Advocate Aurora Health, Inc. (“Advocate Aurora Health”) and Beaumont Health announced today they are exploring a potential partnership, and that, following approval by their respective Boards of Directors, both organizations have signed a non-binding letter of intent to pursue discussions. Any transaction between the parties would be subject to the satisfactory completion of due diligence, completion of a mutually agreeable definitive agreement, and the receipt of certain regulatory, governance and third-party approvals. Advocate Aurora Health can give no assurance that the proposed transaction will be consummated.

Advocate Aurora Health presently expects that neither Advocate Aurora Health nor Beaumont Health would agree, as part of the affiliation, to assume any liability for or otherwise guarantee the other party’s debt as part of the transaction; however, it does anticipate that the parties would evaluate whether the refinancing of all or a portion of the existing debt of either of the organizations could be beneficial to a combined organization. Any refinancing would be dependent on market conditions, management considerations and other factors and there can be no assurance that any debt would be refinanced in connection with any transaction between the parties.

Please see the attached press release issued jointly today by Advocate Aurora Health and Beaumont Health regarding this announcement.

**Note:**

This notice is not made by Advocate Aurora Health in connection with a purchase or sale of bonds and accordingly is not intended to contain all information material to a decision to purchase or sell bonds. This notice does not constitute or imply any representation that no other information exists which may have a bearing on the financial condition of Advocate Aurora Health, the Obligated Group of which it is a Member, the security for any bonds or other securities or an investor’s decision to buy, sell or hold any bonds or other securities.

Certain statements included or incorporated by reference in this Notice constitute “forward looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “project,” budget” or other similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS.
Advocate Aurora Health, Beaumont Health Exploring Partnership

Advocate Aurora Health and Beaumont Health have been exploring a potential partnership. Following approval last week by the Boards of Directors, today both organizations signed a non-binding letter of intent that paves the way to deeper discussions to create a leading health care system that would span across Michigan, Wisconsin and Illinois.

“We are excited to explore this option with an organization as highly regarded as Advocate Aurora Health known for their track record in health outcomes, population health and consumer experience,” said John Fox, president and chief executive officer, Beaumont Health. “The potential opportunity to leverage the strength and scale of a regional organization while maintaining a local focus and strong presence in Michigan as a leader and major employer is important to us.”

Executive leadership from both organizations say that while talks are in early stages, the partnership under exploration would allow both not-for-profit health providers to strengthen and align their purposes of serving the needs of individuals, families and communities throughout the Upper Midwest.

“Beaumont Health has built a strong reputation for clinical excellence, education and research. This is a unique opportunity to explore a partnership with a like-minded, purpose-driven organization,” said Jim Skogsbergh, president and chief executive officer, Advocate Aurora Health.

Advocate Aurora and Beaumont began discussions at the end of 2019. However, partnership talks paused to allow both organizations to focus on COVID-19. As a first step in their renewed discussions, the organizations agreed to an equal one-third governance representation of any future partnership between Beaumont and legacy Advocate Health Care and Aurora Health Care organizations which merged in 2018 to create Advocate Aurora Health.

Both systems will work closely with state and regulatory agencies throughout the process, which began with notifications to all three Attorneys General earlier this week.

About Advocate Aurora Health
Advocate Aurora Health is one of the 10 largest not-for-profit, integrated health systems in the United States and a leading employer in the Midwest with more than 70,000 employees, including more than 22,000 nurses and the region’s largest employed medical staff and home health organization. A national leader in clinical innovation, health outcomes, consumer experience and value-based care, the system serves nearly 3 million patients annually in Illinois and Wisconsin across more than 500 sites of care. Advocate Aurora is engaged in hundreds of clinical trials and research studies and is nationally recognized for its expertise in cardiology, neurosciences, oncology and pediatrics. The organization contributed $2.1 billion in charitable care and services to its communities in 2018. We help people live well.
About Beaumont Health

Beaumont Health is Michigan’s largest health care system and is most preferred for health care in Southeast Michigan, according to NRC Health survey data. The not-for-profit organization was created to provide patients with greater access to compassionate, extraordinary care, every day. Beaumont Health has a total annual net patient revenue of $4.7 billion and consists of eight hospitals with 3,429 beds, 145 outpatient sites, nearly 5,000 affiliated physicians and 38,000 employees, including 11,000 nurses. 3,500 volunteers help support the organization. In 2018, Beaumont Health had about 178,000 inpatient discharges, 18,000 births and 573,000 emergency visits.

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Neither Advocate Aurora nor Beaumont has agreed to assume any liability for or otherwise guarantee the other party’s debt as part of the transaction; however, the parties will evaluate optimal credit structure alternatives and whether the refinancing of all or a portion of the existing debt could be considered beneficial to the combined organizations. Any refinancing would be dependent on market conditions, management considerations and other factors. There can be no assurance that any Advocate Aurora debt or Beaumont debt will be refinanced in connection with the transaction. This notice is not made by Advocate Aurora and Beaumont in connection with a purchase or sale of bonds and accordingly is not intended to contain all information material to a decision to purchase or sell bonds.