



# Satellite Healthcare

## *Valuation of WB Santa Cruz*

*2128 Soquel Avenue  
Santa Cruz, CA 95062*

*Privileged and Confidential*

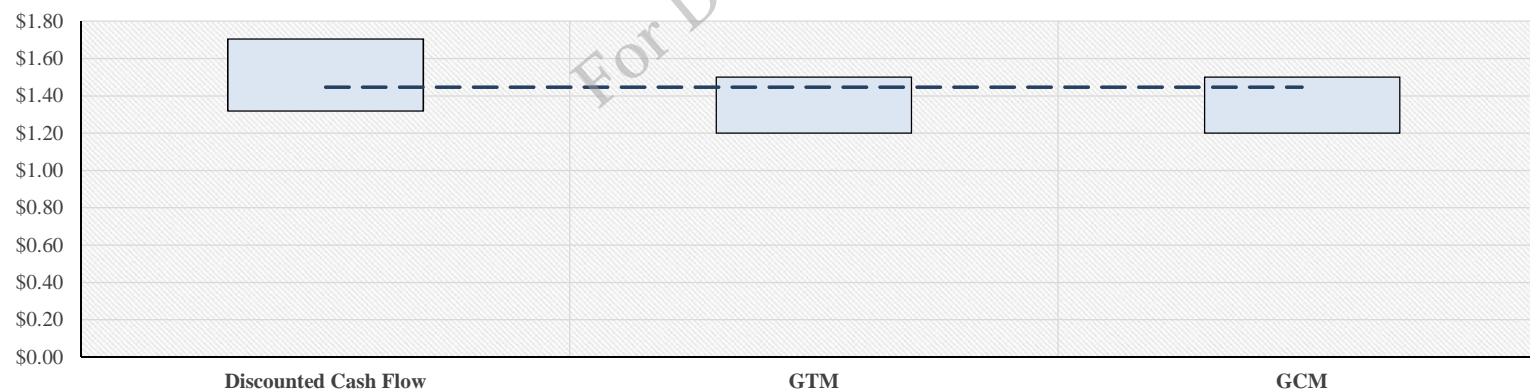
*May 14, 2019*

## Outline

<b>Section A</b>	<b>Summary</b>
Exhibit A1	Valuation Summary
<b>Section B</b>	<b>DCF</b>
Exhibit B1	Summary Income Statement
Exhibit B2	DCF Valuation
Exhibit B3	Historical Financials
<b>Section C</b>	<b>Market Valuation Using Public Benchmark Companies</b>
Exhibit C1	Valuation of Benchmark Public Companies
Exhibit C2	Public Company Benchmark Valuation
Exhibit C3	Benchmark Public Company Business Descriptions
<b>Section D</b>	<b>Market Valuation Using Benchmark Transactions</b>
Exhibit D1	Valuation of Benchmark Transactions
Exhibit D2	Transaction Summary Statistics and Metric Valuation
Exhibit D3	Selected Benchmark Transactions Business Descriptions

### Valuation Results

	Range of Value			
	Low Value	High Value	Base Case	Weighting
<b>Income Approach</b>				
Discounted Cash Flow	\$1.32	\$1.71	\$1.49	50.0%
<b>Market Approach</b>				
Public Company Benchmark	\$1.20	\$1.50	\$1.40	25.0%
Add: Contributed Working Capital	\$0.00	\$0.00	\$0.00	
Adjusted Public Company Benchmark	\$1.20	\$1.50	\$1.40	
Transaction Benchmark	\$1.20	\$1.50	\$1.40	25.0%
Add: Contributed Working Capital	\$0.00	\$0.00	\$0.00	
Adjusted Transaction Benchmark	\$1.20	\$1.50	\$1.40	
<b>Weighted Average of the Methodologies:</b>			\$1.45	
<b>Conclusion (USD Actuals) (1)</b>			\$ 1,446,310.00	
% Interest	1.0%	1.0%	1.0%	
Value Allocable to 1.0% Interest	\$12,597.20	\$16,026.16	\$14,463.10	
% Total Discount (2)	18.5%	18.5%	18.5%	
<b>Concluded Allocation (USD Actuals)</b>			\$ 11,787.43	



**Footnotes:**

- (1) The valuation includes the adjustment of capital expenditure of \$850,000.0 to replace the existing facility.
- (2) Discount rate incorporates the DLOM, DLOC, and an additional discount based on the 9-Factor Analysis as outlined in the Workpaper 1 through 10.
- (3) RNA assumed no contributed working capital (beginning balance) as part of this analysis.

## Exhibit B1

## Summary Income Statement

Values in \$ Thousands (except Total Treatments and Patient Count)

	Operating Phase				
	Year 1	Year 2	Year 3	Year 4	Year 5
Patients - Year End Count					
In Center	-	-	-	-	-
Nocturnal	-	-	-	-	-
Peritoneal	54	56	57	59	61
Home HD	6	6	7	7	7
Total Patients Year End Count	60	62	64	66	68
Patients (Average)	59	61	63	65	67
Treatments (Average)	9,163	9,483	9,767	10,061	10,362
Revenues					
Hemo Dialysis	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Home Dialysis	3,569.5	3,731.0	3,881.4	4,037.8	4,200.5
Acute Care	-	-	-	-	-
	3,569.5	3,731.0	3,881.4	4,037.8	4,200.5
Contractual Allowances	(35.7)	(37.3)	(38.8)	(40.4)	(42.0)
Net Revenues	\$3,533.8	\$3,693.7	\$3,842.5	\$3,997.4	\$4,158.5
Direct Expenses					
Labor	970.2	1,026.4	1,082.1	1,140.9	1,203.2
Pharmacy	357.3	384.5	411.9	441.2	472.6
Dialysis Supplies	1,086.3	1,169.1	1,252.4	1,341.5	1,437.1
Lab Expense	45.6	49.1	52.6	56.3	60.4
	\$2,459.3	\$2,629.2	\$2,798.9	\$2,980.0	\$3,173.2
Gross Profit	\$1,074.5	\$1,064.5	\$1,043.6	\$1,017.4	\$985.3
General & Administrative					
Facility, Office & Prof.	218.7	224.1	229.7	235.5	241.4
Management Fees	353.4	369.4	384.3	399.7	415.8
Medical Director	53.3	54.3	56.0	57.6	59.4
Bad Debt Expense	35.3	36.9	38.4	40.0	41.6
Depreciation	12.7	123.7	113.5	113.5	113.5
	\$673.4	\$808.5	\$821.9	\$846.3	\$871.7
Operating Income	\$401.1	\$256.0	\$221.7	\$171.0	\$113.6
Interest Expense	-	-	-	-	-
Pretax Income	\$401.1	\$256.0	\$221.7	\$171.0	\$113.6

## Exhibit B1

## Summary Income Statement

Values in \$ (except Total Treatments and Patient Count)

	\$ / Treatment				
	Year 1	Year 2	Year 3	Year 4	Year 5
Patients - Year End Count					
In Center	-	-	-	-	-
Nocturnal	-	-	-	-	-
Peritoneal	54	56	57	59	61
Home HD	6	6	7	7	7
Total Patients Year End Count	60	62	64	66	68
Patients (Average)	59	61	63	65	67
Treatments (Average)	9,163	9,483	9,767	10,061	10,362
Revenues					
Hemo Dialysis	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Home Dialysis	389.5	393.4	397.4	401.3	405.4
Acute Care	-	-	-	-	-
	389.5	393.4	397.4	401.3	405.4
Contractual Allowances	(3.9)	(3.9)	(4.0)	(4.0)	(4.1)
Net Revenues	\$385.7	\$389.5	\$393.4	\$397.3	\$401.3
Direct Expenses					
Labor	105.9	108.2	110.8	113.4	116.1
Pharmacy	39.0	40.5	42.2	43.9	45.6
Dialysis Supplies	118.5	123.3	128.2	133.3	138.7
Lab Expense	5.0	5.2	5.4	5.6	5.8
	\$268.4	\$277.2	\$286.6	\$296.2	\$306.2
Gross Profit	\$117.3	\$112.3	\$106.8	\$101.1	\$95.1
General & Administrative					
Facility, Office & Prof.	23.9	23.6	23.5	23.4	23.3
Management Fees	38.6	39.0	39.3	39.7	40.1
Medical Director	5.8	5.7	5.7	5.7	5.7
Bad Debt Expense	3.9	3.9	3.9	4.0	4.0
Depreciation	1.4	13.0	11.6	11.3	11.0
	\$73.5	\$85.3	\$84.1	\$84.1	\$84.1
Operating Income	\$43.8	\$27.0	\$22.7	\$17.0	\$11.0
Interest Expense	-	-	-	-	-
Pretax Income	\$43.8	\$27.0	\$22.7	\$17.0	\$11.0

# Satellite Healthcare WB Santa Cruz Valuation

## Exhibit B2

### DCF Valuation

Values in \$ Thousands

Historical	Forecast					
2018	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal

### FREE CASH FLOWS

Net Patient Revenues		\$3,312.6	\$3,533.8	\$3,693.7	\$3,842.5	\$3,997.4	\$4,158.5	\$4,283.3
Operating Expenses	(1)	<u>3,294.4</u>	<u>3,132.7</u>	<u>3,437.6</u>	<u>3,620.8</u>	<u>3,826.4</u>	<u>4,044.9</u>	<u>4,049.3</u>
Net Income		\$18.2	\$401.1	\$256.0	\$221.7	\$171.0	\$113.6	\$233.9
Cash Flow Adjustments								
- Capital Expenditures			(10.0)	(855.0)	-	-	-	-
+ Depreciation			12.7	123.7	113.5	113.5	113.5	-
- Working Capital Requirement			<u>(338.9)</u>	<u>(5.7)</u>	<u>(10.6)</u>	<u>(9.8)</u>	<u>(9.8)</u>	<u>(10.6)</u>
Total Adjustments			( <u>\$336.1</u> )	( <u>\$737.0</u> )	\$102.9	\$103.7	\$103.7	( <u>\$10.6</u> )
<b>FREE CASH FLOWS</b>			\$64.9	( <u>\$481.0</u> )	\$324.6	\$274.7	\$217.3	\$223.3

### VALUATION

Partial Period Adjustment		1.00	1.00	1.00	1.00	1.00	1.00
Timing		0.50	1.50	2.50	3.50	4.50	4.50
Discount Factor at	13.0%	0.941	0.832	0.737	0.652	0.577	0.577
Present Value of Cash Flows		\$61.1	( <u>\$400.4</u> )	\$239.1	\$179.1	\$125.4	nmf

Terminal Growth Rate	3.0%
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Terminal CF Valuation		Valuation Summary	
Terminal CF	223.3	PV 5 Year CFs	204.3
Value at Time T	2,232.9	PV Terminal CF	<u>1,288.3</u>
Value at Time 0	1,288.3	Total Value	<u>\$1,492.6</u>

### Sensitivity Analysis

WACC		
12.0%	<u>13.0%</u>	14.0%
\$1,705.2	\$1,492.6	\$1,319.4

### Footnotes:

- (1) Depreciation has been deducted from operating expenses for the terminal year and not added as part of cash flow adjustments.

Values in \$ Thousands (except Total Treatments and Patient Count)

	Financial Summary						
	2011	2012	2013	2014	2015	2016	2017
	Actual		Actual	Actual	Actual	Actual	Actual
							YTD Dec.
							Actual
<b>Net Revenue - Dialysis</b>	<b>\$2,026.6</b>	<b>\$2,548.5</b>	<b>\$2,570.2</b>	<b>\$2,402.0</b>	<b>\$2,590.1</b>	<b>\$3,126.2</b>	<b>\$2,998.6</b>
<b>Total Treatments</b>	<b>5,029.7</b>	<b>6,630.0</b>	<b>6,842.9</b>	<b>6,942.3</b>	<b>7,148.9</b>	<b>8,359.9</b>	<b>8,573.0</b>
<b>Patient Count</b>	<b>39.0</b>	<b>47.0</b>	<b>42.0</b>	<b>45.0</b>	<b>53.0</b>	<b>52.0</b>	<b>58.0</b>
<b>Gross Revenue - Dialysis</b>	<b>2,047.1</b>	<b>2,574.3</b>	<b>2,596.1</b>	<b>2,426.3</b>	<b>2,616.2</b>	<b>3,157.8</b>	<b>3,028.9</b>
Contractual Allowances	20.5	25.7	26.0	24.3	26.2	31.6	30.3
<b>Net Revenue - Dialysis</b>	<b>\$2,026.6</b>	<b>\$2,548.5</b>	<b>\$2,570.2</b>	<b>\$2,402.0</b>	<b>\$2,590.1</b>	<b>\$3,126.2</b>	<b>\$2,998.6</b>
Direct Labor	209.4	280.0	329.5	286.4	295.5	374.2	367.5
Benefits & Payroll Taxes-Direct Labor	56.9	62.1	103.2	98.8	120.5	129.9	131.2
Pharmacy Supplies	145.0	217.7	213.2	203.9	187.4	172.6	203.6
Dialysis Supplies	362.0	468.4	502.4	580.8	620.8	775.6	962.3
Other Direct Costs	0.1	2.0	4.1	1.5	2.6	1.8	4.9
Lab Services	23.2	35.3	32.9	36.2	39.5	42.4	41.6
<b>Productive Costs</b>	<b>\$796.6</b>	<b>\$1,065.6</b>	<b>\$1,185.3</b>	<b>\$1,207.7</b>	<b>\$1,266.3</b>	<b>\$1,496.5</b>	<b>\$1,711.0</b>
Indirect Labor	3.5	43.9	157.4	137.1	157.4	166.5	191.6
Benefits & Payroll Taxes-Indirect Labor	0.2	7.3	37.7	34.4	39.3	45.0	65.9
<b>Salaries &amp; Benefits Costs</b>	<b>\$3.7</b>	<b>\$51.2</b>	<b>\$195.1</b>	<b>\$171.5</b>	<b>\$196.7</b>	<b>\$211.5</b>	<b>\$257.6</b>
<b>Total Direct Costs</b>	<b>\$800.3</b>	<b>\$1,116.8</b>	<b>\$1,380.4</b>	<b>\$1,379.2</b>	<b>\$1,463.0</b>	<b>\$1,708.0</b>	<b>\$1,968.6</b>
<b>Gross Profit - Dialysis</b>	<b>\$1,226.3</b>	<b>\$1,431.7</b>	<b>\$1,189.8</b>	<b>\$1,022.8</b>	<b>\$1,127.1</b>	<b>\$1,418.2</b>	<b>\$1,030.0</b>
Facility, Property Tax & Equip. Costs	11.3	107.5	99.9	105.6	102.4	116.6	105.6
Office Expenses	8.2	15.4	68.9	63.1	50.6	68.4	54.3
Travel	0.7	1.8	3.4	1.8	4.4	3.5	3.8
Insurance	1.3	3.1	2.0	1.8	2.3	3.3	2.3
Advertising	0.0	0.0	0.6	0.0	0.0	0.0	0.0
Professional Fees	61.7	57.5	34.6	57.5	57.5	57.5	57.5
Bad Debt	31.4	25.5	33.7	48.1	38.0	28.5	17.8
Management Services (1)	274.2	386.3	413.0	355.9	432.0	510.4	522.9
<b>G&amp;A - Dialysis</b>	<b>\$388.8</b>	<b>\$597.1</b>	<b>\$656.2</b>	<b>\$633.8</b>	<b>\$687.1</b>	<b>\$788.3</b>	<b>\$764.3</b>
<b>EBITDA - Dialysis</b>	<b>\$837.6</b>	<b>\$834.6</b>	<b>\$533.6</b>	<b>\$389.0</b>	<b>\$440.0</b>	<b>\$629.9</b>	<b>\$265.7</b>
Depreciation/Amortization	0.8	0.8	62.5	126.3	128.7	133.5	133.3
Other (Income) / Expense	0.0	0.0	0.0	(2.0)	(0.7)	(0.1)	(2.2)
<b>Net Income</b>	<b>\$836.8</b>	<b>\$833.9</b>	<b>\$471.1</b>	<b>\$264.7</b>	<b>\$312.0</b>	<b>\$496.5</b>	<b>\$134.6</b>

Values in \$ Thousands (except Total Treatments and Patient Count)

	Financial Summary							
	2011	2012	2013	2014	2015	2016	2017	2018
	<i>Actual</i>		<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>YTD Dec. Actual</i>
Adjusted Management Services (1)	\$202.7	\$254.9	\$257.0	\$240.2	\$259.0	\$312.6	\$299.9	\$331.3
Adjusted EBITDA (1)	\$909.1	\$966.1	\$689.6	\$504.7	\$613.0	\$827.7	\$488.8	\$292.3
Cumulative Adjusted EBITDA	\$909.1	\$1,875.2	\$2,564.8	\$3,069.5	\$3,682.5	\$4,510.2	\$4,999.0	\$5,291.3

*Footnotes:*

- (1) Management fees were charged at a rate higher than 10.0% historically. However, we have considered a 10.0% fee in our forecast, as Management expects to enter into a joint venture. As such, we calculated the adjusted EBITDA based on 10.0% Management fee.



Values in \$ (except Total Treatments and Patient Count)

	Financial Summary / Treatment						
	2011	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Actual	Actual	YTD Dec. Actual
<b>Net Revenue - Dialysis</b>	<b>\$402.9</b>	<b>\$384.4</b>	<b>\$375.6</b>	<b>\$346.0</b>	<b>\$362.3</b>	<b>\$374.0</b>	<b>\$349.8</b>
<b>Total Treatments</b>	<b>5,029.7</b>	<b>6,630.0</b>	<b>6,842.9</b>	<b>6,942.3</b>	<b>7,148.9</b>	<b>8,359.9</b>	<b>8,599.4</b>
<b>Patient Count</b>	<b>39.0</b>	<b>47.0</b>	<b>42.0</b>	<b>45.0</b>	<b>53.0</b>	<b>52.0</b>	<b>58.0</b>
<b>Gross Revenue - Dialysis</b>	<b>407.0</b>	<b>388.3</b>	<b>379.4</b>	<b>349.5</b>	<b>366.0</b>	<b>377.7</b>	<b>353.3</b>
Contractual Allowances	4.1	3.9	3.8	3.5	3.7	3.8	3.5
<b>Net Revenue - Dialysis</b>	<b>\$402.9</b>	<b>\$384.4</b>	<b>\$375.6</b>	<b>\$346.0</b>	<b>\$362.3</b>	<b>\$374.0</b>	<b>\$349.8</b>
Direct Labor	41.6	42.2	48.2	41.3	41.3	44.8	42.9
Benefits & Payroll Taxes-Direct Labor	11.3	9.4	15.1	14.2	16.9	15.5	15.3
Pharmacy Supplies	28.8	32.8	31.2	29.4	26.2	20.6	23.7
Dialysis Supplies	72.0	70.7	73.4	83.7	86.8	92.8	112.2
Other Direct Costs	0.0	0.3	0.6	0.2	0.4	0.2	0.6
Lab Services	4.6	5.3	4.8	5.2	5.5	5.1	4.8
<b>Productive Costs</b>	<b>\$158.4</b>	<b>\$160.7</b>	<b>\$173.2</b>	<b>\$174.0</b>	<b>\$177.1</b>	<b>\$179.0</b>	<b>\$199.6</b>
Indirect Labor	0.7	6.6	23.0	19.8	22.0	19.9	22.4
Benefits & Payroll Taxes-Indirect Labor	0.0	1.1	5.5	5.0	5.5	5.4	7.7
<b>Salaries &amp; Benefits Costs</b>	<b>\$0.7</b>	<b>\$7.7</b>	<b>\$28.5</b>	<b>\$24.7</b>	<b>\$27.5</b>	<b>\$25.3</b>	<b>\$30.0</b>
<b>Total Direct Costs</b>	<b>\$159.1</b>	<b>\$168.4</b>	<b>\$201.7</b>	<b>\$198.7</b>	<b>\$204.6</b>	<b>\$204.3</b>	<b>\$229.6</b>
<b>Gross Profit - Dialysis</b>	<b>\$243.8</b>	<b>\$215.9</b>	<b>\$173.9</b>	<b>\$147.3</b>	<b>\$157.7</b>	<b>\$169.6</b>	<b>\$120.1</b>
Facility, Property Tax & Equip. Costs	2.2	16.2	14.6	15.2	14.3	13.9	12.3
Office Expenses	1.6	2.3	10.1	9.1	7.1	8.2	6.3
Travel	0.1	0.3	0.5	0.3	0.6	0.4	0.4
Insurance	0.3	0.5	0.3	0.3	0.3	0.4	0.3
Advertising	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Professional Fees	12.3	8.7	5.1	8.3	8.0	6.9	6.7
Bad Debt	6.2	3.8	4.9	6.9	5.3	3.4	2.1
Management Services (1)	54.5	58.3	60.4	51.3	60.4	61.1	61.0
<b>G&amp;A - Dialysis</b>	<b>\$77.3</b>	<b>\$90.1</b>	<b>\$95.9</b>	<b>\$91.3</b>	<b>\$96.1</b>	<b>\$94.3</b>	<b>\$89.2</b>
<b>EBITDA - Dialysis</b>	<b>\$166.5</b>	<b>\$125.9</b>	<b>\$78.0</b>	<b>\$56.0</b>	<b>\$61.6</b>	<b>\$75.4</b>	<b>\$31.0</b>
Depreciation/Amortization	0.2	0.1	9.1	18.2	18.0	16.0	15.6
Other (Income) / Expense	0.0	0.0	0.0	(0.3)	(0.1)	(0.0)	(0.3)
<b>Net Income</b>	<b>\$166.4</b>	<b>\$125.8</b>	<b>\$68.8</b>	<b>\$38.1</b>	<b>\$43.6</b>	<b>\$59.4</b>	<b>\$15.7</b>

Values in \$ (except Total Treatments and Patient Count)

Financial Summary / Treatment							
2011	2012	2013	2014	2015	2016	2017	2018
Actual	Actual	Actual	Actual	Actual	Actual	Actual	YTD Dec. Actual

Adjusted Management Services (1)

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Adjusted EBITDA (1)

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Cumulative Adjusted EBITDA

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*Footnotes:*

Management fees were charged at a rate higher than 10.0% historically. However, we have considered a 10.0% fee in our forecast, as Management expects to enter into a joint venture. As such, we calculated the adjusted EBITDA based on 10.0% Management fee.

Preliminary DRAFT  
For Discussion Purposes Only

Company	Valuation Data				Valuation Metrics		LTM Financials			2018 Financials		
	Outstanding	Price	Debt	Cash	Value	Value	REVENUE	EBITDA	EBIT	REVENUE	EBITDA	EBIT
Fresenius Medical Care AG & Co. KGaA	306.8	\$64.85	\$8,640.1	\$2,456.6	\$19,898.9	\$26,082.3	\$18,945.4	\$3,297.8	\$2,467.9	\$17,491.5	\$3,221.6	\$2,481.0
Fresenius SE & Co. KGaA	556.1	\$48.34	\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	\$38,390.2	\$6,481.6	\$4,963.4	\$31,110.5	\$5,721.5	\$4,506.5
DaVita Inc.	166.0	\$51.46	\$10,102.2	\$323.0	\$8,541.6	\$18,320.7	\$11,412.2	\$2,080.9	\$1,490.1	\$10,695.8	\$2,401.9	\$1,681.9
NxStage Medical, Inc.	66.7	\$28.62	\$13.3	\$81.9	\$1,908.5	\$1,839.9	\$426.0	\$21.7	\$1.6	\$366.4	\$14.7	(\$3.8)
American Renal Associates Holdings, Inc.	32.5	\$11.52	\$554.0	\$61.9	\$374.6	\$866.7	\$817.2	\$174.1	\$134.9	\$749.8	\$171.3	\$137.5
<b>Low</b>			\$13.3	\$61.9	\$374.6	\$866.7	\$426.0	\$21.7	\$1.6	\$366.4	\$14.7	n/a
<b>High</b>			\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	\$38,390.2	\$6,481.6	\$4,963.4	\$31,110.5	\$5,721.5	\$4,506.5
<b>Median</b>			\$8,640.1	\$323.0	\$8,541.6	\$18,320.7	\$11,412.2	\$2,080.9	\$1,490.1	\$10,695.8	\$2,401.9	\$1,681.9
<b>Mean</b>			\$8,209.1	\$1,205.0	\$11,520.9	\$18,524.9	\$13,998.2	\$2,411.2	\$1,811.6	\$12,082.8	\$2,306.2	\$1,760.6
<b>Upper Quartile</b>			\$13,010.6	\$1,017.7	\$13,126.4	\$25,119.3	\$18,156.7	\$3,181.1	\$2,358.5	\$15,799.5	\$3,231.8	\$2,388.0
<b>Lower Quartile</b>			\$418.8	\$76.9	\$1,525.0	\$1,596.6	\$719.4	\$136.0	\$101.6	\$653.9	\$132.2	\$102.2

Company	Valuation Data				Valuation Metrics		2019 Financials			2020 Financials		
	Outstanding	Price	Debt	Cash	Value	Value	REVENUE	EBITDA	EBIT	REVENUE	EBITDA	EBIT
Fresenius Medical Care AG & Co. KGaA	306.8	\$64.85	\$8,640.1	\$2,456.6	\$19,898.9	\$26,082.3	\$19,587.6	\$3,699.8	\$2,792.2	\$20,745.9	\$3,957.1	\$2,991.7
Fresenius SE & Co. KGaA	556.1	\$48.34	\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	\$39,987.4	\$7,149.0	\$5,414.5	\$41,962.4	\$7,577.3	\$5,724.8
DaVita Inc.	166.0	\$51.46	\$10,102.2	\$323.0	\$8,541.6	\$18,320.7	\$12,033.5	\$2,239.4	\$1,637.0	\$12,720.0	\$2,299.4	\$1,697.4
NxStage Medical, Inc.	66.7	\$28.62	\$13.3	\$81.9	\$1,908.5	\$1,839.9	\$491.2	\$54.4	\$19.1	\$567.4	\$96.0	\$30.2
American Renal Associates Holdings, Inc.	32.5	\$11.52	\$554.0	\$61.9	\$374.6	\$866.7	\$906.2	\$111.7	\$135.3	\$984.4	\$119.9	n/a
<b>Low</b>			\$13.3	\$61.9	\$374.6	\$866.7	\$491.2	\$54.4	\$19.1	\$567.4	\$96.0	\$30.2
<b>High</b>			\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	\$39,987.4	\$7,149.0	\$5,414.5	\$41,962.4	\$7,577.3	\$5,724.8
<b>Median</b>			\$8,640.1	\$323.0	\$8,541.6	\$18,320.7	\$12,033.5	\$2,239.4	\$1,637.0	\$12,720.0	\$2,299.4	\$2,344.5
<b>Mean</b>			\$8,209.1	\$1,205.0	\$11,520.9	\$18,524.9	\$14,601.2	\$2,650.8	\$1,999.6	\$15,396.0	\$2,809.9	\$2,611.0
<b>Upper Quartile</b>			\$13,010.6	\$1,017.7	\$13,126.4	\$25,119.3	\$19,022.0	\$3,466.8	\$2,581.4	\$20,030.6	\$3,618.9	\$3,711.1
<b>Lower Quartile</b>			\$418.8	\$76.9	\$1,525.0	\$1,596.6	\$802.5	\$97.4	\$106.3	\$880.2	\$113.9	\$863.8

Company	Valuation Data				Valuation Metrics		Equity Value Multiples			LTM Enterprise Value Multiples		
	Outstanding	Price	Debt	Cash	Value	Value	REVENUE	EBITDA	X - EBIT	REVENUE	EBITDA	X - EBIT
Fresenius Medical Care AG & Co. KGaA	306.8	\$64.85	\$8,640.1	\$2,456.6	\$19,898.9	\$26,082.3	1.0x	5.0x	6.7x	1.4x	7.9x	10.6x
Fresenius SE & Co. KGaA	556.1	\$48.34	\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	0.6x	3.5x	4.7x	1.2x	7.0x	9.2x
DaVita Inc.	166.0	\$51.46	\$10,102.2	\$323.0	\$8,541.6	\$18,320.7	0.7x	3.7x	5.0x	1.6x	8.8x	12.3x
NxStage Medical, Inc.	66.7	\$28.62	\$13.3	\$81.9	\$1,908.5	\$1,839.9	3.4x	19.9x	63.3x	4.3x	nmf	nmf
American Renal Associates Holdings, Inc.	32.5	\$11.52	\$554.0	\$61.9	\$374.6	\$866.7	0.4x	3.1x	nmf	1.1x	5.0x	6.4x
<b>Low</b>			\$13.3	\$61.9	\$374.6	\$866.7	<b>0.4x</b>	<b>3.1x</b>	<b>4.7x</b>	<b>1.1x</b>	<b>5.0x</b>	<b>6.4x</b>
<b>High</b>			\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	<b>3.4x</b>	<b>19.9x</b>	<b>63.3x</b>	<b>4.3x</b>	<b>8.8x</b>	<b>12.3x</b>
<b>Median</b>			\$8,640.1	\$323.0	\$8,541.6	\$18,320.7	<b>0.7x</b>	<b>3.7x</b>	<b>5.8x</b>	<b>1.4x</b>	<b>7.5x</b>	<b>9.9x</b>
<b>Mean</b>			\$8,209.1	\$1,205.0	\$11,520.9	\$18,524.9	<b>1.2x</b>	<b>7.1x</b>	<b>19.9x</b>	<b>1.9x</b>	<b>7.2x</b>	<b>9.6x</b>
<b>Upper Quartile</b>			\$13,010.6	\$1,017.7	\$13,126.4	\$25,119.3	<b>1.3x</b>	<b>7.8x</b>	<b>34.1x</b>	<b>2.3x</b>	<b>7.9x</b>	<b>10.7x</b>
<b>Lower Quartile</b>			\$418.8	\$76.9	\$1,525.0	\$1,596.6	<b>0.6x</b>	<b>3.4x</b>	<b>4.9x</b>	<b>1.2x</b>	<b>6.0x</b>	<b>7.8x</b>

Company	Valuation Data				Valuation Metrics		2018 Enterprise Value Multiples			2019 Enterprise Value Multiples		
	Outstanding	Price	Debt	Cash	Value	Value	REVENUE	EBITDA	EBIT	REVENUE	EBITDA	EBIT
Fresenius Medical Care AG & Co. KGaA	306.8	\$64.85	\$8,640.1	\$2,456.6	\$19,898.9	\$26,082.3	1.5x	8.1x	10.5x	1.3x	7.0x	9.3x
Fresenius SE & Co. KGaA	556.1	\$48.34	\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	1.5x	8.0x	10.1x	1.1x	6.4x	8.4x
DaVita Inc.	166.0	\$51.46	\$10,102.2	\$323.0	\$8,541.6	\$18,320.7	1.7x	7.6x	10.9x	1.5x	8.2x	11.2x
NxStage Medical, Inc.	66.7	\$28.62	\$13.3	\$81.9	\$1,908.5	\$1,839.9	5.0x	nmf	nmf	3.7x	33.8x	nmf
American Renal Associates Holdings, Inc.	32.5	\$11.52	\$554.0	\$61.9	\$374.6	\$866.7	1.2x	5.1x	6.3x	1.0x	7.8x	6.4x
<b>Low</b>			\$13.3	\$61.9	\$374.6	\$866.7	<b>1.2x</b>	<b>5.1x</b>	<b>6.3x</b>	<b>1.0x</b>	<b>6.4x</b>	<b>6.4x</b>
<b>High</b>			\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	<b>5.0x</b>	<b>8.1x</b>	<b>10.9x</b>	<b>3.7x</b>	<b>33.8x</b>	<b>11.2x</b>
<b>Median</b>			\$8,640.1	\$323.0	\$8,541.6	\$18,320.7	<b>1.5x</b>	<b>7.8x</b>	<b>10.3x</b>	<b>1.3x</b>	<b>7.8x</b>	<b>8.9x</b>
<b>Mean</b>			\$8,209.1	\$1,205.0	\$11,520.9	\$18,524.9	<b>2.2x</b>	<b>7.2x</b>	<b>9.5x</b>	<b>1.7x</b>	<b>12.6x</b>	<b>8.8x</b>
<b>Upper Quartile</b>			\$13,010.6	\$1,017.7	\$13,126.4	\$25,119.3	<b>2.5x</b>	<b>7.8x</b>	<b>10.5x</b>	<b>2.1x</b>	<b>14.6x</b>	<b>9.8x</b>
<b>Lower Quartile</b>			\$418.8	\$76.9	\$1,525.0	\$1,596.6	<b>1.4x</b>	<b>6.3x</b>	<b>8.2x</b>	<b>1.1x</b>	<b>7.4x</b>	<b>7.4x</b>

Company	Valuation Data				Valuation Metrics		2020 Enterprise Value Multiples		
	Outstanding	Price	Debt	Cash	Value	Value	REVENUE	EBITDA	EBIT
Fresenius Medical Care AG & Co. KGaA	306.8	\$64.85	\$8,640.1	\$2,456.6	\$19,898.9	\$26,082.3	1.3x	6.6x	8.7x
Fresenius SE & Co. KGaA	556.1	\$48.34	\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	1.1x	6.0x	8.0x
DaVita Inc.	166.0	\$51.46	\$10,102.2	\$323.0	\$8,541.6	\$18,320.7	1.4x	8.0x	10.8x
NxStage Medical, Inc.	66.7	\$28.62	\$13.3	\$81.9	\$1,908.5	\$1,839.9	3.2x	19.2x	nmf
American Renal Associates Holdings, Inc.	32.5	\$11.52	\$554.0	\$61.9	\$374.6	\$866.7	0.9x	7.2x	nmf
<b>Low</b>			\$13.3	\$61.9	\$374.6	\$866.7	<b>0.9x</b>	<b>6.0x</b>	<b>8.0x</b>
<b>High</b>			\$21,735.7	\$3,101.7	\$26,881.0	\$45,515.1	<b>3.2x</b>	<b>19.2x</b>	<b>10.8x</b>
<b>Median</b>			\$8,640.1	\$323.0	\$8,541.6	\$18,320.7	<b>1.3x</b>	<b>7.2x</b>	<b>8.7x</b>
<b>Mean</b>			\$8,209.1	\$1,205.0	\$11,520.9	\$18,524.9	<b>1.6x</b>	<b>9.4x</b>	<b>9.2x</b>
<b>Upper Quartile</b>			\$13,010.6	\$1,017.7	\$13,126.4	\$25,119.3	<b>1.9x</b>	<b>10.8x</b>	<b>10.1x</b>
<b>Lower Quartile</b>			\$418.8	\$76.9	\$1,525.0	\$1,596.6	<b>1.0x</b>	<b>6.9x</b>	<b>8.7x</b>

**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit C2**  
**Public Company Benchmark Valuation**

*Values in \$ Thousands*

	Enterprise Value /EBITDA	
	Low	High
<b><u>Summary Statistic</u></b>		
Low		5.0x
High		8.8x
Median		7.5x
Mean		7.2x
Upper Quartile		7.9x
Lower Quartile		6.0x
<b>(1) Selected Multiple</b>	<b>6.50x</b>	<b>7.50x</b>
<b><u>Consolidated Financials</u></b>		
(1) EBITDA - LTM December 2018	\$292.3	\$292.3
Valuation Range	\$1,899.6	\$2,191.9
(2) <i>Less: Replacement Facility Costs</i>	<i>(\$707.6)</i>	<i>(\$707.6)</i>
<b>Concluded Valuation Range</b>	<b>\$1,192.0</b>	<b>\$1,484.3</b>

*Footnotes:*

- (1) WB Santa Cruz is a stand-alone location of a privately held entity, and has lower liquidity as compared to the guideline companies. WB Santa Cruz is a relative mature facility with modestly flat near-term growth expectations and operating margins than the guideline companies. As such, we selected multiples between the first quartile and median range of the observed comparables range.
- (2) Reflects the present value of replacement facility costs incurred in Year 2.



**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit C3**  
**Benchmark Public Company Business Descriptions**

<b>Comparable Company</b>	<b>Ticker</b>	<b>Business Description</b>
Fresenius Medical Care AG & Co. KGaA	XTRA:FME	Fresenius Medical Care AG & Co. KGaA, a kidney dialysis company, provides dialysis care and related services, and other health care services in Germany, the United States, and internationally. It offers dialysis treatment and related laboratory and diagnostic services through a network of outpatient dialysis clinics; materials, training, and patient support services comprising clinical monitoring, follow-up assistance, and arranging for delivery of the supplies to the patient's residence; and dialysis services under contract to hospitals in the United States for the hospitalized end-stage renal disease (ESRD) patients and for patients suffering from acute kidney failure. The company also develops, manufactures, and distributes dialysis products, including hemodialysis machines, peritoneal cyclers, dialyzers, peritoneal solutions, hemodialysis concentrates, solutions and granulates, bloodlines, renal pharmaceuticals, and water treatment systems for the treatment of ESRD; and non-dialysis products, such as acute cardiopulmonary and apheresis products. In addition, it develops, acquires, and in-licenses renal pharmaceuticals; offers renal medications and supplies to patients at homes or to dialysis clinics; and provides vascular, cardiovascular, endovascular specialty, hospitalist, emergency, intensivist, medical cost management, ambulatory surgery center, health plan, urgent care, physician nephrology and cardiology, and ambulant treatment services. The company sells its products to clinics, hospitals, and specialized treatment clinics directly, as well as through local sales forces, independent distributors, dealers, and sales agents. As of December 31, 2018, it operated 3,928 outpatient dialysis clinics in approximately 150 countries. Fresenius Medical Care AG & Co. KGaA was incorporated in 1996 and is headquartered in Bad Homburg, Germany.
Fresenius SE & Co. KGaA	DB:FRE	Fresenius SE & Co. KGaA, a health care group, provides products and services for dialysis, hospitals, and outpatient medical care worldwide. The company operates through four segments: Fresenius Medical Care, Fresenius Kabi, Fresenius Helios, and Fresenius Vamed. The Fresenius Medical Care segment offers products and services for patients with chronic kidney failure. This segment offers dialyzers, hemodialysis machines, and related disposable products, as well as dialysis-related services. The Fresenius Kabi segment specializes in the therapy and care of chronically and critically ill patients. This segment offers IV drugs, including intravenously administered generic anesthetics, analgesics, anti-infectives, and drugs for the treatment of oncological and other critical diseases; parenteral and enteral nutrition products; infusion solutions and blood volume substitutes for infusion therapy; infusion and nutrition pumps, as well as consumables; and products used in the collection and processing of blood components, as well as in transfusion medicine. The Fresenius Helios segment operates 86 hospitals, 124 outpatient clinics, and 10 prevention centers. The Fresenius Vamed segment manages projects and provides services for hospitals and other health care facilities. This segment offers project development, planning, and turnkey construction services, as well as maintenance, technical management, and operational management services. The company was formerly known as Fresenius SE and changed its name to Fresenius SE & Co. KGaA in January 2011. Fresenius SE & Co. KGaA was founded in 1912 and is headquartered in Bad Homburg vor der Höhe, Germany.

**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit C3**  
**Benchmark Public Company Business Descriptions**

<b>Comparable Company</b>	<b>Ticker</b>	<b>Business Description</b>
DaVita Inc.	NYSE:DVA	DaVita Inc. provides kidney dialysis services for patients suffering from chronic kidney failure or end stage renal disease (ESRD). The company operates kidney dialysis centers and provides related lab services in outpatient dialysis centers. It also provides outpatient, hospital inpatient, and home-based hemodialysis services; owns clinical laboratories that provide routine laboratory tests for dialysis and other physician-prescribed laboratory tests for ESRD patients; and management and administrative services to outpatient dialysis centers. In addition, the company provides disease management services; vascular access services; clinical research programs; physician services; and comprehensive care services. As of December 31, 2018, it provided dialysis and administrative services in the United States through a network of 2,664 outpatient dialysis centers serving approximately 202,700 patients; and operated 241 outpatient dialysis centers located in 9 countries outside of the United States serving approximately 25,000 patients. Further, the company provides acute inpatient dialysis services in approximately 900 hospitals and related laboratory services in the United States. The company was formerly known as DaVita HealthCare Partners Inc. and changed its name to DaVita Inc. in September 2016. DaVita Inc. was founded in 1994 and is headquartered in Denver, Colorado.
NxStage Medical, Inc.	IQ115544	NxStage Medical, Inc., a medical technology company, develops, manufactures and markets products for the treatment of end-stage renal disease (ESRD) and acute kidney failure. It offers System One Cycle, a portable hemodialysis system, which is used primarily for home hemodialysis; PureFlow SL, offers water purification and dialysate production in one integrated unit, designed for use at home or in-center; chronic cartridges provides patient flexibility for more frequent, nocturnal, or intermittent renal replacement therapy at home; and Nx2me Connected Health, a telehealth platform for the collection and delivery of home hemodialysis treatment and patient medical information. It also offers bloodlines, needles, and dialysis fluids. The company provides dialysis services. It operates dialysis centers. NxStage Medical, Inc. was formerly known as QB Medical, Inc. The company was founded in 1998 and is based in Lawrence, Massachusetts. As of February 21, 2019, NxStage Medical, Inc. operates as a subsidiary of Fresenius Medical Care Holdings, Inc.
American Renal Associates Holdings, Inc.	NYSE:ARA	American Renal Associates Holdings, Inc. operates as a dialysis services provider in the United States. It operates dialysis clinics focusing on joint venture partnerships with physicians. The company offers kidney dialysis services to patients suffering from chronic kidney failure or end stage renal disease. As of June 30, 2018, it owned and operated 233 dialysis clinics in partnership with 400 nephrologist partners treating approximately 16,000 patients in 26 states and the District of Columbia. The company was founded in 1999 and is headquartered in Beverly, Massachusetts.

**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit D1**  
**Valuation of Benchmark Transactions**

Values in \$ Millions

Transaction Data				Target Financials			Enterprise Value Multiples		
Acquiror	Target	Closed Date	Transaction Value	LTM REVENUE	LTM EBITDA	LTM EBIT	X - LTM REVENUE	X - LTM EBITDA	X - LTM EBIT
American Finance Trust, Inc.	DaVita Dialysis Property in Texas	12/31/18	\$2.6	n/a	n/a	n/a	nmf	nmf	nmf
DaVita Inc.	One Dialysis Center in United States	03/31/18	\$0.0	n/a	n/a	n/a	nmf	nmf	nmf
DaVita HealthCare Partners Inc. (nka:DaVita Inc.)	Renal Ventures Management, LLC	05/01/17	\$360.0	n/a	n/a	n/a	nmf	nmf	nmf
American Renal Associates LLC	Majority stakes in Clarion Dialysis Center And Oil City Dialysis Center LLC	09/15/16	\$0.0	n/a	n/a	n/a	nmf	nmf	nmf
U.S. Renal Care, Inc.	Dialysis Newco, Inc.	12/31/15	\$640.0	n/a	n/a	n/a	nmf	nmf	nmf
Pure Life Renal, LLC	Comprehensive Dialysis Center of WNY Inc.	09/17/15	\$12.0	n/a	n/a	n/a	nmf	nmf	nmf
Carter/Validus Operating Partnership, LP	Dialysis Center Property in Indiana	06/11/13	\$4.6	\$0.4	n/a	n/a	13.3x	nmf	nmf
Merit Medical Systems, Inc.	Medigroup Inc.	11/29/12	\$5.5	\$2.0	n/a	n/a	2.8x	nmf	nmf
Correct Care Solutions, LLC	Conmed Healthcare Management, Inc	08/27/12	\$59.5	\$75.1	\$4.6	\$3.9	0.8x	13.0x	15.4x
Lifepoint Hospitals Inc. (nka:LifePoint Health, Inc.)	Woods Memorial Hospital, LLC	07/02/12	\$17.7	\$74.3	n/a	n/a	0.2x	nmf	nmf
Fresenius Medical Care AG & Co. KGaA	Liberty Dialysis, LLC	02/28/12	\$1,692.6	\$1,000.0	n/a	n/a	1.7x	nmf	nmf
Frazier Healthcare Partners; New Enterprise Associates; Frazier Healthcare VI, L.P.; New Enterprise Associates XIII, L.P.	DaVita Inc., 30 Dialysis Clinics (nka:Dialysis Newco, Inc.)	10/31/11	\$91.0	\$82.7	n/a	n/a	1.1x	nmf	nmf
DaVita Inc. (nka:DaVita Inc.)	ISD Renal, Inc.	09/02/11	\$730.8	\$360.0	n/a	n/a	2.0x	nmf	nmf
American Realty Capital Trust, Inc.	Freestanding, Fee Simple DaVita Dialysis Center And Two Distribution Facilities Vista Healthcare, LLC	04/28/11	\$39.2	\$3.2	n/a	n/a	12.3x	nmf	nmf
Kindred Healthcare, Inc. (nka:Kindred Healthcare, LLC)	Dialysis Corporation of America, Inc.	11/01/10	\$178.0	\$150.0	\$27.0	n/a	1.2x	6.6x	nmf
U.S. Renal Care, Inc.		06/01/10	\$124.0	\$96.8	\$9.6	\$6.5	1.3x	12.9x	19.0x
<b>Low</b>			n/a	\$0.4	\$4.6	\$3.9	0.2x	6.6x	15.4x
<b>High</b>			\$1,692.6	\$1,000.0	\$27.0	\$6.5	13.3x	13.0x	19.0x
<b>Median</b>			\$49.3	\$78.9	\$9.6	\$5.2	1.5x	12.9x	17.2x
<b>Mean</b>			\$247.3	\$184.4	\$13.7	\$5.2	3.7x	10.8x	17.2x
<b>Upper Quartile</b>			\$223.5	\$136.7	\$18.3	\$5.9	2.6x	13.0x	18.1x
<b>Lower Quartile</b>			\$5.3	\$21.0	\$7.1	\$4.5	1.1x	9.8x	16.3x

# Satellite Healthcare WB Santa Cruz Valuation

## Exhibit D2

### Transaction Summary Statistics and Metric Valuation

Values in \$ Thousands

Summary Statistic	Transaction Value/ EBITDA	
	Low	High
Low		6.6x
High		13.0x
Median		12.9x
Mean		10.8x
Upper Quartile		13.0x
Lower Quartile		9.8x
(1) Selected Multiple	6.50x	7.50x
<b>Consolidated Financials</b>		
(1) EBITDA - LTM December 2018	\$292.3	\$292.3
Valuation Range	\$1,899.6	\$2,191.9
(2) Less: Replacement Facility Costs	(\$707.6)	(\$707.6)
<b>Concluded Valuation Range</b>	<b>\$1,192.0</b>	<b>\$1,484.3</b>

#### Footnotes:

- (1) We noted that there were limited comparable transaction data points for WB Santa Cruz (a single location) given that most of the transactions involved multiple centers being acquired. In cases where single locations were acquired, there were limited publicly available financial data/metrics. As such, RNA relied on its experience in analyzing similar businesses and the guideline public company multiples in determining a transaction multiple to apply in this analysis, which we noted reconciled well with the DCF.
- (2) Reflects the present value of replacement facility costs incurred in Year 2.

**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit D3**  
**Selected Benchmark Transactions Business Descriptions**

<b>Target</b>	<b>Acquiror</b>	<b>Closed Date</b>	<b>Transaction Description</b>
DaVita Dialysis Property in Texas	American Finance Trust, Inc.	12/31/18	DaVita Dialysis Property in Texas comprises commercial real estate property. The asset is located in the United States.
One Dialysis Center in United States	DaVita Inc.	03/31/18	As of March 31, 2018, One Dialysis Center in United States was acquired by DaVita Inc. One Dialysis Center in United States comprises dialysis center and is located in the United States.
Renal Ventures Management, LLC	DaVita HealthCare Partners Inc. (nka:DaVita Inc.)	05/01/17	Renal Ventures Management, LLC provides dialysis care and information for people living with chronic kidney disease in the United States. The company also provides supporting services, such as insurance and managed care contract negotiation, achieving favorable pricing with vendors, accounts receivable and collections, information technology IT support, and ongoing education. Renal Ventures Management, LLC was incorporated in 1997 and is headquartered in Lakewood, Colorado. It has dialysis centers in Mountain Home, Arkansas; Storm Lake and Fort Dodge, Iowa; Philadelphia, Pennsylvania; Bayonne, Brick, Clifton, Englewood, Morristown, Newton, Newark, Sewell, Somerville, Succasunna, Trenton, and Westwood, New Jersey; Beaumont, West Beaumont, Carrollton, Dallas, Denton, Fort Worth, Frisco, Keller, Lewisville, Nederland, North Richland Hills, Orange, Plano, Port Arthur, Tyler, Flower Mound, and Tyler Waterton, Texas; and Moorefield and Keyser, West Virginia. As of May 1, 2017, Renal Ventures Management, LLC operates as a subsidiary of DaVita Kidney Care
Majority stakes in Clarion Dialysis Center And Oil City Dialysis Center LLC	American Renal Associates LLC	09/15/16	Majority stakes in Clarion Dialysis Center And Oil City Dialysis Center LLC represents the combined operations of in Clarion Dialysis Center and Oil City Dialysis Center LLC in their sale to American Renal Associates LLC. As of September 15, 2016, Majority stakes in Clarion Dialysis Center And Oil City Dialysis Center LLC were acquired by American Renal Associates LLC. Clarion Dialysis Center and Oil City Dialysis Center LLC provide hemodialysis and peritoneal dialysis to patients suffering from renal failure. Clarion Dialysis Center is based in Clarion, Pennsylvania. Oil City Dialysis Center LLC is based in Cranberry, Pennsylvania.
Dialysis Newco, Inc.	U.S. Renal Care, Inc.	12/31/15	Dialysis Newco, Inc., doing business as DSI Renal Inc., owns and operates dialysis clinics in the United States. The company offers dialysis services for patients suffering from chronic kidney failure and renal disease. It provides hemodialysis and nocturnal hemodialysis services at the clinic; hemodialysis/NxStage and peritoneal dialysis at the patient's home; and kidney transplantation services. Dialysis Newco, Inc. was formerly known as DaVita Inc., 30 Dialysis Clinics and changed its name to Dialysis Newco, Inc. in September, 2011. Dialysis Newco, Inc. was founded in 2011 and is based in Nashville, Tennessee. As of December 31, 2015, Dialysis Newco, Inc. operates as a subsidiary of U.S. Renal Care, Inc.
Comprehensive Dialysis Center of WNY Inc.	Pure Life Renal, LLC	09/17/15	Comprehensive Dialysis Center of WNY Inc. provides renal dialysis on site and through home-based service. The company is based in Williamsville, New York. As of September 17, 2015, Comprehensive Dialysis Center of WNY Inc. operates as a subsidiary of Pure Life Renal, LLC.
Dialysis Center Property in Indiana	Carter/Validus Operating Partnership, LP	06/11/13	As of June 11, 2013, Dialysis Center Property in Indiana was acquired by Carter/Validus Operating Partnership, LP. Dialysis Center Property in Indiana comprises a medical facility including an outpatient dialysis center. The property is located in Goshen, Indiana.

**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit D3**  
**Selected Benchmark Transactions Business Descriptions**

<b>Target</b>	<b>Acquiror</b>	<b>Closed Date</b>	<b>Transaction Description</b>
Medigroup Inc.	Merit Medical Systems, Inc.	11/29/12	Medigroup Inc. provides peritoneal dialysis access products and services. The company offers flex-neck classic and ARC adult catheters, flex-neck adult exxtended catheters, and flex-neck children's catheters. It also provides protective film products, such as protective shoe and footswitch covers against fluid and particulate contamination and damage for personnel, environmental, and equipment protection. The company was founded in 1979 and is based in Oswego, Illinois. As of November 29, 2012, Medigroup Inc. operates as a subsidiary of Merit Medical Systems, Inc.
Conmed Healthcare Management, Inc	Correct Care Solutions, LLC	08/27/12	Conmed Healthcare Management, Inc. provides correctional healthcare services to county and municipal detention centers in the United States. Its correctional healthcare services include general healthcare, dialysis, pharmacy, acute care, EKG's, durable medical equipment, physical and occupational therapy, IV therapy, diagnostic imaging/radiology, laboratory, dental, mental health, electronic medical records, electronic medication administration records, utilization management, and utilization review services, as well as arranging and contracting for hospital and surgical services. The company also offers staffing of healthcare professionals to its contracted facilities. In addition, it provides value-added services, such as healthcare services consultations, audit compliance programs, occupational safety and health administration compliance programs, risk management services, sick call services for facility staff, and emergency services for staff and visitors. As of December 31, 2011, it served county and municipal correctional facilities in eight states, including Arizona, Kansas, Maryland, New Jersey, Oregon, Tennessee, Virginia, and Washington. The company is headquartered in Hanover, Maryland. As of August 27, 2012, Conmed Healthcare Management, Inc operates as a subsidiary of Correct Care Solutions, LLC.
Woods Memorial Hospital, LLC	Lifepoint Hospitals Inc. (nka:LifePoint Health, Inc.)	07/02/12	As of July 2, 2012, Woods Memorial Hospital, LLC was acquired by LifePoint Health, Inc. Woods Memorial Hospital, LLC, doing business as Woods Memorial Hospital, operates a hospital that provides various healthcare services to patients in Tennessee. It offers emergency department, surgery, intensive care unit, respiratory and cardiopulmonary, rehabilitation, nursing home, wound care, senior care unit, and volunteers and gift shop services; external services, such as regional dialysis center, multi-specialty clinic, and wound care; and diagnostic imaging services, including CT, MRI, ultrasound/echocardiography, X-ray/flouroscopy, mammography, nuclear medicine, and bone densitometry. The company also provides helicopter ambulances, occupational health, auxiliary, and accreditation services; and various outpatient procedures, inpatient geriatric psychiatric unit, and other services. The company was founded in 1965 and is based in Etowah, Tennessee.
Liberty Dialysis, LLC	Fresenius Medical Care AG & Co. KGaA	02/28/12	Liberty Dialysis, LLC operates dialysis clinics in the United States. It offers chronic kidney disease outreach programs for patients. The company was founded in 2002 and is based in Mercer Island, Washington. As of February 28, 2012, Liberty Dialysis, LLC operates as a subsidiary of Fresenius Medical Care AG & Co. KGAA.
DaVita Inc., 30 Dialysis Clinics (nka:Dialysis Newco, Inc.)	Frazier Healthcare Partners; New Enterprise Associates; Frazier Healthcare VI, L.P.; New Enterprise Associates XIII, L.P.	10/31/11	Dialysis Newco, Inc., doing business as DSI Renal Inc., owns and operates dialysis clinics in the United States. The company offers dialysis services for patients suffering from chronic kidney failure and renal disease. It provides hemodialysis and nocturnal hemodialysis services at the clinic; hemodialysis/NxStage and peritoneal dialysis at the patient's home; and kidney transplantation services. Dialysis Newco, Inc. was formerly known as DaVita Inc., 30 Dialysis Clinics and changed its name to Dialysis Newco, Inc. in September, 2011. Dialysis Newco, Inc. was founded in 2011 and is based in Nashville, Tennessee. As of December 31, 2015, Dialysis Newco, Inc. operates as a subsidiary of U.S. Renal Care, Inc.

**Satellite Healthcare WB Santa Cruz Valuation**  
**Exhibit D3**  
**Selected Benchmark Transactions Business Descriptions**

<b>Target</b>	<b>Acquiror</b>	<b>Closed Date</b>	<b>Transaction Description</b>
ISD Renal, Inc.	DaVita Inc. (nka:DaVita Inc.)	09/02/11	ISD Renal, Inc. owns and operates dialysis clinics that offer treatment for patients suffering from chronic kidney failure and renal diseases. The company provides peritoneal dialysis services, including continuous ambulatory peritoneal dialysis and continuous cycling peritoneal dialysis services. It also offers nocturnal hemodialysis, home hemodialysis, NxStage dialysis, and kidney transplant services. ISD Renal, Inc. was formerly known as DSI Renal, Inc. The company was founded in 2005 and is based in Nashville, Tennessee with locations in the United States, Canada, Australia, Germany, and England. As of September 2, 2011, ISD Renal, Inc. operates as a subsidiary of DaVita Kidney Care
Freestanding, Fee Simple DaVita Dialysis Center And Two Distribution Facilities	American Realty Capital Trust, Inc.	04/28/11	Freestanding, Fee Simple DaVita Dialysis Center, Distribution Facility for Whirlpool Corporation and Distribution Facility for Wrangler Apparel Corp. comprises DaVita Dialysis Center spread over an area of 6,020 square feet; distribution facility for Whirlpool Corporation spread over an area of 750,000 square feet; and distribution facility for Wrangler Apparel Corp. spread over an area of 316,800 square feet. The facilities are located in Blackfoot, Idaho; Iowa City, Iowa; and El Paso, Texas.
Vista Healthcare, LLC	Kindred Healthcare, Inc. (nka:Kindred Healthcare, LLC)	11/01/10	As of November 1, 2010, Vista Healthcare, LLC was acquired by Kindred Healthcare Inc. Vista Healthcare, LLC operates a chain of long-term acute care hospitals in California. It provides cardiac and hemodynamic monitoring, central line placement, hemodialysis, infections disease management, laboratory, multi-organ failure management, nutritional support, pharmacy, physical/occupational/speech therapy, PICC line placement, pain management, radiology, and social/utilization management services. The company was founded in 2003 and is based in Rancho Cucamonga, California.
Dialysis Corporation of America, Inc.	U.S. Renal Care, Inc.	06/01/10	As of June 1, 2010, Dialysis Corporation of America, Inc. was acquired by U.S. Renal Care Inc. Dialysis Corporation of America, Inc. offers kidney hemodialysis and peritoneal dialysis services via a network of freestanding centers. The company offers chronic kidney disease services, including in-center, acute, or at-home hemodialysis, as well as training and support for home-based therapies, and referral for transplant evaluation. Dialysis Corporation of America, Inc. also assists patients with their nutritional, medical, and psychosocial needs; and provides disease state and dialysis treatment education to individuals through Renal Choices, a program helping patients choose a dialysis treatment option that fits their lifestyle. In addition, the company offers in-hospital dialysis services on a contract basis to various hospitals. Dialysis Corporation of America, Inc. was founded in 1976 and is based in Linthicum, Maryland. It has dialysis facilities in Virginia, Pennsylvania, New Jersey, Ohio, Georgia, South Carolina, and Maryland.