



On December 18, 2018, a jury ruled in favor of Highlands Physicians Incorporated in a dispute with Wellmont Health System which originated in 2016, prior to the merger with Mountain States Health Alliance and the formation of Ballad Health. The jury verdict was for the sum of \$58 million. Wellmont is disappointed by the decision because Wellmont believes that it acted appropriately regarding the operations of Highlands Wellmont Health Network in serving patients and employers in our communities. Although Wellmont respects the jury's decision, there are a number of errors and other issues that occurred during the trial that Wellmont believes form the basis for an appeal. Wellmont intends to promptly pursue that right. Wellmont is an affiliated entity to Ballad Health and is a member of the obligated group under Ballad Health's Master Trust Indenture. This notice is being provided as a matter of information and is not being provided in connection with providing disclosure of a listed event under any continuing disclosure obligation of Wellmont, Ballad Health or any of its affiliated entities.