



NEWS RELEASE

Premier Inc. and 11 Leading Health Systems Invest in Exela Pharma Sciences to Secure and Support U.S.-Based Drug Supply and Manufacturing

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- Drug shortages have long plagued U.S. healthcare providers; COVID-19 has compounded sourcing challenges
- New initiative will manufacture pharmaceutical products in North Carolina, primarily using APIs from the U.S. and Europe

CHARLOTTE, N.C.,--(BUSINESS WIRE)-- **Premier Inc.** (NASDAQ: PINC), a leading technology-driven healthcare improvement company, and 11 leading health systems acquired a minority stake in Exela Holdings, Inc., the holding company of **Exela® Pharma Sciences**, LLC, to secure vital supply of pharmaceutical products and support domestic production.

Under the arrangement, participating Premier member health systems are expected to have uninterrupted supply of 19 pharmaceutical products, including several generic injectables that frequently appear on the U.S. Food and Drug Administration's drug shortage list, as well as 503B pharmaceutical products made by Exela. Exela primarily sources active pharmaceutical ingredients (APIs) from the United States and Europe, and manufactures finished-dose products in its recently expanded state-of-the-art U.S. manufacturing facility in Lenoir, NC. Exela's manufacturing capacity provides participating Premier members with a unique opportunity to bolster the supply of critical products and support domestic manufacturing infrastructure.

Pervasive drug shortages for more than a decade have led to sub-optimal patient outcomes and approximately \$230 million in additional **annual drug costs**. COVID-19 has exacerbated pharmaceutical sourcing challenges as overseas manufacturing, export bans from large producers of APIs and demand spikes have, at times, left providers struggling to secure basic, life-saving therapies for patients.

“Leveraging Exela’s significant production capacity, this collaboration is expected to give Premier’s participating members uninterrupted access to high-quality, U.S.-made pharmaceutical products and safety stock,” said Michael J. Alkire, President and CEO of Premier. “With this investment, we are committing to support the domestic production of vital medicines for our members and the market – and to bring much-needed solutions to help eliminate drug shortages.”

“Both Exela’s commitment to, and track record of, addressing drug shortages as well as its experience in supplying 503B compounded products make them an ideal partner for Premier and our members,” added Andy Brailo, Chief Customer Officer at Premier. “Their ability to quickly provide vital medications can help to address moment-in-time market imbalances, including spot, regional and emergency-related shortages.”

“We are thrilled to enter into this partnership with Premier and these proactive health systems to deliver consistent supply of high-quality, U.S.-manufactured medicines at affordable prices to help combat drug shortages and supply chain issues,” said Phanesh Koneru, President and CEO of Exela.

The participating health systems signed multi-year commitments to purchase a portion of their pharmaceutical products from Exela through Premier’s group purchasing organization. Premier members participating in the initial investment include Baystate Health (Springfield, MA), Genesis Health System (Davenport, IA), Henry Ford Health System (Detroit, MI), McLaren Health Care (Grand Blanc, MI), Memorial Healthcare System (Hollywood, FL), OSF HealthCare (Peoria, IL), Riverside Health System (Newport News, VA), Saint Francis Health System (Tulsa, OK), Texas Health Resources (Arlington, TX) and Universal Health Services, Inc. (King of Prussia, PA).

Premier has been a long-time leader in addressing supply chain challenges and drug shortages. Through innovative programs such as **ProvideGx**, Premier and its members are incenting manufacturers to increase drug supply, invest in redundancies, enter or re-enter markets and explore new therapeutic categories for innovation.

The collaboration with Exela builds on this legacy and represents another step forward in Premier’s long-term resiliency strategy – working with members to pursue innovative relationships with U.S. companies that specialize in critical product categories. The first such **investment with Prestige Ameritech** is currently providing 5 million additional N95 masks per month for U.S. healthcare providers. The second **partnership, with DeRoyal Industries Inc.**, is expected to produce more than 40 million domestically manufactured gowns annually. The third **collaboration with Honeywell** is expected to produce at least 750 million domestically made nitrile exam gloves in the first year alone.

The financial terms of the transaction with Exela were not disclosed. The transaction is not expected to materially impact Premier’s fiscal year 2022 financial results. McDermott Will & Emery LLP served as legal counsel to Premier.

SVB Leerink served as financial advisor to Exela. Brown Rudnick LLP served as legal counsel to Exela.

Forward-Looking Statements

Matters discussed in this release that are not statements of historical or current facts, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Premier to be materially different from historical results or from any future results or projections expressed or implied by such forward-looking statements. Accordingly, readers should not place undue reliance on any forward-looking statements. In addition to statements that explicitly describe such risks and uncertainties, readers are urged to consider statements in the conditional or future tenses or that include terms such as “believes,” “belief,” “expects,” “estimates,” “intends,” “anticipates” or “plans” to be uncertain and forward-looking. Forward-looking statements may include comments as to Premier’s beliefs and expectations as to future events and trends affecting its business and are necessarily subject to uncertainties, many of which are outside Premier’s control. More information on potential factors that could affect Premier’s financial results is included from time to time in the “Forward-Looking Statements,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Premier’s periodic and current filings with the SEC and available on Premier’s website at investors.premierinc.com. Forward-looking statements speak only as of the date they are made. Premier undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise that occur after that date.

About Exela

Exela Pharma Sciences, LLC is a fast-growing US based integrated specialty pharmaceutical company, that develops, manufactures and markets proprietary and generic sterile injectable products with the healthcare provider and patient in mind. We are passionate about alleviating or eliminating drug shortages. Exela receives awards for its supply chain commitment and dedication to creating hundreds of high value jobs in rural America. All of Exela’s development and manufacturing operations are in Lenoir, North Carolina. Please visit www.exelapharma.com to learn more.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,400 U.S. hospitals and health systems and approximately 225,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and

improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on www.premierinc.com; as well as **Twitter**, **Facebook**, **LinkedIn**, **YouTube**, **Instagram** and **Premier's blog** for more information about the company.

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