

## **BLUE WOLF CAPITAL AND PELOTON EQUITY ANNOUNCE THE LAUNCH OF CLEARSKY HEALTH**

*The new business aims to become a national leader in the  
integrated delivery of rehabilitation services*

**April 29, 2019, NEW YORK** – Blue Wolf Capital Partners, LLC (“Blue Wolf”) and Peloton Equity, LLC (“Peloton”) announced today that they have entered into a partnership with a management team led by Darby Brockette to launch ClearSky Health (“ClearSky”). The new company, headquartered in Austin, Texas, will develop and acquire inpatient rehabilitation facilities (“IRFs”) and related post-acute services companies as part of a strategy to build a market leader in the integrated delivery of rehabilitation services from the hospital to the patient’s home.

ClearSky Health’s formation occurred concurrently with the company’s acquisition of four Texas and Louisiana-based IRFs and related real estate from Maxim Management Group, LLC (“Maxim”) in April 2019. Maxim represents the first acquisition for the ClearSky Health platform.

“I am thrilled to have the opportunity to work with Peloton and Blue Wolf to build ClearSky Health into an industry leader in rehabilitation and post-acute care,” said Darby Brockette, CEO of ClearSky Health. “The investment to form ClearSky Health validates the demand for premier, authentic, inspiring, and transformative patient-centered rehabilitation and related services nationally, and we are off to a great start with the Maxim acquisition.”

Mr. Brockette, a 30+-year veteran of the post-acute healthcare industry, most recently served as the Chief Executive Officer of Ernest Health (“Ernest”), one of the nation’s leading inpatient rehabilitation and long-term acute care hospital companies. Mr. Brockette, along with Ferrer Freeman & Company, formed Ernest Health in 2004, and he served as CEO until the company’s sale to Vibra Healthcare in 2018. During his tenure, Ernest Health developed and acquired 25 hospitals. Prior to forming Ernest Health, Mr. Brockette served as Head of HealthSouth’s Western U.S. Division.

Intensive rehabilitation services are a critical component of the post-acute care continuum at a time when many communities across the U.S. remain underserved. The aging of the U.S. population, improvements in medical technology, and the increasing availability of patient-level data position high-quality inpatient rehabilitation providers to play an even more important role in the health and wellness of individuals who are living with disabilities.

“The post-acute care sector in the U.S. is evolving towards integrated delivery models and value-based care, and we believe IRFs are well-positioned to play an important role in this transformation,” said Ted Lundberg, Co-Founding Partner at Peloton Equity. “We are excited to partner with a team we have worked with before that has a proven track record of growth, innovation, high quality operations and superior clinical outcomes.”

“Blue Wolf’s commitment to ClearSky Health reflects our strategy of continuing to invest in the post-acute care industry,” added Jeremy Kogler, Partner at Blue Wolf Capital Partners. “We are actively seeking opportunities to develop and acquire additional assets in this highly fragmented and growing market and believe Darby and the ClearSky Health team are uniquely positioned to achieve sector leadership.”

Estill Advisory Group, LLC (d/b/a Belay Group) served as exclusive financial advisor to Maxim with respect to this transaction. CIT Bank, N.A. provided debt financing to ClearSky Health for the acquisition of Maxim.

### **About ClearSky Health**

ClearSky Health was formed in April 2019 as a partnership between Blue Wolf, Peloton and a management team led by Darby Brockette. The company's mission is to become a premier rehabilitative healthcare provider, dedicated to healing and transforming the lives of individuals living with disabling injuries or illnesses. The company focuses on a culture that always puts the patient first and collaborates with healthcare providers in exploring opportunities to introduce, expand, or improve rehabilitative care to communities, especially in underserved areas. The ClearSky Health executive team, combined, has more than 200 years of experience developing and operating facilities and treatment programs dedicated to rehabilitative healthcare services, and the company is seeking additional collaboration opportunities, including: mergers and acquisitions, joint ventures, operational management, de novo development, and more. Visit <https://www.clearskyhealth.com/>.

### **About Blue Wolf Capital Partners**

Blue Wolf Capital Partners is a New York-based private equity firm with a family of funds which focus on transformational investments in middle market companies. Blue Wolf's partners have decades of experience investing in and growing middle market companies. Blue Wolf's portfolio of healthcare investments includes Pharmaceutical Strategies Group, ModernMD Urgent Care, Elara Caring, Fox Rehabilitation, and StateServ Holdings. For more information about Blue Wolf, visit <http://www.bluewolfcapital.com/>.

### **About Peloton Equity**

Peloton Equity, LLC (<http://www.pelotonequity.com>) is a Connecticut-based private equity firm that focuses exclusively on growth capital investments in the healthcare industry. Peloton is the successor firm to Ferrer Freeman & Company ("FFC"), and the team has over 60 years of combined healthcare investing experience, including investments in companies across many major healthcare subsectors. Peloton seeks companies with between \$20 and \$200 million of revenue and the management team, market opportunity and business model to grow revenues meaningfully over the life of its investment. Peloton leverages its extensive healthcare network and portfolio management playbook to support management teams and add value to its portfolio companies. While at FFC and Peloton, the Peloton investment team has been responsible for 29 portfolio company investments across the healthcare industry representing over \$700 million of invested capital, of which 14 have been realized through company sales and 5 have been realized through IPOs. Recent investments made by Peloton include AeroCare Holdings, Arcadia Solutions, HPOne and ID Experts. Ernest Health was a portfolio company of FFC's prior to its sale to Medical Properties Trust in 2012.