

Senior Care Turnaround

***TMA 2018 Chartered Turnaround Deal of the Year**



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| FACILITY | <ul style="list-style-type: none"> Senior living and care community located in Grand Rapids, MN Assisted Living: 92 units Memory Care: 18 units |
| PROJECT | <ul style="list-style-type: none"> Certus was retained by the Trustee to lead an operational turnaround of the business and to then facilitate the sale of the assets |
| THE PROBLEM | <ul style="list-style-type: none"> Facility suffered from functional obsolescence Burdened with unmanageable debt Declining EBITDA from \$1.1 million to \$223,000 Employees lacked leadership & skills to be successful Insolvency & closure were imminent without intervention |
| CERTUS EFFORTS | <ul style="list-style-type: none"> 60-day assessment period, identifying in a comprehensive plan to stabilize the business and then sale of the business Forbearance Agreement Retention agreements with key employees Value-engineered capital improvement campaign Revenue growth strategy Marketing & public relations campaign |
| RESULTS | <ul style="list-style-type: none"> Occupancy transformation, increasing census by over 20% Complete financial improvement (Trailing 12-month EBITDA from \$220k to \$700k in nearly a year) Orchestrated asset sale resulting in highest <u>and</u> best offer Closing process included an APA, OTA, State licensing requirements, and Trustee instruction procedure (TIP) Client (Trustee) received approximately \$5.2 million of cash vs a complete loss in a 14-month timeframe |

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| New Owner | Seller |
| Pleased with the facility and it continues on solid footing | Stabilized its portfolio and nearing back to a growth phase |
| Community | Employees |
| Grand Rapids now has a stable long-term, critical service provider employing 75 people | Quality employment going forward |