

PRESS RELEASE

Contact: Name: Nurha Hindi
Email: nurha.hindi@hkstrategies.com
Phone Number: 310.633.9434

InnovAge Finalizes Investment Agreement with Welsh, Carson, Anderson & Stowe

Strategic Partnership Infuses InnovAge with Capital to Expand Footprint in Senior Care Market

DENVER (May 16, 2016) – InnovAge, a leading provider of high-quality senior care programs and services, announced today that it has finalized an agreement with renowned private equity firm Welsh, Carson, Anderson & Stowe (WCAS). The partnership provides InnovAge the financial resources to expand services in a rapidly growing senior care market. InnovAge's industry-leading programs include the Program of All-Inclusive Care for the Elderly (PACE), in-home care services, healthcare and day programs, care management services, memory loss programs and affordable senior housing.

“With the number of Americans aged 65 and over set to double over the next few decades, the need for quality and affordable senior care is great,” said Maureen Hewitt, President and CEO, InnovAge. “The InnovAge Board of Directors and senior management actively looked for a financial partner to strengthen the future of InnovAge and help fund the expansion of our gold-standard services. This new partnership positions InnovAge for growth across the United States so that we can help even more seniors age in their homes with dignity and on their own terms.”

InnovAge and its current management team will continue to lead strategic direction and the day-to-day management of the organization. The agreement, which was approved by Colorado's State Attorney General, converted all InnovAge nonprofit organizations to for-profit entities. The net proceeds of the sale of InnovAge assets, which totals \$196 million (with a potential \$8 million earn out in 2018) will be used to create and fund the newly formed The NextFifty Initiative, an independent, Colorado-based nonprofit organization dedicated to funding mission-driven, senior care related initiatives that improve community services for the elderly population and caregivers.

“During my tenure at the Centers for Medicare & Medicaid Services and in the private healthcare sector, I’ve become a huge advocate of the PACE model. It is the best way to care for frail seniors but it has received little attention and grown very slowly due to limited access to new capital,” said Tom Scully, General Partner at WCAS. “The InnovAge PACE model, along with all its other services, is among the best in the nation. Our goal at WCAS is to provide the resources needed to build upon InnovAge’s strong foundation, so that the management and front-line staff are able to provide this wonderful set of services to more seniors in more cities, while continuing to improve in Colorado, New Mexico and California.”

InnovAge touched almost 93,000 lives during the 2015 fiscal year through high-quality senior-focused programs and services, with the goal of keeping seniors in their homes as long and as safely as possible. The quality of all the services provided will continue to be state and federally regulated.

More information about InnovAge is available at www.MyInnovAge.org.

About InnovAge

InnovAge empowers seniors and caregivers by creating a personalized roadmap for aging based on an individual’s unique and evolving needs. As a leader in senior care, InnovAge guides and offers tailored solutions for seniors and their families, with the goal of keeping seniors in their homes as long and as safely possible. InnovAge has supported and cared for thousands of seniors since 1991 and currently operates in Colorado, New Mexico and California. InnovAge is a leading provider of the Program of All-inclusive Care for the Elderly (PACE) and also offers in-home care services, healthcare and day programs, care management services, memory loss programs and affordable senior housing.

About Welsh, Carson, Anderson & Stowe (WCAS)

WCAS focuses its investment activity in two target industries: healthcare and information/business services. Since its founding in 1979, the Firm has organized 16 limited partnerships with total capital of over \$22 billion. WCAS has invested approximately \$8 billion in over 80 healthcare companies, including many leading healthcare providers. WCAS's strategy is to partner with outstanding management teams and build value for the Firm's investors through a combination of operational improvements, internal growth initiatives and strategic

acquisitions. The Firm is currently investing an equity fund, Welsh, Carson, Anderson & Stowe XII, L.P., which has closed on \$3.2 billion of commitments. See www.wcas.com to learn more.

About The NextFifty Initiative

The NextFifty Initiative is an independent, Colorado-based non-profit organization dedicated to funding mission-driven, senior care related initiatives that improve community services for the elderly population and caregivers. The foundation will actively seek to support and fund innovative solutions to improve quality of life for people in the second 50 years of their lives.

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