, and I believe they will be a valuable resource in the long-term expansion of our physician group practice. Our partnership with OPE and their long-term investment approach position us to capitalize on our platform and embark on the next phase of growth."

Under the direction of Scott Bremen, CEO, Forefront has invested heavily in its people, processes and systems, highlighted by a team of 130 skilled and dedicated employees at corporate headquarters and over 800 health care professionals and support staff across its 80 plus clinics. This support system includes a robust operational infrastructure, centralized support services and advanced information technology, which enable dermatologists to focus on delivering exceptional patient care.

"Our primary objective is to unlock the possibilities for our dermatology group practice. We value and emphasize our dermatologists' autonomy and our partnership with OPE enables us to continue to ensure that all our dermatologists have the resources and operational support to achieve their individual and group goals," said Scott Bremen, CEO, Forefront Dermatology. "The OPE team believes strongly in our vision and we look forward to partnering with them to expand and grow Forefront Dermatology."

"We are excited to work alongside Ken, Scott, existing physicians and the entire Forefront team to continue building on what is already an impressive culture, platform and strategy," said Jonathan McCarthy, Managing Director of OPE. "Having spent significant time evaluating multi-site healthcare platforms, we have seen very few with the market opportunity, vision and leadership of Forefront."

OPE has extensive experience in middle market, acquisitive, multi-site platforms, including investments in CBI Health Group, Accelerated Rehabilitation Centers (exited in 2014), Great Expressions Dental Centers, and Caliber Collision.

"Forefront is a very strong addition to our healthcare portfolio and is a perfect fit with our broader strategy of partnering with industry leaders poised for significant growth," said Michael Graham, OPE Senior Managing Director and Head of North America.

BMO Capital Markets Corp. acted as financial advisor, and Sidley Austin LLP acted as legal counsel for the buyers.

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About Forefront Dermatology

Located throughout the Midwest and Mid-Atlantic, Forefront Dermatology is a network of dermatology practices comprised of community-based, caring physicians and specialists providing best-in-class general, surgical and cosmetic dermatology care along with related laboratory services. Headquartered in Manitowoc, Wis., Forefront Dermatology has convenient locations throughout the Midwest and Mid-Atlantic. Forefront's physicians and medical specialists are dedicated to providing the very highest standard of care for conditions of the hair, skin, and nails to people of all ages and stages of life. Using innovative and proven solutions, these caring physicians and medical specialists treat the total patient to help improve not only the condition of their skin, but also their quality of life. To learn more, visit www.forefrontdermatology.com.

About OMERS Private Markets ("OPM") and OMERS Private Equity

OMERS Private Markets [OMERS Private Equity ("OPE") and Borealis Infrastructure] invests globally in private equity and infrastructure assets on behalf of the OMERS pension plan. OPE's investment strategy includes active ownership of a portfolio of industry-leading businesses across North America and Europe. Investments are aimed at generating strong returns to help deliver secure and sustainable pensions to OMERS members. OPM has offices in Toronto, New York, London and Sydney. OMERS is one of Canada's largest pension funds with net assets of CAD\$72 billion. For more information, please visit www.omerspe.com or www.omersprivatemarkets.com