

Envision Healthcare Corporation, a Delaware corporation (“Envision”) is publishing this notice pursuant to U.S. Treasury Regulation §1.1273-2(f) (the “Regulation”) with respect to that certain uptier priming transaction that closed on August 1, 2022 (the “Transaction”). Pursuant to the Transaction, holders of Envision’s 2018 initial term loan due October 11, 2025 (the “Initial Term Loan”) and 2020 incremental term loan due October 11, 2025 (the “Incremental Term Loan,” together with the Initial Term Loan, the “Existing Term Loans,” and holders of such Existing Term Loans, the “Holders”) could elect to provide their pro rata share of a \$300 million new money first out tranche, convert certain of their Existing Term Loans into a new second out tranche at a 17% discount to par, and convert the remainder of their Existing Term Loans into a new third out tranche at par (with such conversions becoming effective on August 1, 2022). Non-participating lenders’ Existing Term Loans were continued as a fourth out tranche.

Envision expects to take the position that there was a “significant modification” within the meaning of Treasury Regulations §1.1001-3 of the portion of the Holders’ Existing Term Loans converted into the second out tranche, and while analysis is ongoing, Envision expects to take the position that there was not a significant modification of the portion of the Holders’ Existing Term Loans converted into the third out tranche or continued as fourth out tranche, except with respect to any conversion of Incremental Term Loans into the third out tranche (the “2020 Loan Conversion”).

The Regulation requires the issuer of a debt instrument to determine whether a debt instrument is “traded on an established market” within the meaning of the Regulation and, if so, the fair market value of the debt instrument.

Envision has determined that the second out tranche and third out tranche (the “New Tranches”) are “traded on an established market” within the meaning of the Regulation and, furthermore, the issue price of the second out tranche is 61% (expressed as a percentage of the face amounts of the second out tranche) and the issue price of the third out tranche received with respect to the 2020 Loan Conversion is 47.5% (expressed as a percentage of the face amounts of the third out tranche).

As provided by the Regulation, this determination is binding upon all holders of the New Tranches unless the holder explicitly discloses, in accordance with the requirements of the Regulation, that its determination is different from Envision’s determination on the holder’s timely filed U.S. federal income tax return for the taxable year that includes the conversion date of its Existing Term Loans.

This notice is only intended to fulfill Envision’s notification obligation under the Regulation and does not constitute tax advice. Envision urges each holder of the aforementioned debt instruments to obtain professional tax advice to determine the implications of this notification on the determination of the holder’s income tax liabilities.

For further information, please contact:

Envision Healthcare Corporation
1A Burton Hills Boulevard
Nashville, Tennessee 37215

Toll Free: 615-665-1283