



REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS

EPOCH ACQUISITION, INC. AND SUBSIDIARIES

December 31, 2018

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Report of Independent Auditors

To the Board of Directors
Epoch Acquisition, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Epoch Acquisition, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2018, and the related consolidated statements of operations, stockholder's equity, and cash flows for the period from inception (May 8, 2018) to December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Epoch Acquisition, Inc. and Subsidiaries as of December 31, 2018, and the results of their operations and their cash flows for period from inception (May 8, 2018) through December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Supplementary and Other Information

The Epoch Acquisition, Inc. consolidating statements for the period from inception (May 8, 2018) to December 31, 2018 on pages 28-35 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Epoch Acquisition, Inc. consolidating statements for the period from inception (May 8, 2018) to December 31, 2018 on pages 28-35 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Epoch Acquisition, Inc. and Subsidiaries and Ernest Health Holdings, LLC and Subsidiaries combined statements of operations for the year ended December 31, 2018 on pages 36-40 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mess Adams LLP

Albuquerque, New Mexico
May 9, 2019

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Epoch Acquisition, Inc. and Subsidiaries

Consolidated Balance Sheet

ASSETS

	December 31, 2018
CURRENT ASSETS	
Cash and cash equivalents	\$ 23,148,685
Patient accounts receivable, net of allowance for bad debts of \$2,816,000	44,802,164
Inventories	1,945,536
Prepaid expenses	2,134,723
Other current assets	9,758,944
	<hr/>
Total current assets	81,790,052
	<hr/>
PROPERTY AND EQUIPMENT, net (Note 6)	78,486,640
	<hr/>
GOODWILL	244,490,453
	<hr/>
OTHER ASSETS	
Other identifiable intangibles, net	10,906,145
Other noncurrent assets	4,230,366
	<hr/>
Total other assets	15,136,511
	<hr/>
	<u>\$ 419,903,656</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidated Balance Sheet (continued)

LIABILITIES AND STOCKHOLDER'S EQUITY

	December 31, 2018
CURRENT LIABILITIES	
Accounts payable	\$ 8,573,936
Estimated third-party settlements	3,905,037
Accrued compensation	20,214,513
Current portion of long-term debt	1,465,543
Current portion of capital leases	2,161,700
Revolver	8,200,000
Accrued interest	1,914,610
Other current liabilities (Note 7)	<u>12,849,481</u>
Total current liabilities	59,284,820
LONG-TERM LIABILITIES	
Capital leases, net of current portion	1,859,225
Long-term debt, net	231,942,839
Other noncurrent liabilities	<u>4,089,385</u>
Total liabilities	<u>297,176,269</u>
Commitments and Contingencies (Note 11)	
STOCKHOLDER'S EQUITY	
Common stock, \$0.01 par value; 100 shares authorized, issued, and outstanding	1
Additional paid-in capital	104,999,999
Accumulated deficit	(6,954,418)
Noncontrolling interest	<u>24,681,805</u>
Total stockholder's equity	<u>122,727,387</u>
	<u><u>\$ 419,903,656</u></u>

Epoch Acquisition, Inc. and Subsidiaries

Consolidated Statement of Operations

	For the Period from Inception (May 8, 2018) to December 31, 2018
OPERATING REVENUE	
Net patient service revenue	\$ 93,387,936
Other operating revenue	182,573
	<u>93,570,509</u>
OPERATING EXPENSES	
Salaries and benefits	51,706,519
Rent expense	9,048,438
Contract labor and services	7,010,374
Supplies	5,402,679
Depreciation and amortization	3,653,071
Other fees, primarily management and medical director fees	2,630,466
Insurance	1,706,319
Taxes (gross receipts, property, and other)	1,459,859
Utilities	1,279,409
Professional fees	518,808
Minor equipment	408,191
Travel and transportation	405,474
Bad debt expense	387,348
Other	2,842,242
	<u>88,459,197</u>
INCOME FROM OPERATIONS	<u>5,111,312</u>
NONOPERATING (INCOME) EXPENSES	
Interest income	(52,961)
Interest expense	6,095,436
Equity in earnings of unconsolidated affiliates	86,424
Transaction costs	3,378,455
Other non-operating income and expense	1,414,861
	<u>10,922,215</u>
Net loss before income tax expense	(5,810,903)
Income tax expense	8,100
Net loss before noncontrolling interest	<u>(5,819,003)</u>
Net income attributable to noncontrolling interest	<u>1,135,415</u>
Net loss attributable to controlling interest	<u>\$ (6,954,418)</u>

Epoch Acquisition, Inc. and Subsidiaries Consolidated Statement of Stockholder's Equity

	Controlling Interest			Accumulated Deficit	Noncontrolling Interest	Total
	Common Stock Shares	Par Value	Additional Paid-in Capital			
Balance, May 8, 2018	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of common stock	100	1	104,999,999	-	-	105,000,000
Noncontrolling interest from acquisition of Ernest Health Holdings, LLC	-	-	-	-	23,607,250	23,607,250
Allocation of net loss to controlling interest	-	-	-	(6,954,418)	-	(6,954,418)
Allocation of net income to noncontrolling interest	-	-	-	-	1,135,415	1,135,415
Distributions paid to noncontrolling interest	-	-	-	-	(60,860)	(60,860)
Balance, December 31, 2018	<u>100</u>	<u>\$ 1</u>	<u>\$ 104,999,999</u>	<u>\$ (6,954,418)</u>	<u>\$ 24,681,805</u>	<u>\$ 122,727,387</u>

Epoch Acquisition, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

	For the Period from Inception (May 8, 2018) to December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss attributable to controlling interest	\$ (6,954,418)
Adjustments to reconcile net loss attributable to controlling interest to net cash provided by operating activities:	
Depreciation and amortization	3,653,071
Bad debt expense	387,348
Noncontrolling interest in consolidated subsidiary earnings	1,135,415
Changes in assets and liabilities:	
Accounts receivable	(4,100,027)
Inventories	(61,070)
Prepaid expenses	1,393,181
Other assets	(50,249)
Accounts payable	1,229,902
Estimated third-party settlements	(183,652)
Accrued compensation	1,769,392
Accrued interest	959,719
Other liabilities	(477,892)
Net cash used in operating activities	<u>(1,299,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(492,282)
Acquisition of business, net of cash acquired	(202,486,430)
Investment in unconsolidated affiliates	86,424
Net cash used in investing activities	<u>(202,892,288)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long-term debt	(97,671)
Financing fees incurred	(4,999,755)
Proceeds from issuance of notes payable	120,000,000
Advances from revolver	8,200,000
Principal payments on capital leases	(701,461)
Proceeds from issuance of common stock	105,000,000
Distributions to noncontrolling interest	(60,860)
Net cash provided by financing activities	<u>227,340,253</u>
INCREASE IN CASH AND CASH EQUIVALENTS	23,148,685
CASH AND CASH EQUIVALENTS, beginning of period	<u>-</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 23,148,685</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidated Statement of Cash Flows (continued)

	For the Period from Inception (May 8, 2018) to December 31, 2018
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION	
Interest paid	\$ 5,135,717
Income taxes paid	32,794

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1 – Organization and Description of Business

Epoch Acquisition, Inc. and Subsidiaries (the Company or Epoch) was incorporated on May 8, 2018, pursuant to a Recapitalization Agreement (“Recap”), entered into by Epoch, Ernest Health Holdings, LLC (“EHH”) and MPT Aztec Opco, LLC (“MPT”). The Recap agreement, dated May 25, 2018, was entered into for the purchase of 100% of the equity interest in EHH. The transaction was completed during the fourth quarter of 2018 (Note 2).

The Company develops and operates post-acute healthcare facilities dedicated to the recovery of individuals who have functional deficits as a result of injury or illness. The Company operates seventeen freestanding inpatient rehabilitation (IRF) hospitals in New Mexico, Texas, Arizona, South Carolina, Wyoming, Indiana, Colorado, Idaho, Ohio, and Utah (two of which are multi-campus facilities in Texas) and seven freestanding long-term acute care (LTAC) hospitals in Idaho, Texas, Montana, and Utah, including two multi-campus facilities in New Mexico and Colorado. Two IRF facilities located in Wyoming and Idaho are 25% owned by unrelated hospitals and one IRF in Texas, is 49% owned by an unrelated hospital. The Company has consolidated these facilities and presents the ownership interests of the unrelated hospitals as noncontrolling interest.

Note 2 – Acquisition

On October 4, 2018, Epoch acquired 100% of the equity of EHH. Epoch funded the acquisition with \$105.0 million of cash equity and \$120.0 million from an acquisition note. Additionally, Epoch arranged a \$50.0 million asset based loan (ABL) for working capital, and borrowed \$4.2 million on the ABL at closing. The Epoch equity was funded by One Equity Partners (OEP), a NYC private equity firm. Epoch engaged Vibra Healthcare (Vibra), a post-acute hospital company, to manage the Ernest portfolio. OEP and Vibra also entered into an arrangement whereby certain hospitals affiliated with Vibra would be contributed to EHH for cash and/or an equity interest in Epoch. As of December 31, 2018, no hospitals had been contributed by Vibra.

The acquisition consideration consisted primarily of repaying the existing operating debt of EHH to MPT including all accrued interest and financing obligations in the amount of \$190.5 million, and the existing revolver. Under business combination accounting, the assets acquired and liabilities assumed have been recorded at their estimated fair market value at the date of the acquisition. The total purchase price was approximately \$211.8 million, which consisted of cash consideration paid to EHH members, repayments of EHH debt, and payment of seller transaction costs, net of cash acquired of approximately \$10.0 million.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2 – Acquisition (continued)

The following condensed balance sheet summarizes the estimated fair value of the assets acquired and the liabilities assumed on the date of the Merger:

Cash consideration		
Retirement of debt	\$	190,457,986
Payment to EHH equity partners		16,001,000
Seller transaction costs		<u>5,332,995</u>
Total cash consideration	\$	<u><u>211,791,981</u></u>
Assets acquired		
Cash	\$	9,305,551
Accounts receivable, net		41,089,486
Other current assets		15,199,202
Property and equipment		81,399,328
Intangible assets		10,997,781
Other noncurrent assets		<u>4,238,652</u>
Total assets acquired		<u>162,230,000</u>
Liabilities assumed		
Accounts payable		(7,362,784)
Accrued compensation		(18,590,954)
Other current liabilities		(14,175,862)
Long-term debt		(118,361,138)
Other noncurrent liabilities		<u>(12,830,486)</u>
Total liabilities assumed		<u>(171,321,224)</u>
Total identifiable net assets		(9,091,224)
Noncontrolling interest in EHH subsidiaries		(23,607,250)
Goodwill		<u>244,490,455</u>
Cash consideration	\$	<u><u>211,791,981</u></u>

In addition to the cash consideration paid, the Company paid approximately \$3.4 million of buyer transaction expenses, which have been reported as nonoperating expenses in the consolidated statement of operations.

Receivables were acquired at a fair value of \$41.1 million, which represents the amount due, net of contractual discounts of \$35.5 and an allowance for uncollectible accounts of \$3.0 million.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2 – Acquisition (continued)

The estimated fair value of trade names and trademarks of \$9.3 million, included in intangible assets, was derived by applying an estimated royalty rate the Company would have to pay if it did not own the trade name and related trademarks, to the Company's projected revenues. The estimated royalty rates considered a number of factors, including comparable royalty rate agreements available to market participants, as well as an estimated discount factor of 9% to account for the nature of the Company's trade names and trademarks.

The fair value of the noncontrolling interest was estimated by applying the implied transaction multiple to the operations of the noncontrolling interest plus the noncontrolling share of net working capital.

The estimated fair value of real and personal property were based on the cost approach, with the exception of land, which was based on the sales comparison approach, and market-based approach. The resulting aggregate estimated fair value of the real property from the two approaches was approximately \$41.4 million on a fee simple basis. The estimated fair value of the personal property was approximately \$39.9 million.

Concurrent with the acquisition, the Company amended the master lease agreement to lease all but four of the EHH hospitals from an affiliate of MPT. As a result of the amendment, the leases are accounted for as operating leases (Note 11). In addition, the mortgage note for the remaining four hospitals was also amended and effective as of the acquisition date (Note 9).

The excess of the fair value of the consideration conveyed over the fair value of the net assets acquired was recorded as goodwill. The goodwill reflects expectations of our ability to achieve the benefits of leveraging operational efficiencies, combined with favorable growth opportunities based on positive demographic trends across the markets of the portfolio hospitals.

Note 3 – Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and majority-owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Management's Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses. Significant estimates include third-party settlements, allowances for contractual adjustments and bad debts, and other loss contingency accruals. Actual results could differ from these estimates.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

Fair Value of Financial Instruments

FASB guidance establishes standards for reporting information about the fair value of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of the Company's financial instruments as of December 31, 2018 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Assets		
Cash and cash equivalents	<u>\$ 23,148,685</u>	<u>\$ 23,148,685</u>
Liabilities		
Revolving credit facilities	\$ 8,200,000	\$ 8,200,000
Long-term debt	<u>242,284,392</u>	<u>242,284,392</u>
Total Liabilities	<u>\$ 250,484,392</u>	<u>\$ 250,484,392</u>

The following is a description of the valuation methodologies used for financial instruments disclosed at fair value.

- Cash and cash equivalents: The carrying value approximates fair value because of the short maturity of these financial instruments. These are considered level 1.
- Revolving credit facilities and long-term debt: Valued based on current rates offered for similar issues with similar security terms and maturities, or estimated using a discount rate that a market participant would demand. These are considered level 3.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less.

Accounts Receivable

Patient accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful collections is estimated based upon a periodic review of the accounts receivable aging, payor classifications, and application of historical write-off percentages.

Receivables from government agencies are significant to the Company's operations; management does not believe there are any significant concentrations from any particular payor, which would subject the Company to any significant credit risks in the collection of its accounts receivable.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

The composition of accounts receivable by payor as of December 31, 2018 is as follows:

	<u>Medicare</u>	<u>Medicaid</u>	<u>Commercial and Other</u>
Composition of accounts receivable	67%	6%	27%

Inventories

Inventories consist primarily of pharmaceutical and medical supplies. Inventories are presented at the lower of cost or market value. Cost is determined using the weighted average method.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the term of the related lease or the estimated useful lives of the improvements, whichever is shorter. The range of estimated useful lives is as follows:

Buildings and leasehold improvements	5 to 40 years
Land improvements	15 years
Equipment	3 to 15 years
Furniture and fixtures	3 to 15 years
Computer equipment and hardware	5 years
Software	3 years

Maintenance and repairs are charged to operations when incurred. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in other operating expense.

Construction in progress (CIP) is recorded at cost and includes the accumulated costs of various information technology projects and hospital construction projects. All projects remain in CIP until such point the project is determined to be substantially ready for its intended use, at which point the accumulated costs are transferred to the appropriate asset category and depreciated.

Goodwill and Intangible Assets

In accordance with ASC 350, indefinite-lived assets are not amortized, but instead are evaluated annually for impairment. Management evaluates goodwill on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. Impairment of goodwill is tested at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. The fair values of the reporting units are estimated using a combination of the income or discounted cash flow approach and market approach, which uses comparable data.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-04, *Intangibles - Goodwill and Other (ASC 350): Simplifying the Test for Goodwill Impairment*. To simplify the measurement of goodwill, Step 2 of the goodwill impairment test has been eliminated. In computing the implied fair value of goodwill under Step 2, an entity was required to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities). Now the entity will only be required to compare the fair value of the reporting unit with its carrying amount. This guidance is effective for non-public companies for fiscal years beginning after December 15, 2021. Early application is permitted. The Company early adopted this standard for the period from inception (May 8, 2018) through December 31, 2018.

The factors resulting in the goodwill include certain intangible assets not qualifying for separate recognition, such as the acquired work force, and a premium over the fair value of the net assets acquired due to the acquired Company's synergies and growth potential. Intangible assets subject to amortization are reviewed for impairment in accordance with the Company's accounting policy for long-lived assets.

Identifiable assets and liabilities acquired in connection with business combinations accounted for under the purchase method are recorded at their respective fair values. Deferred income taxes have been recorded to the extent of differences between the fair value and the tax basis of the assets acquired and liabilities assumed. Company management has allocated the intangible assets between identifiable intangibles and goodwill. At December 31, 2018 intangible assets other than goodwill consist of the values assigned to trademark, a favorable land lease position, a non-compete agreement, and software implementation costs.

The estimated fair value of trade names and trademarks of \$9.3 million, included in intangible assets, was derived by applying an estimated royalty rate the Company would have to pay if it did not own the trade name and related trademarks to the Company's projected revenues. The estimated royalty rates considered a number of factors, including comparable royalty rate agreements available to market participants, as well as an estimated discount factor of 9% to account for the nature of the Company's trade names and trademarks.

The estimated fair value of the favorable land lease of \$767,918, included in intangible assets, was calculated as the difference between the present value of estimated market rents as compared to current contract rents for the land of the Company's Wyoming facility. The estimated market rents were based on an estimated 6% investment yield as applied to the estimated fair value of the land.

The estimated fair value of the non-compete agreement of \$917,524, included in intangible assets, was calculated through the purchase price in the transaction with the University of Toledo Medical Center in 2016.

The estimated fair value of the software implementation costs of \$12,339, included in intangible assets, was calculated based on specific costs related to the implementation.

Management believes the estimated useful lives established are reasonable based on the economic factors applicable to each of the intangible assets.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

The approximate useful life of each class of intangible assets is as follows:

Trademark and trade name	30 years
Land lease	38 years
Non-compete agreement	36 years
Software implementation	0.8 years

The composition of intangibles assets as of December 31, 2018 is as follows:

	Fair Value	Accumulated Amortization	Net Amount
	<u> </u>	<u> </u>	<u> </u>
Trademark and trade name	\$ 9,300,000	\$ 77,500	\$ 9,222,500
Land lease	767,918	5,019	762,899
Non-compete agreement	917,524	6,270	911,254
Other intangible asset	<u>12,339</u>	<u>2,847</u>	<u>9,492</u>
Total	<u>\$ 10,997,781</u>	<u>\$ 91,636</u>	<u>\$ 10,906,145</u>

The estimated amortization expense for intangible assets for the succeeding five years is as follows:

Years ending December 31,	
2019	\$ 364,646
2020	355,155
2021	355,155
2022	355,155
2023	355,155
Thereafter	<u>9,120,879</u>
Total	<u>\$ 10,906,145</u>

The Company reviews the realizability of intangible assets whenever events or circumstances occur, which indicate recorded amounts may not be recoverable. If the expected future cash flows (undiscounted) are less than the carrying amount of such assets, the Company recognizes an impairment loss for the difference between the carrying amount of the assets and their estimated fair value.

Acquisition Accounting

The Company accounts for its business acquisitions under the acquisition method of accounting in ASC 805. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives, and market multiples amongst other items.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

Deferred Financing Fees

The Company has incurred fees in connection with debt financings. Net deferred financing fees (Note 9), were \$4,855,085 as of December 31, 2018. These amounts offset against the respective long-term debt balances in the accompanying consolidated balance sheet.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist principally of cash deposited with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (\$250,000) and by the Security Investor Protection Corporation (\$500,000). The Company believes it mitigates credit risk by depositing cash with major financial institutions. At times, balances may exceed insured limits. Management monitors the financial condition of these financial institutions and does not believe any significant credit risk exists at this time.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets or asset groups whenever adverse events or changes in business climate indicate their carrying value may not be recoverable. If the net book value of the related assets exceeds the undiscounted future cash flows of the assets, the carrying amount would be reduced to the present value of their expected future cash flows and an impairment loss would be recognized. There are no impairment losses for the period from inception (May 8, 2018) through December 31, 2018.

Income Taxes

Epoch provides for income taxes using the asset and liability method. Epoch recognizes the amount of income taxes payable or refundable for the year as well as deferred tax assets and liabilities, which includes penalties and interest. Deferred income tax assets and liabilities arise from temporary differences associated with differences between the financial statements and tax basis of assets and liabilities, as measured by the enacted tax rates that are expected to be in effect when these differences reverse. Deferred tax assets and liabilities are classified as noncurrent, in the accompanying consolidated balance sheets. Valuation allowances are recorded to reduce the amount of deferred tax assets when, based upon available objective evidence such as historical taxable income, the expected reversal of temporary differences, and projections of future taxable income, management cannot conclude it is “more likely than not” that some or all the deferred tax assets will be realized.

The Company recognizes the tax benefit from uncertain tax positions if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

Net Patient Service Revenue

Net patient service revenue is recorded during the period the health care services are provided, based upon the estimated amounts due from the patients and third-party payors. The Company has agreements with third-party payors that provide for payments to each of its hospitals. These payment agreements may be based upon prospective rates, reimbursable costs, established charges, discounted charges, or per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from Medicare, Medicaid, other third-party payors, and individual patients for services rendered. Retroactive adjustments, which may result from future examinations by third-party payors, are accrued on an estimated basis in the period the related services are rendered and adjusted as necessary in future periods based upon final settlements.

The composition of net patient service revenue by significant payor for the period from inception (May 8, 2018) to December 31, 2018 is as follows:

	<u>Medicare</u>	<u>Medicaid</u>	<u>Commercial and Other</u>
Composition of net patient revenue	79%	4%	17%

Most services rendered to Medicare and Medicaid beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical and diagnostic factors. Certain services of the Medicare program and certain state Medicaid programs are paid on a cost reimbursement methodology. The Company is reimbursed for cost reimbursement items at a tentative rate, with final settlement determined after submission of annual cost reports and audits are performed by the intermediary. Medicare cost reports through 2008 have been settled with the Medicare fiscal intermediary and through 2014 with the applicable state Medicaid programs. Cost reports are filed annually and may not correspond with the Company's reporting year. As such, the Company has recorded the estimated settlement for Medicare cost report years 2009 through 2019, and for Medicaid cost reports years 2015 through 2019, as estimated third-party settlements.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded third-party payor settlement estimates may change by a material amount as cost report adjustments become known or cost report years are no longer subject to audit.

Risk Management

Management accrues for the Company's self-insured retention limit relating to the estimated ultimate cost of settling claims, which includes costs associated with litigating or settling claims, when the incidents that give rise to the claims occur. Management's estimate of the ultimate costs of the claims is based on the nature and volume of claim activity during the period, as well as trends and developments in claim activity. Management's accrual includes an estimate of the losses that will result from unreported incidents, which are probable of having occurred before the end of the reporting period.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Significant Accounting Policies (continued)

The Company's professional and general liability insurance policy is a claims-made policy with first level coverage per incident of \$1 million, and \$3 million in the aggregate. In addition, the Company purchased excess insurance, which covers individual losses up to \$10 million, subject to an aggregate of \$10 million. The Company retains a self-insured retention of \$250,000 per occurrence under the professional risk policy.

For the period from inception (May 8, 2018) through December 31, 2018, the Company insured its workers' compensation risk under a \$1 million per employee and per accident policy, with no underlying retention.

As of December 31, 2018, the Company has recorded a liability in the amount of approximately \$4.2 million and \$2.3 million in current and other noncurrent liabilities and a corresponding insurance recovery of approximately \$2.8 million and \$1.7 million in other current and noncurrent assets for the estimated ultimate costs of its insurance programs relating primarily to workers' compensation and professional and general liability claims.

The Company self-insures for the cost of employees' healthcare coverage and assumes liability for healthcare claims, limited by a stop loss limit of \$300,000 per claim. The Company records the estimated liability based on historical claim payment trends. The Company has recorded a liability of approximately \$1.5 million as of December 31, 2018.

Subsequent Events

Management is required to assess events or transactions that occur after the consolidated balance sheet date, but before the consolidated financial statements are issued. There are two types of subsequent events: recognized subsequent events, which provide additional evidence about conditions that existed at the consolidated balance sheet date, and non-recognized subsequent events, which provide evidence about conditions that did not exist at the consolidated balance sheet date, but arose before the consolidated financial statements were issued. Recognized subsequent events are required to be recognized in the consolidated financial statements, and non-recognized subsequent events are required to be disclosed. The Company has evaluated subsequent events through May 9, 2019, which is the date the consolidated financial statements are available to be issued.

Note 4 – Related Party Transactions

In accordance with the Management Agreement, Epoch is required to pay a management fee monthly to Vibra of \$342,000. Epoch incurred management fees expense of approximately \$1.03 million for the period from inception (May 8, 2018) through December 31, 2018.

In addition to management fees, Vibra shall be reimbursed for staffing and any direct and third-party out-of-pocket expenses incurred by Vibra for the benefit of Epoch. Reimbursable expenses are defined without limitation and include travel to and from all Epoch locations, bank charges, and legal and consultancy fees. The amount of such reimbursable expenses paid or are payable to Vibra were approximately \$1.46 million for the period from inception (May 8, 2018) through December 31, 2018.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5 – Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (ASC 805): Clarifying the Definition of a Business*. This ASU provides guidance to assist entities with evaluating when a set of transferred assets and activities should be accounted for as a business. This guidance is effective for non-public companies for fiscal years beginning after December 15, 2018. Early application is permitted. The Company is currently evaluating the standard to determine the impact of adoption on the consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (ASC 740): Intra-Entity Transfers of Assets Other Than Inventory*. This ASU will require companies to account for the income tax effects of intercompany transfers of assets other than inventory, at the time of the transfer. This guidance is effective for non-public companies for fiscal years beginning after December 15, 2018. Early application is permitted as of the beginning of an annual period. The Company is currently evaluating the standard to determine the impact of adoption on the consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (ASC 230): Classification of Certain Cash Receipts and Cash Payments*. The ASU provides clarification on how entities should classify certain cash receipts and cash payments on the statement of cash flows. This guidance also clarifies the application of the predominance principle when cash receipts and cash payment have aspects of more than one class of cash flows. This guidance is effective for non-public companies for fiscal years beginning after December 15, 2018. Early application is permitted. The Company is currently evaluating the standard to determine the impact of adoption on the consolidated financial statements.

In February 2016, the FASB issued a new standard, *Leases (ASC 842)*. Lessees will need to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. It will be critical to identify leases embedded in a contract to avoid misstating the lessee's balance sheet. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. Lessor accounting is similar to the current model, but updated to align with certain changes to the lessee model and the new revenue recognition standard. Existing sale-leaseback guidance, including guidance for real estate, is replaced with a new model applicable to both lessees and lessors. The ASU on leases will take effect for non-public companies for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020. Early application is permitted. The Company is currently evaluating the standard to determine the impact of adoption on the consolidated financial statements.

In May 2014, the Financial Accounting Standards Board issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASC 606)*, which supersedes most of the current recognition requirements. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. New disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers are also required. This guidance is effective for the Company at the earliest in the first quarter of 2018. Under this guidance, entities must use one of two retrospective methods of application. The Company is currently evaluating the standard to determine the impact of adoption on the consolidated financial statements.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6 – Property and Equipment, Net

Property and equipment, net consists of the following at December 31, 2018:

Buildings, land improvements, and leasehold improvements	\$	38,501,403
Equipment		23,876,075
Computer equipment, hardware, and software		10,339,293
Land		5,430,000
Furniture and fixtures		<u>3,252,140</u>
		81,398,911
Less: accumulated depreciation and amortization		<u>(3,381,470)</u>
		78,017,441
Construction in progress		<u>469,199</u>
Property and equipment, net	\$	<u><u>78,486,640</u></u>

Included in property and equipment, net are the following assets under capital lease at December 31, 2018:

Equipment	\$	448,840
Computer equipment, hardware, and software		7,851,360
Buildings, land improvements, and leasehold improvements		2,062,810
Vehicles		<u>78,500</u>
		10,441,510
Less: accumulated depreciation		<u>(499,499)</u>
	\$	<u><u>9,942,011</u></u>

The amount of depreciation expense related to property and equipment, net for the period from inception (May 8, 2018) through December 31, 2018 was approximately \$3.4 million.

Note 7 – Other Current Liabilities

Other current liabilities consist of the following at December 31, 2018:

Accrued property taxes	\$	3,605,212
Accrued general and professional liability		2,836,447
Accrued health insurance		1,520,409
Accrued income taxes		51,868
Other		<u>4,835,545</u>
Total other current liabilities	\$	<u><u>12,849,481</u></u>

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8 – Revolver

On October 4, 2018 the Company and its subsidiaries entered into a Credit Agreement (Revolver) with Capital One, National Association, in the maximum amount of \$50.0 million, subject to a borrowing base of 85% eligible accounts receivable. The Company has the ability to increase the aggregate amount in \$10.0 million increments up to the aggregate maximum amount. Interest will be charged on the outstanding principal balance at 1-month LIBOR plus a 2.25% margin, which is adjusted each month based on the outstanding balance. At December 31, 2018, the outstanding balance was approximately \$8.2 million, at the applicable interest rate of approximately 4.6%. The Revolver matures on October 4, 2023. At December 31, 2018, the Company has complied with all covenant requirements.

Note 9 – Long-Term Debt and Capital Leases

Long-term debt and capital leases consists of the following at December 31, 2018:

Acquisition note, due October 2024	\$ 120,000,000
Mortgage promissory note, due March 2032	115,000,000
Financing obligation, due March 2032	3,238,172
Financing obligation, due March 2019	25,295
Less deferred financing fees	<u>(4,855,085)</u>
Total long term debt	233,408,382
Capital leases	<u>4,020,925</u>
Total long-term debt and capital leases	237,429,307
Less current portion	<u>(3,627,243)</u>
Long-term debt and capital leases, net of current portion	<u><u>\$ 233,802,064</u></u>

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9 – Long-Term Debt and Capital Leases (continued)

The future maturities of long-term debt and minimum lease payments of capital leases at December 31, 2018 are as follows:

	Long-term Debt	Capital Leases	Total
Years ending December 31,			
2019	\$ 1,465,543	\$ 2,417,880	\$ 3,883,423
2020	1,440,247	1,516,380	2,956,627
2021	1,440,247	417,546	1,857,793
2022	1,440,247	9,886	1,450,133
2023	1,440,247	-	1,440,247
Thereafter	231,036,936	-	231,036,936
	238,263,467	4,361,692	242,625,159
Unamortized deferred financing fees	(4,855,085)	-	(4,855,085)
Amounts representing interest	-	(340,767)	(340,767)
Present value of minimum payments	\$ 233,408,382	\$ 4,020,925	\$ 237,429,307

Acquisition Note

In connection with the acquisition, the Company entered into a note (“Acquisition Note”) with Wilmington Trust, National Association, as agent for GSO Direct Lending Fund-D and its affiliates. The Acquisition Note bears base interest at a rate of 1-month LIBOR plus a 6.75% margin (9.13% at December 31, 2018), and matures on October 4, 2024. Principal payments of \$300,000 are due on a quarterly basis beginning March 31, 2019. The Acquisition Note can be prepaid at any time without penalty. The accrued interest as of December 31, 2018 is approximately \$822,000.

Mortgage Promissory Note

In February of 2012, EHH entered into a Master Mortgage Loan Agreement (the Note) with MPT for four hospitals, including one multi-campus facility for an aggregate Note amount of \$100.0 million.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9 – Long-Term Debt and Capital Leases (continued)

Effective September 2016, the Note was amended to increase the total amounts available for advance to \$115,000,000. The amendment includes two interest rates for each tranche of draws. Tranche 1 represents the portion of the outstanding principal related to advances made on or before December 31, 2015. Interest accrues at a base interest rate of 9.76% to be adjusted commencing on January 1, 2019, and continuing on each January 1 thereafter by the increase in the CPI, limited to a 2% floor and 5% ceiling (10.16% at December 31, 2018). Tranche 2 represents the portion of the outstanding principal related to advances made on or after January 1, 2016. Interest accrues at a base interest rate of 8.5% to be adjusted commencing on January 1, 2019, and continuing each January 1 thereafter by the increase in the CPI, limited to a 2% floor and 5% ceiling (8.67% at December 31, 2018). The accrued interest was \$955,000 as of December 31, 2018. At December 31, 2018, total draws on Tranche 1 were \$100.0 million, total draws on Tranche 2 were \$15.0 million, and the total outstanding balance on the Note was approximately \$115.0 million. If there is no event of default, the borrowers have the option to extend the maturity date for three additional consecutive periods of five years each. Each payment shall be applied to the payment of expenses, late fees, and other amounts payable first, then to interest, and then to principal. This note cannot be prepaid prior to maturity.

Financing Obligation

EHH is party to financing obligations with MPT related to the construction of eight hospitals from 2013 to 2018, which mature in March 2032. Payments include monthly principal of approximately \$20,000 and interest, which accrues at a base interest rate of 9% to be adjusted annually by the increase in the CPI, limited to a 2% floor and 5% ceiling (10.16% at December 31, 2018). At December 31, 2018 the total outstanding balance on the financing obligation was approximately \$3.2 million.

Capital Leases

The Company has entered into various capital leases for software licenses, copiers, and other equipment. These leases have varying terms, which end between January 2019 and April 2022. The implicit interest rates on these leases, which was determined based on the fair value of the asset and the payments specific to each lease, range from 0.3% to 21.0%. Monthly payments on capital leases were approximately \$78,000 as of December 31, 2018.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10 – Income Taxes

Income tax expense consists of the following at December 31, 2018:

Current	
State expense	\$ <u>8,100</u>
Income tax expense	\$ <u><u>8,100</u></u>

A reconciliation of the Company's effective income tax rate to the federal statutory rate is as follows:

21% of earnings before taxes	\$ (1,460,427)
Nondeductible items	712,502
True-up of net operating loss carryforwards	41,698
Change in valuation allowance	815,374
State tax expense, net	<u>(101,047)</u>
Income tax expense	\$ <u><u>8,100</u></u>

Deferred tax assets and liabilities at December 31, 2018 consist of the following components:

Deferred tax assets	
Account receivable allowance	\$ 664,998
Contributions	336,259
Startup costs	(1,797,906)
Accrued expenses	2,763,623
Net operating loss carryforwards	12,128,934
Depreciation	<u>1,943,162</u>
Total deferred tax assets	<u>16,039,070</u>
Deferred tax liabilities	
Prepays and other	<u>471,107</u>
Total deferred tax liabilities	<u>471,107</u>
Net deferred taxes	15,567,963
Valuation allowance	<u>(15,567,963)</u>
Net deferred tax assets after valuation allowance	<u><u>\$ -</u></u>

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10 – Income Taxes (continued)

The Company has federal net operating loss carryforwards at December 31, 2018 of approximately \$47.4 million. The federal net operating loss carryforwards begin to expire in 2028. The Company has approximately \$50.1 million of available net operating loss carryforwards for state tax purposes, which may be carried forward to offset future state taxable income, subject to legislative restrictions, which vary by state.

The Company recorded valuation allowances of approximately \$15.6 million as of December 31, 2018 to fully reserve net deferred tax assets as the realization criteria has not been met. In the future, should management conclude that these deferred tax assets are, at least in part, realizable, the valuation allowance will be reduced to the extent of such realization and recognized as a deferred income tax benefit in the consolidated statement of operations.

The Company has not recorded any expense or accrued for any related expense for any uncertain tax positions. The tax years 2015 – 2018 remain subject to examination for federal and state purposes (major taxing jurisdictions). However, the taxing authorities may continue to adjust the Company's net operating loss carryforwards until the statute of limitation closes on the tax years in which the net operating losses are utilized.

Note 11 – Commitments and Contingencies

Operating Leases

The Company has entered into various operating leases for its corporate offices, an Alabama office, hospital space, land for one of its hospitals and land for one of its joint venture hospital.

The Company leases hospital space from MPT. The initial lease expires on February 28, 2032 with three 5-year renewal options. Monthly rent payments for the period from inception (May 8, 2018) through December 31, 2018 were approximately \$2.6 million, with annual rent increases equal to the change in the Consumer Price Index (CPI), limited to a 2% floor and 5% ceiling. Lease expense is accounted for using the straight-line method over the term of the lease.

Under the terms of the lease, the Company is required to establish and maintain a reserve for major repairs at a cost per bed. At December 31, 2018, the amount maintained in the reserve for major repairs was approximately \$1.1 million.

In May 2015, the Company, through its hospital development in Ohio, entered into a long-term lease with the local University for the land on which the hospital is located. The lease has an initial term of 40 years; beginning in May 2015 requires annual payments of \$71,500 for the first six years, and rent increases of 10% on the sixth anniversary and 10% every five years thereafter. The lease allows for a total of eight extension periods of five years per extension period. Lease expense is accounted for using the straight-line method over the term of the lease.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11 – Commitments and Contingencies (continued)

In December 2007, the Company's Wyoming joint venture, entered into a long-term lease with the local county for the land on which the hospital is located. The lease has an initial term of 49 years; beginning in January 2008 requires annual payments of \$114,000 for the first four years, and annual rent increases of 1% for each of the years thereafter. The lease allows for a total of five extension periods to the initial 49-year term, at ten years per extension period. Lease expense is accounted for using the straight-line method over the term of the lease.

Future non-cancelable payments under the Company's outstanding operating lease commitments are as follows:

Years ending December 31,	
2019	\$ 32,371,717
2020	32,788,777
2021	33,490,747
2022	34,253,098
2023	35,030,685
Thereafter	<u>322,079,474</u>
Total	<u>\$ 490,014,498</u>

Rental expense under operating lease commitments was approximately \$9.05 million for the period from inception (May 8, 2018) through December 31, 2018, and is included in other operating expense in the consolidated statements of operations.

Compliance with Laws and Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Management believes that the Company is in material compliance with fraud and abuse laws and regulations. Compliance with such laws and regulations can be subject to future review and interpretation as well as regulatory actions unknown or unasserted.

In addition to the general and professional liability claims, the Company is involved in litigation and regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

With respect to the development of a 40 bed IRF in South Carolina, the Company has acquired land, and entered into architect and construction contracts totaling approximately \$18.0 million. The construction and long term financing is expected to be provided by MPT. The IRF is expected to open in late 2020.

Epoch Acquisition, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12 – 401(k) Retirement Plan

The Company sponsors a 401(k) retirement plan (401(k) Plan) covering all eligible employees as defined by the 401(k) Plan. Contributions to the 401(k) Plan are based upon the amount of the employees' deferrals and the employer's matching formula. The Company made contributions to the 401(k) Plan during the period from inception (May 8, 2018) through December 31, 2018 of approximately \$151,000.

Note 13 – Subsequent Events

In January 2019, the Company entered into an agreement to purchase a 48% equity interest in the Summa Rehabilitation Hospital, LLC ("Summa") for \$20 million. The purchase was funded through a \$10 million equity contribution and \$10 million of additional borrowings on the Acquisition Note. The Company will report the financial results for Summa using the equity method of accounting as a business combination.

In February 2019, the Company entered into an agreement to purchase a 49% equity interest in the Vibra Rehabilitation Hospital of Rancho Mirage, LLC ("Rancho") for \$5 million. The purchase was funded with \$5 million of proceeds from additional borrowings on the Acquisition Note. This agreement also calls for a working capital settlement and earn-out on March 31, 2020. The Company will report the financial results for Rancho using the equity method of accounting as a business combination.

In February 2019, the Company acquired from affiliates of Vibra all of the membership interests for three entities that have IRF development projects. These projects are located in California (2) and Indiana. The construction will be financed by three separate, unrelated developers. For each project, Ernest will provide a guaranty for the long term real estate lease with each developer. The lease payments commence at the Certificate of Occupancy (CO) date at the conclusion of construction of each of the hospitals. The Indiana CO is expected in mid-2020. The two California hospitals are expecting their COs in 2021.

Supplementary Information

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2018

	Epoch Acquisition, Inc.	Ernest Health Holdings	Elkhorn Valley Rehabilitation Hospital Holdings	Rehabilitation Hospital of the Northwest Holdings	Corpus Christie Rehabilitation Hospital Holdings	LTX LTACH	Home Office	Rehabilitation Hospital of Lubbock Holdings	Rehabilitation Hospital of Southern New Mexico	South Texas Rehabilitation Hospital
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,849,076	\$ -	34,954	\$ 13,295
Patient accounts receivable, net	-	-	-	-	-	-	(1,499,999)	-	1,762,529	2,360,328
Inventories	-	-	-	-	-	-	-	-	57,548	44,926
Prepaid expenses	-	-	-	-	-	-	1,618,735	-	30,279	8,568
Other current assets	-	159	-	-	-	-	8,680,169	-	10,038,192	-
Total current assets	-	159	-	-	-	-	20,647,981	-	11,923,502	2,427,117
PROPERTY AND EQUIPMENT	33,238,605	-	-	-	-	-	1,912,571	(164)	11,065,602	6,269,048
GOODWILL	216,645,732	-	3,234,150	3,387,296	-	-	-	3,204,240	-	-
OTHER ASSETS										
Other identifiable intangibles, net	-	-	-	-	-	-	9,994,892	-	-	-
Intercompany receivables	732,014,139	6,374,062	15,125,944	4,889,726	203	1,360,351	5,033,235,556	59,393,676	328,814,646	290,324,893
Other noncurrent assets	-	6,809,000	(6,277,415)	75	-	-	3,947,126	10,132,306	103,987	75,473
Total other assets	732,014,139	13,183,062	8,848,529	4,889,801	203	1,360,351	5,047,177,574	69,525,982	328,918,633	290,400,366
	<u>\$ 981,898,476</u>	<u>\$ 13,183,221</u>	<u>\$ 12,082,679</u>	<u>\$ 8,277,097</u>	<u>\$ 203</u>	<u>\$ 1,360,351</u>	<u>\$ 5,069,738,126</u>	<u>\$ 72,730,058</u>	<u>\$ 351,907,737</u>	<u>\$ 299,096,531</u>
LIABILITIES AND STOCKHOLDER'S EQUITY										
CURRENT LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,447,422	\$ -	200,605	\$ 444,523
Estimated third-party settlements	-	-	-	-	-	-	-	-	718,066	(80,586)
Accrued compensation	-	-	-	-	-	-	2,549,420	-	1,012,412	859,763
Current portion of long-term debt	1,200,000	-	-	-	-	-	-	-	-	-
Current portion of capital leases	-	-	-	-	-	-	61,942	-	189,823	110,287
Revolver	8,200,000	-	-	-	-	-	-	-	-	-
Accrued interest	959,719	-	-	-	-	-	(1)	186	366,532	260,892
Other current liabilities	91,500	850,435	-	-	-	-	4,929,371	-	2,684,682	806,140
Total current liabilities	10,451,219	850,435	-	-	-	-	8,988,154	186	5,172,120	2,401,019
LONG-TERM LIABILITIES										
Intercompany payables	759,901,407	13,844,590	20,314,433	4,892,484	43,633	1,361,256	5,054,367,306	75,476,134	280,764,503	249,678,786
Capital leases, net of current portion	-	-	-	-	-	-	30,639	-	175,450	99,257
Long-term debt, net	113,956,489	-	-	-	-	-	-	-	43,790,808	31,447,664
Other noncurrent liabilities	-	-	(11,252,047)	-	-	-	2,301,228	(1,570,134)	-	-
Total liabilities	884,309,115	14,695,025	9,062,386	4,892,484	43,633	1,361,256	5,065,687,327	73,906,186	329,902,881	283,626,726
STOCKHOLDERS' EQUITY (DEFICIT)										
Common stock and additional paid-in capital	105,000,000	6,800,000	1,000	1,000	-	1,000	-	1,000	1,000	2,000
Accumulated deficit	(7,410,639)	(8,311,804)	(214,857)	(3,683)	(43,430)	(1,905)	4,050,799	(4,381,368)	22,003,856	15,467,805
Distributions	-	-	-	-	-	-	-	-	-	-
Noncontrolling interest	-	-	3,234,150	3,387,296	-	-	-	3,204,240	-	-
Total stockholders' equity (deficit)	97,589,361	(1,511,804)	3,020,293	3,384,613	(43,430)	(905)	4,050,799	(1,176,128)	22,004,856	15,469,805
Total liabilities and stockholders' equity (deficit)	<u>\$ 981,898,476</u>	<u>\$ 13,183,221</u>	<u>\$ 12,082,679</u>	<u>\$ 8,277,097</u>	<u>\$ 203</u>	<u>\$ 1,360,351</u>	<u>\$ 5,069,738,126</u>	<u>\$ 72,730,058</u>	<u>\$ 351,907,737</u>	<u>\$ 299,096,531</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
December 31, 2018

	Northern Colorado Rehabilitation Hospital	Mountain Valley Rehabilitation Hospital	Greenwood Regional Rehabilitation Hospital	Elkhorn Valley Rehabilitation Hospital	Spartanburg Rehabilitation Institute	New Braunfels Regional Rehabilitation Hospital	Lafayette Regional Rehabilitation Hospital	Rehabilitation Hospital of the Northwest	Weslaco Regional Rehabilitation Hospital	Northern Utah Rehabilitation Hospital
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$ 69,917	\$ 118,823	\$ 25,576	\$ 41,721	\$ 102,566	\$ 5,135	\$ 26,295	\$ 29,330	\$ 2,123	\$ 8,580
Patient accounts receivable, net	2,553,651	2,657,758	1,737,915	1,447,389	1,661,674	1,678,004	1,490,140	2,388,678	1,025,689	959,461
Inventories	61,735	84,760	71,659	43,623	69,093	55,754	76,661	86,587	58,264	56,804
Prepaid expenses	18,380	61,286	39,765	8,427	15,345	8,224	9,840	32,240	9,308	21,602
Other current assets	407,951	-	118,525	24,205	46,000	-	15	151,042	93,000	13,681
Total current assets	<u>3,111,634</u>	<u>2,922,627</u>	<u>1,993,440</u>	<u>1,565,365</u>	<u>1,894,678</u>	<u>1,747,117</u>	<u>1,602,951</u>	<u>2,687,877</u>	<u>1,188,384</u>	<u>1,060,128</u>
PROPERTY AND EQUIPMENT	3,766,534	10,627,009	786,016	499,454	695,945	711,149	693,759	611,586	840,712	184,733
GOODWILL	-	-	-	-	-	-	-	-	-	-
OTHER ASSETS										
Other identifiable intangibles, net	-	-	-	-	-	-	-	-	-	-
Intercompany receivables	309,145,115	281,515,385	258,709,621	234,286,438	113,438,073	136,797,029	91,493,146	91,511,425	73,949,581	79,048,731
Other noncurrent assets	188,494	115,912	73,094	286,997	54,143	72,977	54,143	40,608	60,657	79,967
Total other assets	<u>309,333,609</u>	<u>281,631,297</u>	<u>258,782,715</u>	<u>234,573,435</u>	<u>113,492,216</u>	<u>136,870,006</u>	<u>91,547,289</u>	<u>91,552,033</u>	<u>74,010,238</u>	<u>79,128,698</u>
	<u>\$ 316,211,777</u>	<u>\$ 295,180,933</u>	<u>\$ 261,562,171</u>	<u>\$ 236,638,254</u>	<u>\$ 116,082,839</u>	<u>\$ 139,328,272</u>	<u>\$ 93,843,999</u>	<u>\$ 94,851,496</u>	<u>\$ 76,039,334</u>	<u>\$ 80,373,559</u>
LIABILITIES AND STOCKHOLDER'S EQUITY										
CURRENT LIABILITIES										
Accounts payable	\$ 380,129	\$ 300,217	\$ 212,038	\$ 180,089	\$ 227,409	\$ 262,989	\$ 268,752	\$ 243,479	\$ 227,556	\$ 155,940
Estimated third-party settlements	173,582	32,399	(22,109)	(48,902)	(54,842)	5,818	(46,995)	37	(28,563)	(8,441)
Accrued compensation	890,163	1,008,357	740,829	817,061	835,321	794,004	443,545	685,345	493,343	441,103
Current portion of long-term debt	-	-	-	-	23,508	-	20,368	22,312	5,915	31,897
Current portion of capital leases	63,824	230,599	27,628	21,387	22,288	2,225	2,521	32,655	142,564	119,241
Revolver	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	320,054	-	-	-	-	-	-	-	-
Other current liabilities	147,669	500,375	(1,720,432)	214,568	1,451,678	(840,050)	8,830	723,626	992,385	1,625,033
Total current liabilities	<u>1,655,367</u>	<u>2,392,001</u>	<u>(762,046)</u>	<u>1,184,203</u>	<u>2,505,362</u>	<u>224,986</u>	<u>697,021</u>	<u>1,707,454</u>	<u>1,833,200</u>	<u>2,364,773</u>
LONG-TERM LIABILITIES										
Intercompany payables	304,860,282	222,868,208	249,331,598	222,835,656	111,493,485	135,502,771	107,693,509	96,056,960	76,920,091	97,981,542
Capital leases, net of current portion	30,732	150,114	30,279	18,991	-	1,834	1,748	9,380	117,398	21,450
Long-term debt, net	-	38,749,954	-	-	286,008	-	247,809	2,495,190	71,969	388,084
Other noncurrent liabilities	95,112	-	98,961	11,814,690	53,404	40,292	49,812	45,879	33,242	57,416
Total liabilities	<u>306,641,493</u>	<u>264,160,277</u>	<u>248,698,792</u>	<u>235,853,540</u>	<u>114,338,259</u>	<u>135,769,883</u>	<u>108,689,899</u>	<u>100,314,863</u>	<u>78,975,900</u>	<u>100,813,265</u>
STOCKHOLDERS' EQUITY (DEFICIT)										
Common stock and additional paid-in capital	1,000	1,000	-	1,259,718	-	-	1,000	75	1,000	-
Accumulated deficit	9,569,284	31,019,656	12,863,379	6,850,963	1,744,580	3,558,389	(14,846,900)	(4,102,916)	(2,937,566)	(20,439,706)
Distributions	-	-	-	(7,537,133)	-	-	-	-	-	-
Noncontrolling interest	-	-	-	211,166	-	-	-	(1,360,526)	-	-
Total stockholders' equity (deficit)	<u>9,570,284</u>	<u>31,020,656</u>	<u>12,863,379</u>	<u>784,714</u>	<u>1,744,580</u>	<u>3,558,389</u>	<u>(14,845,900)</u>	<u>(5,463,367)</u>	<u>(2,936,566)</u>	<u>(20,439,706)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 316,211,777</u>	<u>\$ 295,180,933</u>	<u>\$ 261,562,171</u>	<u>\$ 236,638,254</u>	<u>\$ 116,082,839</u>	<u>\$ 139,328,272</u>	<u>\$ 93,843,999</u>	<u>\$ 94,851,496</u>	<u>\$ 76,039,334</u>	<u>\$ 80,373,559</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
December 31, 2018

	Corpus Christie Rehabilitation Hospital	Rehabilitation Hospital of Northwest Ohio	Trustpoint Rehabilitation Hospital of Lubbock	Rehabilitation Hospital of Northern Arizona	Laredo Rehabilitation Hospital	Mesquite Rehabilitation Institute	Northern Idaho Advanced Care Hospital	Laredo Specialty Hospital	Mesquite Specialty Hospital	Utah Valley Specialty Hospital
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$ 3,594	\$ 25,413	\$ 10,400,468	\$ 7,646	\$ 50,972	\$ 14,928	\$ 125,219	\$ 2,514	\$ 11,502	\$ 27,131
Patient accounts receivable, net	1,559,836	1,308,731	3,986,940	1,101,011	1,083,230	1,983,031	2,786,529	1,819,929	1,949,669	1,992,342
Inventories	62,760	85,223	119,784	51,345	41,298	35,740	161,390	138,669	80,430	123,130
Prepaid expenses	13,268	57,141	42,140	19,935	11,023	3,889	17,268	17,488	22,259	12,795
Other current assets	2,222	50,396	3,037,149	56,034	606,793	(383,201)	-	252,404	464,974	176,655
Total current assets	<u>1,641,680</u>	<u>1,526,904</u>	<u>17,586,481</u>	<u>1,235,971</u>	<u>1,793,316</u>	<u>1,654,387</u>	<u>3,090,406</u>	<u>2,231,004</u>	<u>2,528,834</u>	<u>2,332,053</u>
PROPERTY AND EQUIPMENT	216,540	611,084	2,683,552	1,961,329	-	-	705,522	1,267,774	1,226,635	631,392
GOODWILL	-	-	18,019,035	-	-	-	-	-	-	-
OTHER ASSETS										
Other identifiable intangibles, net	-	911,253	-	-	-	-	-	-	-	-
Intercompany receivables	93,005,204	82,833,403	40,309,313	56,989,649	48,762,922	100,213,439	269,425,047	275,745,729	299,839,059	232,422,664
Other noncurrent assets	47,375	31,856	14,270	189,933	13,807	-	62,817	68,083	113,516	54,143
Total other assets	<u>93,052,579</u>	<u>83,776,512</u>	<u>40,323,583</u>	<u>57,179,582</u>	<u>48,776,729</u>	<u>100,213,439</u>	<u>269,487,864</u>	<u>275,813,812</u>	<u>299,952,575</u>	<u>232,476,807</u>
	<u>\$ 94,910,799</u>	<u>\$ 85,914,500</u>	<u>\$ 78,612,651</u>	<u>\$ 60,376,882</u>	<u>\$ 50,570,045</u>	<u>\$ 101,867,826</u>	<u>\$ 273,283,792</u>	<u>\$ 279,312,590</u>	<u>\$ 303,708,044</u>	<u>\$ 235,440,252</u>
LIABILITIES AND STOCKHOLDER'S EQUITY										
CURRENT LIABILITIES										
Accounts payable	\$ 163,736	\$ 267,556	\$ 610,967	\$ 152,018	\$ 116,747	\$ 99,315	\$ 532,094	\$ 472,763	\$ 361,840	\$ 327,380
Estimated third-party settlements	498,363	74,596	429,667	(292,790)	(372,517)	(14,387)	390,489	69,670	(34,178)	928,563
Accrued compensation	674,754	521,072	1,249,844	386,553	499,095	606,307	756,827	751,400	647,535	691,147
Current portion of long-term debt	7,176	64,470	-	89,897	-	-	-	-	-	-
Current portion of capital leases	21,484	297,376	75,191	451,292	-	-	49,095	62,610	97,428	27,679
Revolver	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	7,228	-	-	-	-	-	-	-	-
Other current liabilities	1,622,355	458,589	923,155	447,067	286,516	652,652	1,587,418	(1,182,367)	(1,778,342)	2,339,701
Total current liabilities	<u>2,987,868</u>	<u>1,690,887</u>	<u>3,288,824</u>	<u>1,234,037</u>	<u>529,841</u>	<u>1,343,887</u>	<u>3,315,923</u>	<u>174,076</u>	<u>(705,717)</u>	<u>4,314,470</u>
LONG-TERM LIABILITIES										
Intercompany payables	94,973,160	91,853,087	40,809,898	61,923,854	43,189,494	78,005,704	270,904,183	304,575,373	327,021,296	239,908,561
Capital leases, net of current portion	3,155	64,905	138,038	759,115	-	-	31,924	61,890	40,683	13,618
Long-term debt, net	87,314	1,476,627	-	1,168,650	-	-	-	-	-	-
Other noncurrent liabilities	34,113	163,014	1,711,650	72,896	-	-	52,200	79,454	110,881	47,369
Total liabilities	<u>98,085,610</u>	<u>95,248,520</u>	<u>45,948,410</u>	<u>65,158,552</u>	<u>43,719,335</u>	<u>79,349,591</u>	<u>274,304,230</u>	<u>304,890,793</u>	<u>326,467,143</u>	<u>244,284,018</u>
STOCKHOLDERS' EQUITY (DEFICIT)										
Common stock and additional paid-in capital	-	-	11,917,306	-	-	-	1,000	2,000	2,000	1,000
Accumulated deficit	(3,174,811)	(9,334,020)	6,526,456	(4,781,670)	6,850,710	22,518,235	(1,021,438)	(25,580,203)	(22,761,099)	(8,844,766)
Distributions	-	-	(1,785,000)	-	-	-	-	-	-	-
Noncontrolling interest	-	-	16,005,479	-	-	-	-	-	-	-
Total stockholders' equity (deficit)	<u>(3,174,811)</u>	<u>(9,334,020)</u>	<u>32,664,241</u>	<u>(4,781,670)</u>	<u>6,850,710</u>	<u>22,518,235</u>	<u>(1,020,438)</u>	<u>(25,578,203)</u>	<u>(22,759,099)</u>	<u>(8,843,766)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 94,910,799</u>	<u>\$ 85,914,500</u>	<u>\$ 78,612,651</u>	<u>\$ 60,376,882</u>	<u>\$ 50,570,045</u>	<u>\$ 101,867,826</u>	<u>\$ 273,283,792</u>	<u>\$ 279,312,590</u>	<u>\$ 303,708,044</u>	<u>\$ 235,440,252</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Balance Sheet (continued)
December 31, 2018

	Advanced Care Hospital of Montana	Southwest Idaho Advanced Care Hospital	Advanced Care Hospital of Southern New Mexico	Nothern Colorado Long Term Acute Hospital	Intercompany Eliminations	Consolidated
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 91,307	\$ -	\$ 20,168	\$ 40,432	\$ -	\$ 23,148,685
Patient accounts receivable, net	3,503,156	-	215,534	1,289,009	-	44,802,164
Inventories	122,662	-	73,888	81,803	-	1,945,536
Prepaid expenses	9,545	-	15,974	9,999	-	2,134,723
Other current assets	1,383,707	-	(9,481,995)	(407,950)	(5,571,183)	9,758,944
Total current assets	<u>5,110,377</u>	<u>-</u>	<u>(9,156,431)</u>	<u>1,013,293</u>	<u>(5,571,183)</u>	<u>81,790,052</u>
PROPERTY AND EQUIPMENT	749,178	(4)	(507,899)	(2,961,022)	-	78,486,640
GOODWILL	-	-	-	-	-	244,490,453
OTHER ASSETS						
Other identifiable intangibles, net	-	-	-	-	-	10,906,145
Intercompany receivables	227,932,807	209,162,738	123,589,689	111,734,683	(10,313,394,086)	-
Other noncurrent assets	59,300	657,415	-	-	(12,899,693)	4,230,366
Total other assets	<u>227,992,107</u>	<u>209,820,153</u>	<u>123,589,689</u>	<u>111,734,683</u>	<u>(10,326,293,779)</u>	<u>15,136,511</u>
	<u>\$ 233,851,662</u>	<u>\$ 209,820,149</u>	<u>\$ 113,925,359</u>	<u>\$ 109,786,954</u>	<u>\$ (10,331,864,962)</u>	<u>\$ 419,903,656</u>
LIABILITIES AND STOCKHOLDER'S EQUITY						
CURRENT LIABILITIES						
Accounts payable	\$ 384,702	\$ (552)	\$ 272,802	\$ 261,420	\$ -	\$ 8,573,936
Estimated third-party settlements	277,525	34,486	1,305,172	(29,086)	-	3,905,037
Accrued compensation	1,219,128	-	318,813	321,372	-	20,214,513
Current portion of long-term debt	-	-	-	-	-	1,465,543
Current portion of capital leases	52,561	-	-	-	-	2,161,700
Revolver	-	-	-	-	-	8,200,000
Accrued interest	-	-	-	-	-	1,914,610
Other current liabilities	(2,508)	91,429	956,089	(446,900)	(5,571,183)	12,849,481
Total current liabilities	<u>1,931,408</u>	<u>125,363</u>	<u>2,852,876</u>	<u>106,806</u>	<u>(5,571,183)</u>	<u>59,284,820</u>
LONG-TERM LIABILITIES						
Intercompany payables	232,197,640	223,824,158	109,444,673	108,574,371	(10,313,394,086)	-
Capital leases, net of current portion	58,625	-	-	-	-	1,859,225
Long-term debt, net	-	-	-	-	(2,223,727)	231,942,839
Other noncurrent liabilities	49,953	-	-	-	-	4,089,385
Total liabilities	<u>234,237,626</u>	<u>223,949,521</u>	<u>112,297,549</u>	<u>108,681,177</u>	<u>(10,321,188,996)</u>	<u>297,176,269</u>
STOCKHOLDERS' EQUITY (DEFICIT)						
Common stock and additional paid-in capital	1,000	1,000	1,000	1,000	(19,998,099)	105,000,000
Accumulated deficit	(386,964)	(14,130,372)	1,626,810	1,104,777	-	(6,954,418)
Distributions	-	-	-	-	9,322,133	-
Noncontrolling interest	-	-	-	-	-	24,681,805
Total stockholders' equity (deficit)	<u>(385,964)</u>	<u>(14,129,372)</u>	<u>1,627,810</u>	<u>1,105,777</u>	<u>(10,675,966)</u>	<u>122,727,387</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 233,851,662</u>	<u>\$ 209,820,149</u>	<u>\$ 113,925,359</u>	<u>\$ 109,786,954</u>	<u>\$ (10,331,864,962)</u>	<u>\$ 419,903,656</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Statement of Operations
For the Period from Inception (May 8, 2018) to December 31, 2018

	Epoch Acquisition, Inc.	Ernest Health Holdings	Elkhorn Valley Rehabilitation Hospital Holdings	Rehabilitation Hospital of the Northwest Holdings	Corpus Christie Rehabilitation Hospital Holdings	LTX LTACH	Home Office	Rehabilitation Hospital of Lubbock Holdings	Rehabilitation Hospital of Southern New Mexico	South Texas Rehabilitation Hospital
OPERATING REVENUE										
Net patient service revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,788,505	\$ 3,996,148
Other operating revenue	-	-	-	-	-	-	4,141,354	-	381,586	18,662
Total operating revenue	-	-	-	-	-	-	4,141,354	-	5,170,091	4,014,810
OPERATING EXPENSES										
Salaries and benefits	-	-	-	-	-	-	1,788,766	-	2,313,377	2,205,662
Rent expense	-	-	-	-	-	-	190,155	-	-	-
Contract labor and services	-	-	-	-	-	-	1,727,279	-	134,504	149,157
Supplies	-	-	-	-	-	-	20,899	-	189,719	184,869
Depreciation and amortization	1,112,057	-	-	-	-	-	504,480	23,558	173,292	130,473
Other fees, primarily management and medical director fees	-	-	-	-	-	-	1,290,390	-	248,783	247,811
Insurance	-	-	-	-	-	-	61,481	-	177,366	53,503
Taxes (gross receipts, property, and other)	-	-	310	310	-	-	89,895	-	121,168	46,608
Utilities	-	-	-	-	-	-	16,176	-	47,397	76,018
Professional fees	91,500	73,500	-	-	-	-	123,037	-	5,558	3,994
Minor equipment	-	-	-	-	-	-	10,163	-	34,892	21,150
Travel and transportation	-	-	-	-	-	-	270,962	-	115	577
Bad debt expense	-	-	-	-	-	-	-	-	31,186	29,222
Other	-	(41,248)	-	-	-	-	590,507	-	73,898	81,745
Total operating expenses	1,203,557	32,252	310	310	-	-	6,684,190	23,558	3,551,255	3,230,789
INCOME (LOSS) FROM OPERATIONS	(1,203,557)	(32,252)	(310)	(310)	-	-	(2,542,836)	(23,558)	1,618,836	784,021
NONOPERATING (INCOME) EXPENSE										
Interest income	-	-	-	-	-	-	-	-	(1,873)	(115)
Interest expense	2,828,628	-	-	-	-	-	186,521	10,983	1,104,503	785,349
Equity in earning of unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-
Transaction costs	3,378,455	-	-	-	-	-	-	-	-	-
Other non-operating income and expense	-	-	-	-	-	-	1,407,338	-	-	-
Total nonoperating (income) expense, net	6,207,083	-	-	-	-	-	1,593,859	10,983	1,102,630	785,234
Net income (loss) before income tax expense	(7,410,640)	(32,252)	(310)	(310)	-	-	(4,136,695)	(34,541)	516,206	(1,213)
Income tax expense	-	-	-	-	-	-	8,100	-	-	-
Net income (loss) before noncontrolling interest	(7,410,640)	(32,252)	(310)	(310)	-	-	(4,144,795)	(34,541)	516,206	(1,213)
Net income attributable to noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to controlling interest	<u>\$ (7,410,640)</u>	<u>\$ (32,252)</u>	<u>\$ (310)</u>	<u>\$ (310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,144,795)</u>	<u>\$ (34,541)</u>	<u>\$ 516,206</u>	<u>\$ (1,213)</u>

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Statement of Operations (continued)
For the Period from Inception (May 8, 2018) to December 31, 2018

	Northern Colorado Rehabilitation Hospital	Mountain Valley Rehabilitation Hospital	Greenwood Regional Rehabilitation Hospital	Elkhorn Valley Rehabilitation Hospital	Spartanburg Rehabilitation Institute	New Braunfels Regional Rehabilitation Hospital	Lafayette Regional Rehabilitation Hospital	Rehabilitation Hospital of the Northwest	Weslaco Regional Rehabilitation Hospital	Northern Utah Rehabilitation Hospital
OPERATING REVENUE										
Net patient service revenue	\$ 5,091,528	\$ 5,424,355	\$ 4,526,139	\$ 4,067,795	\$ 4,584,667	\$ 3,790,120	\$ 2,793,506	\$ 3,709,901	\$ 2,972,743	\$ 2,438,186
Other operating revenue	13,624	7,953	10,966	14,216	18,159	9,812	2,905	6,064	5,524	4,820
Total operating revenue	5,105,152	5,432,308	4,537,105	4,082,011	4,602,826	3,799,932	2,796,411	3,715,965	2,978,267	2,443,006
OPERATING EXPENSES										
Salaries and benefits	2,190,258	2,907,645	2,230,777	2,237,843	2,313,164	2,273,593	1,691,585	1,953,168	1,537,499	1,495,824
Rent expense	741,576	-	771,592	450,209	416,385	314,149	388,379	357,712	259,184	447,664
Contract labor and services	370,884	361,100	100,296	131,203	159,222	136,878	259,767	138,116	117,742	154,956
Supplies	189,521	206,941	205,674	162,956	209,444	165,405	158,118	145,852	161,716	135,793
Depreciation and amortization	59,551	195,895	48,482	30,301	43,122	40,264	30,687	46,667	98,083	55,937
Other fees, primarily management and medical director fees	244,993	255,415	312,538	290,692	230,985	258,347	208,413	257,738	200,686	251,645
Insurance	30,910	87,781	59,294	60,468	80,093	52,913	40,475	39,134	37,699	37,135
Taxes (gross receipts, property, and other)	56,933	43,419	45,978	22,010	70,559	49,065	58,177	19,800	17,285	43,680
Utilities	50,975	65,207	52,500	57,534	62,493	59,187	62,430	34,839	25,364	50,348
Professional fees	8,494	3,994	6,084	5,030	6,429	4,299	4,369	5,822	6,795	3,994
Minor equipment	26,428	14,137	30,953	6,783	16,497	11,459	40,060	14,801	2,949	22,582
Travel and transportation	8,229	14,126	4,019	7,912	4,002	3,378	19,238	2,421	444	8,020
Bad debt expense	2,590	6,820	20,818	7,973	19,303	7,318	11,860	22,422	29,011	52,679
Other	87,733	155,343	93,924	38,732	71,121	81,116	76,562	72,647	101,907	48,572
Total operating expenses	4,069,075	4,317,823	3,982,929	3,509,646	3,702,819	3,457,371	3,050,120	3,111,139	2,596,364	2,808,829
INCOME (LOSS) FROM OPERATIONS	1,036,077	1,114,485	554,176	572,365	900,007	342,561	(253,709)	604,826	381,903	(365,823)
NONOPERATING (INCOME) EXPENSE										
Interest income	(1,893)	(906)	(11)	(158)	(120)	(13)	(110)	(1)	(22)	-
Interest expense	(6,024)	966,950	2,614	1,462	8,420	55	6,952	8,308	10,170	56,057
Equity in earning of unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-	-	-
Other non-operating income and expense	-	-	-	-	-	-	-	-	-	-
Total nonoperating (income) expense, net	(7,917)	966,044	2,603	1,304	8,300	42	6,842	8,307	10,148	56,057
Net income (loss) before income tax expense	1,043,994	148,441	551,573	571,061	891,707	342,519	(260,551)	596,519	371,755	(421,880)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Net income (loss) before noncontrolling interest	1,043,994	148,441	551,573	571,061	891,707	342,519	(260,551)	596,519	371,755	(421,880)
Net income attributable to noncontrolling interest	-	-	-	196,177	-	-	-	140,520	-	-
Net income (loss) attributable to controlling interest	\$ 1,043,994	\$ 148,441	\$ 551,573	\$ 374,884	\$ 891,707	\$ 342,519	\$ (260,551)	\$ 455,999	\$ 371,755	\$ (421,880)

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Statement of Operations (continued)
For the Period from Inception (May 8, 2018) to December 31, 2018

	Corpus Christie Rehabilitation Hospital	Rehabilitation Hospital of Northwest Ohio	Trustpoint Rehabilitation Hospital of Lubbock	Rehabilitation Hospital of Northern Arizona	Laredo Rehabilitation Hospital	Mesquite Rehabilitation Institute	Northern Idaho Advanced Care Hospital	Laredo Specialty Hospital	Mesquite Specialty Hospital	Utah Valley Specialty Hospital
OPERATING REVENUE										
Net patient service revenue	\$ 3,393,623	\$ 2,946,127	\$ 7,918,701	\$ 2,547,556	\$ 2,304,762	\$ 3,362,118	\$ 3,649,590	\$ 3,174,605	\$ 2,839,528	\$ 2,979,517
Other operating revenue	7,713	16,263	54,649	4,171	-	2,676	10,322	43,959	29,742	5,777
Total operating revenue	3,401,336	2,962,390	7,973,350	2,551,727	2,304,762	3,364,794	3,659,912	3,218,564	2,869,270	2,985,294
OPERATING EXPENSES										
Salaries and benefits	1,933,979	1,973,926	3,837,129	1,461,565	1,210,340	1,757,497	2,088,834	1,734,262	1,734,050	1,954,845
Rent expense	265,974	433,620	793,652	568,362	9,666	17,760	406,995	619,498	864,525	369,332
Contract labor and services	103,624	206,464	224,240	56,712	108,348	105,335	485,355	277,550	197,192	323,785
Supplies	140,738	148,358	487,756	99,572	105,537	116,221	287,017	406,449	316,388	290,276
Depreciation and amortization	17,221	184,084	198,072	159,000	-	-	66,103	70,985	193,483	43,851
Other fees, primarily management and medical director fees	210,143	226,075	315,145	195,609	138,307	184,051	192,904	233,326	244,914	219,750
Insurance	48,440	25,021	93,294	30,346	54,304	107,044	51,240	211,104	97,306	71,110
Taxes (gross receipts, property, and other)	58,126	111,541	140,114	29,612	8,822	29,160	26,148	90,487	107,372	60,991
Utilities	42,627	56,887	83,911	53,929	30,498	33,049	49,970	58,779	46,318	56,667
Professional fees	3,994	61,976	13,708	13,360	2,511	1,923	1,923	7,300	43,994	6,205
Minor equipment	9,047	16,680	12,875	5,288	16,855	5,818	37,490	23,924	(22,199)	8,558
Travel and transportation	2,012	3,965	13,083	5,695	1,554	-	3,215	2,753	2,909	9,435
Bad debt expense	10,409	12,538	37,709	5,591	16,382	10,654	7,397	63,711	16,697	8,401
Other	69,851	99,375	104,164	98,300	38,330	42,826	181,738	124,178	144,402	127,619
Total operating expenses	2,916,185	3,560,510	6,354,852	2,782,941	1,741,454	2,411,338	3,886,329	3,924,306	3,987,351	3,550,825
INCOME (LOSS) FROM OPERATIONS	485,151	(598,120)	1,618,498	(231,214)	563,308	953,456	(226,417)	(705,742)	(1,118,081)	(565,531)
NONOPERATING (INCOME) EXPENSE										
Interest income	(259)	(1,852)	(25,111)	(2,882)	(1)	(93)	(595)	(47)	(14,504)	(627)
Interest expense	7,632	40,794	6,049	62,071	741	-	1,309	1,313	2,013	398
Equity in earning of unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-	-	-
Other non-operating income and expense	-	-	7,523	-	-	-	-	-	-	-
Total nonoperating (income) expense, net	7,373	38,942	(11,539)	59,189	740	(93)	714	1,266	(12,491)	(229)
Net income (loss) before income tax expense	477,778	(637,062)	1,630,037	(290,403)	562,568	953,549	(227,131)	(707,008)	(1,105,590)	(565,302)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Net income (loss) before noncontrolling interest	477,778	(637,062)	1,630,037	(290,403)	562,568	953,549	(227,131)	(707,008)	(1,105,590)	(565,302)
Net income attributable to noncontrolling interest	-	-	798,718	-	-	-	-	-	-	-
Net income (loss) attributable to controlling interest	\$ 477,778	\$ (637,062)	\$ 831,319	\$ (290,403)	\$ 562,568	\$ 953,549	\$ (227,131)	\$ (707,008)	\$ (1,105,590)	\$ (565,302)

Epoch Acquisition, Inc. and Subsidiaries
Consolidating Statement of Operations (continued)
For the Period from Inception (May 8, 2018) to December 31, 2018

	Advanced Care Hospital of Montana	Southwest Idaho Advanced Care Hospital	Advanced Care Hospital of Southern New Mexico	Northern Colorado Long Term Acute Hospital	Intercompany Eliminations	Consolidated
OPERATING REVENUE						
Net patient service revenue	\$ 5,778,019	\$ -	\$ 2,056,913	\$ 2,253,284	\$ -	\$ 93,387,936
Other operating revenue	6,631	-	80	490	(4,635,545)	182,573
Total operating revenue	5,784,650	-	2,056,993	2,253,774	(4,635,545)	93,570,509
OPERATING EXPENSES						
Salaries and benefits	2,622,596	529	1,057,187	1,200,619	-	51,706,519
Rent expense	389,476	-	372,126	2,451	(402,004)	9,048,438
Contract labor and services	571,542	5,230	133,330	270,563	-	7,010,374
Supplies	443,476	(330)	209,088	215,226	-	5,402,679
Depreciation and amortization	62,089	-	54,272	11,062	-	3,653,071
Other fees, primarily management and medical director fees	185,793	-	125,522	94,032	(4,233,541)	2,630,466
Insurance	54,837	-	22,263	21,758	-	1,706,319
Taxes (gross receipts, property, and other)	212,304	(152,108)	36,399	15,694	-	1,459,859
Utilities	50,165	-	19,894	36,247	-	1,279,409
Professional fees	5,574	-	1,517	1,924	-	518,808
Minor equipment	16,033	-	19,269	5,699	-	408,191
Travel and transportation	15,358	-	1,208	844	-	405,474
Bad debt expense	(71,472)	-	3,939	24,190	-	387,348
Other	137,957	1,459	83,157	56,327	-	2,842,242
Total operating expenses	4,695,728	(145,220)	2,139,171	1,956,636	(4,635,545)	88,459,197
INCOME (LOSS) FROM OPERATIONS	1,088,922	145,220	(82,178)	297,138	-	5,111,312
NONOPERATING (INCOME) EXPENSE						
Interest income	(122)	-	(1,646)	-	-	(52,961)
Interest expense	2,168	-	-	-	-	6,095,436
Equity in earning of unconsolidated affiliates	-	86,424	-	-	-	86,424
Transaction costs	-	-	-	-	-	3,378,455
Other non-operating income and expense	-	-	-	-	-	1,414,861
Total nonoperating (income) expense, net	2,046	86,424	(1,646)	-	-	10,922,215
Net income (loss) before income tax expense	1,086,876	58,796	(80,532)	297,138	-	(5,810,903)
Income tax expense	-	-	-	-	-	8,100
Net income (loss) before noncontrolling interest	1,086,876	58,796	(80,532)	297,138	-	(5,819,003)
Net income attributable to noncontrolling interest	-	-	-	-	-	1,135,415
Net income (loss) attributable to controlling interest	\$ 1,086,876	\$ 58,796	\$ (80,532)	\$ 297,138	\$ -	\$ (6,954,418)

**Epoch Acquisition, Inc. and Subsidiaries and
Ernest Health Holdings, LLC and Subsidiaries
Combined Statement of Operations – Summary
For the Year Ended December 31, 2018**

	Inpatient Rehabilitation Facility Total	Long Term Acute Care Hospital Total	Overhead Total	Consolidated Company Total
NET OPERATING REVENUES				
Inpatient revenue	\$ 264,040	\$ 91,600	\$ -	\$ 355,640
Outpatient revenue	5,318	38	-	5,356
Other operating revenue	3,393	338	16	3,747
Total operating revenues	<u>272,751</u>	<u>91,976</u>	<u>16</u>	<u>364,743</u>
OPERATING EXPENSES				
Nursing	42,383	21,252	(4)	63,631
Clinical	48,387	20,347	392	69,126
Non clinical	106,187	38,318	13,350	157,855
Total operating expenses	<u>196,957</u>	<u>79,917</u>	<u>13,738</u>	<u>290,612</u>
EBITDARM	75,794	12,059	(13,722)	74,131
Corporate allocation/management fee	<u>12,532</u>	<u>4,080</u>	<u>(11,953)</u>	<u>4,659</u>
EBITDAR	63,262	7,979	(1,769)	69,472
Rent (income) expense	<u>7,765</u>	<u>4,016</u>	<u>(2,317)</u>	<u>9,464</u>
EBITDA	55,497	3,963	548	60,008
Interest (income) expense	33,267	9,996	17,937	61,200
Depreciation and amortization	9,706	3,631	5,927	19,264
Income taxes	-	-	37	37
Nonoperating (income) expense	<u>36</u>	<u>(5,090)</u>	<u>8,624</u>	<u>3,570</u>
Net income (loss) before noncontrolling interest	12,488	(4,574)	(31,977)	(24,063)
Noncontrolling interest	<u>3,401</u>	<u>-</u>	<u>-</u>	<u>3,401</u>
Net income (loss)	<u>\$ 9,087</u>	<u>\$ (4,574)</u>	<u>\$ (31,977)</u>	<u>\$ (27,464)</u>

**Epoch Acquisition, Inc. and Subsidiaries and
Ernest Health Holdings, LLC and Subsidiaries
Combined Statement of Operations – Inpatient Rehabilitation Facilities
For the Year Ended December 31, 2018**

	Las Cruces Rehab	Brownsville Rehab	Loveland Rehab	Prescott Valley Rehab	Greenwood Rehab	Casper Rehab	Spartanburg Rehab	New Braunfels Rehab	Lafayette IN Rehab	Post Falls Rehab
NET OPERATING REVENUES										
Inpatient revenue	\$ 17,392	\$ 15,374	\$ 18,508	\$ 18,760	\$ 19,192	\$ 16,322	\$ 15,731	\$ 14,689	\$ 9,338	\$ 13,340
Outpatient revenue	791	617	451	596	-	356	476	901	426	-
Other operating revenue	43	68	104	2,373	69	41	68	50	13	27
Total operating revenues	18,226	16,059	19,063	21,729	19,261	16,719	16,275	15,640	9,777	13,367
OPERATING EXPENSES										
Nursing	2,609	2,469	2,786	2,835	2,692	2,477	2,438	2,468	1,808	1,894
Clinical	2,996	3,165	2,621	4,840	2,762	2,524	2,923	2,981	2,158	2,337
Non clinical	6,600	6,024	6,490	7,700	6,628	6,145	5,978	6,727	5,403	5,448
Total operating expenses	12,205	11,658	11,897	15,375	12,082	11,146	11,339	12,176	9,369	9,679
EBITDARM	6,021	4,401	7,166	6,354	7,179	5,573	4,936	3,464	408	3,688
Corporate allocation/ management fee	728	701	701	795	871	1,001	683	714	638	667
EBITDAR	5,293	3,700	6,465	5,559	6,308	4,572	4,253	2,750	(230)	3,021
Rent (income) expense	(1,488)	(17)	727	(15)	772	546	411	311	388	358
EBITDA	6,781	3,717	5,738	5,574	5,536	4,026	3,842	2,439	(618)	2,663
Interest (income) expense	4,421	3,145	2,739	3,877	2,859	1,537	1,576	1,160	1,792	1,433
Depreciation and amortization	695	526	444	759	443	366	490	418	406	458
Income taxes	-	-	-	-	-	-	-	-	-	-
Nonoperating (income) expense	-	-	-	-	-	-	-	-	-	-
Net income (loss) before noncontrolling interest	1,665	46	2,555	938	2,234	2,123	1,776	861	(2,816)	772
Noncontrolling interest	-	-	-	-	-	531	-	-	-	193
Net income (loss)	\$ 1,665	\$ 46	\$ 2,555	\$ 938	\$ 2,234	\$ 1,592	\$ 1,776	\$ 861	\$ (2,816)	\$ 579

**Epoch Acquisition, Inc. and Subsidiaries and
Ernest Health Holdings, LLC and Subsidiaries
Combined Statement of Operations – Inpatient Rehabilitation Facilities
For the Year Ended December 31, 2018**

	Weslaco Rehab	South Ogden Rehab	Corpus Christi Rehab	Toledo Rehab	Lubbock Rehab	Flagstaff Rehab	Laredo Rehab	Mesquite Rehab	Inpatient Rehabilitation Facility Total
NET OPERATING REVENUES									
Inpatient revenue	\$ 11,362	\$ 8,696	\$ 13,756	\$ 12,666	\$ 31,044	\$ 5,996	\$ 8,496	\$ 13,378	\$ 264,040
Outpatient revenue	-	336	-	-	(15)	-	-	383	5,318
Other operating revenue	29	21	29	109	299	43	-	7	3,393
Total operating revenues	11,391	9,053	13,785	12,775	31,328	6,039	8,496	13,768	272,751
OPERATING EXPENSES									
Nursing	1,797	1,475	2,198	2,473	4,992	1,088	1,452	2,432	42,383
Clinical	2,144	2,064	2,402	2,329	5,226	1,204	1,594	2,117	48,387
Non clinical	4,651	5,122	5,528	5,999	10,023	4,158	3,121	4,442	106,187
Total operating expenses	8,592	8,661	10,128	10,801	20,241	6,450	6,167	8,991	196,957
EBITDARM	2,799	392	3,657	1,974	11,087	(411)	2,329	4,777	75,794
Corporate allocation/ management fee	542	630	614	687	1,173	522	344	521	12,532
EBITDAR	2,257	(238)	3,043	1,287	9,914	(933)	1,985	4,256	63,262
Rent (income) expense	259	434	266	509	3,624	571	39	70	7,765
EBITDA	1,998	(672)	2,777	778	6,290	(1,504)	1,946	4,186	55,497
Interest (income) expense	1,335	2,262	1,415	1,904	25	1,929	(142)	-	33,267
Depreciation and amortization	603	1,020	303	1,068	768	939	-	-	9,706
Income taxes	-	-	-	-	-	-	-	-	-
Nonoperating (income) expense	-	-	-	-	36	-	-	-	36
Net income (loss) before noncontrolling interest	60	(3,954)	1,059	(2,194)	5,461	(4,372)	2,088	4,186	12,488
Noncontrolling interest	-	-	-	-	2,677	-	-	-	3,401
Net income (loss)	\$ 60	\$ (3,954)	\$ 1,059	\$ (2,194)	\$ 2,784	\$ (4,372)	\$ 2,088	\$ 4,186	\$ 9,087

**Epoch Acquisition, Inc. and Subsidiaries and
Ernest Health Holdings, LLC and Subsidiaries
Combined Statement of Operations – Long Term Acute Care Facilities
For the Year Ended December 31, 2018**

	Post Falls LTAC	Laredo LTAC	Mesquite LTAC	Provo LTAC	Billings LTAC	Advanced Care Boise	Las Cruces LTAC	Loveland LTAC	Long Term Acute Care Total
NET OPERATING REVENUES									
Inpatient revenue	\$ 14,973	\$ 13,795	\$ 12,177	\$ 12,231	\$ 21,406	\$ 204	\$ 8,212	\$ 8,602	\$ 91,600
Outpatient revenue	-	10	-	24	-	4	-	-	38
Other operating revenue	48	171	50	27	29	1	8	4	338
Total operating revenues	15,021	13,976	12,227	12,282	21,435	209	8,220	8,606	91,976
OPERATING EXPENSES									
Nursing	3,396	3,435	3,298	2,962	4,297	220	1,743	1,901	21,252
Clinical	3,232	3,234	2,617	2,491	4,904	198	1,486	2,185	20,347
Non clinical	6,726	5,388	5,540	6,227	6,869	987	3,252	3,329	38,318
Total operating expenses	13,354	12,057	11,455	11,680	16,070	1,405	6,481	7,415	79,917
EBITDARM	1,667	1,919	772	602	5,365	(1,196)	1,739	1,191	12,059
Corporate allocation/ management fee	667	678	655	695	665	86	324	310	4,080
EBITDAR	1,000	1,241	117	(93)	4,700	(1,282)	1,415	881	7,979
Rent (income) expense	407	566	786	369	389	-	1,489	10	4,016
EBITDA	593	675	(669)	(462)	4,311	(1,282)	(74)	871	3,963
Interest (income) expense	1,509	2,275	3,163	1,368	1,448	233	-	-	9,996
Depreciation and amortization	418	704	1,169	417	483	105	217	118	3,631
Income taxes	-	-	-	-	-	-	-	-	-
Nonoperating (income) expense	-	-	-	-	-	(5,090)	-	-	(5,090)
Net income (loss) before noncontrolling interest	(1,334)	(2,304)	(5,001)	(2,247)	2,380	3,470	(291)	753	(4,574)
Noncontrolling interest	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ (1,334)	\$ (2,304)	\$ (5,001)	\$ (2,247)	\$ 2,380	\$ 3,470	\$ (291)	\$ 753	\$ (4,574)

**Epoch Acquisition, Inc. and Subsidiaries and
Ernest Health Holdings, LLC and Subsidiaries
Combined Statement of Operations – Overhead
For the Year Ended December 31, 2018**

	Ernest Health	Elkhorn Valley Rehabilitation Hospital Holdings, Inc.	Rehabilitation Hospital of the Northwest Holdings, LLC	Corpus Christie Rehabilitation Hospital Holdings, LLC	Ernest Health Holdings	Rehabilitation Hospital of Lubbock Holdings LLC	LTX LTACH LLC	Epoch Acquisition, Inc.	Overhead Total
NET OPERATING REVENUES									
Inpatient revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outpatient revenue	-	-	-	-	-	-	-	-	-
Other operating revenue	16	-	-	-	-	-	-	-	16
Total operating revenues	16	-	-	-	-	-	-	-	16
OPERATING EXPENSES									
Nursing	(4)	-	-	-	-	-	-	-	(4)
Clinical	392	-	-	-	-	-	-	-	392
Non clinical	10,200	214	1	-	2,843	-	-	92	13,350
Total operating expenses	10,588	214	1	-	2,843	-	-	92	13,738
EBITDARM	(10,572)	(214)	(1)	-	(2,843)	-	-	(92)	(13,722)
Corporate allocation/ management fee	(11,953)	-	-	-	-	-	-	-	(11,953)
EBITDAR	1,381	(214)	(1)	-	(2,843)	-	-	(92)	(1,769)
Rent (income) expense	494	-	-	-	-	(2,805)	(6)	-	(2,317)
EBITDA	887	(214)	(1)	-	(2,843)	2,805	6	(92)	548
Interest (income) expense	11,745	-	-	-	227	3,136	-	2,829	17,937
Depreciation and amortization	4,328	-	-	-	-	487	-	1,112	5,927
Income taxes	37	-	-	-	-	-	-	-	37
Nonoperating (income) expense	5,246	-	-	-	-	-	-	3,378	8,624
Net income (loss) before noncontrolling interest	(20,469)	(214)	(1)	-	(3,070)	(818)	6	(7,411)	(31,977)
Noncontrolling interest	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ (20,469)	\$ (214)	\$ (1)	\$ -	\$ (3,070)	\$ (818)	\$ 6	\$ (7,411)	\$ (31,977)