

Stellus Capital Management, LLC Provides First Lien Financing to Catapult Learning

Houston – TX, January, 26 2016 - Stellus Capital Management, LLC (Stellus) announced today that its affiliates participated in a senior secured term loan to support the combination of Catapult Learning, a technology-enabled K–12 services provider, and Specialized Education Services, Inc. (SESI), a premier provider of alternative and special education services. The combined business is a portfolio company of JMI Equity, The Carlyle Group, Juggernaut Capital Partners and Chicago Growth Partners.

The new organization, officially known as Catapult Learning, Inc., is uniquely positioned to deliver an unprecedented portfolio of proven effective programs and services all under one umbrella and all targeted to improve academic achievement and performance. The merger of the two educational services providers also reflects a growing trend for school districts to outsource instructional services for struggling students and those students with special needs. Combined, the merged company has 5,500 employees, including teachers, counselors, and support service professionals, operates 80 schools, and serves over 300,000 students nationwide.

Robert T. Ladd, Managing Partner at Stellus, noted, “We are pleased to have the opportunity to support Catapult and SESI in this transformative acquisition and are excited to partner with the sponsors in this transaction.”

Derek Crevello, Managing Director at Stellus added, “The combination of Catapult and SESI creates a clear market leader, and we believe it is well-positioned to address the growing need in outsourced educational services.”

About Stellus Capital Management

Stellus Capital Management is a leading private investment firm focused on two investment strategies: middle market private credit and energy-focused private equity. The private credit strategy seeks to maximize total return in the form of income and capital appreciation by investing primarily in middle-market through first lien, second lien, unitranche, and mezzanine debt financing, and corresponding equity investments. The energy-focused private equity strategy seeks to achieve capital gains and superior investment returns by making investments in equity and equity-linked debt capital in small and middle-market energy businesses. To learn more about Stellus Capital Management, please visit www.stelluscapital.com.

For Inquiries Related to this Press Release, please contact:

Stellus Capital Management, LLC

Toni Peluso

Vice President

tpeluso@stelluscapital.com