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August 26, 2020

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StoneBridge Healthcare Makes Bid to Purchase Erlanger Health System

Letter of Intent offered to acquire Tennessee-based Erlanger Health System

[New Hope, PA] – [StoneBridge Healthcare, LLC](#) (StoneBridge), an innovative company formed to buy, save and turn around deeply distressed hospitals in the cities and suburbs of America, today announced it has presented a Letter of Intent (LOI) to purchase Tennessee-based Erlanger Health System. StoneBridge would make a significant investment in order to financially stabilize Erlanger and allow the health system to continue its mission to serve the people of Hamilton County and the surrounding communities.

“Hamilton County residents deserve exceptional patient care, and StoneBridge Healthcare is committed to continuing the delivery of high-quality health patient care that the Erlanger Health System is known for,” said Joshua Nemzoff, chief executive officer, StoneBridge Healthcare. “StoneBridge has been tracking the situation at Erlanger for over a year and we believe that now is the time for us to act and offer our assistance to Erlanger, safeguarding its legacy as a vital institution for the region.”

StoneBridge has offered a transaction value of \$475 million that will allow the health system to pay off all of its liabilities and have substantial reserves of cash remaining that may be used by the county for many of the much-needed services that have arisen out of the COVID-19 pandemic. StoneBridge will invest \$275 million in capital improvements over the next four years to further transform the health system, and fully fund the \$80 million employee pension fund shortfall.

Erlanger Health System is a well-respected health care system and provides outstanding care to area residents, however it has faced financial challenges that have only been worsened by the pandemic. Erlanger also operates in a highly competitive marketplace, competing against Nashville-based HCA Healthcare, a \$50 billion healthcare system, as well as CommonSpirit Health, a \$20 billion national Catholic health system.

“In order for Erlanger to survive and thrive against these systems, they need significant resources. StoneBridge Healthcare can help,” Nemzoff added. “We have the expertise, the resources, and the financial strength to provide all of the things that Erlanger needs to compete and succeed.”

The LOI is not subject to any financing contingency, and a binding agreement would be finalized in a short period of time once comprehensive due diligence is performed. StoneBridge is capitalized through a multi-layered composite finance group that includes nationally known debt and equity sources.

About StoneBridge Healthcare

StoneBridge Healthcare is an innovative company formed to buy, save and turn around deeply distressed hospitals in the cities and suburbs of America. StoneBridge is capitalized through a multi-layered composite finance group that includes nationally known debt and equity sources. The company features a nationally recognized team of experts in healthcare operations, finance, acquisitions and turnarounds.

Our decades of experience, our financial investment and our commitment to expand primary care into the urban areas we serve make our company the only one of its kind. StoneBridge Healthcare plans to purchase and turn around acute care hospitals that are in significant economic distress and could otherwise be forced to close. StoneBridge will identify and buy hospitals that can be saved, and then work urgently to make sure these hospitals survive and succeed.

StoneBridge is committed to responding to the healthcare needs of the urban markets it operates in through an initiative that is known as “The Mission Project.” Using the hospitals it acquires as a base of operations, StoneBridge will bring much-needed services into the community. StoneBridge will listen to and work with local groups to understand the gaps in community care – and then put money and time into offering clinics or other life-changing help. The solutions may look different in each market, but the commitment will be consistent. The hospitals can provide the doctors, nurses, pharmacies, kitchens and vehicles to bring care and support to people where they live. For more information please visit: stonebridgehealthcare.com.

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