



FINANCIAL AND STATISTICAL REPORT
June 30, 2026
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED JUNE 30, 2026 AND 2025

(in thousands of dollars)

	June 30, 2026				June 30, 2025			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 2,299,577	\$ 298,163	\$ 19,921	\$ 2,617,661	\$ 2,260,737	\$ 243,204	\$ -	\$ 2,503,941
Other revenue	502,204	77,623	(47,836)	531,991	437,210	63,589	(25,187)	475,612
Total operating revenues and other support	<u>2,801,781</u>	<u>375,786</u>	<u>(27,915)</u>	<u>3,149,652</u>	<u>2,697,947</u>	<u>306,793</u>	<u>(25,187)</u>	<u>2,979,553</u>
Operating expenses								
Salaries and employee benefits	1,329,688	219,451	(1,332)	1,547,807	1,244,703	165,596	(1,245)	1,409,054
Supplies and other	1,227,678	161,210	(18,506)	1,370,382	1,104,706	143,243	(17,962)	1,229,987
Depreciation and amortization expense	91,239	11,154	-	102,393	74,376	6,627	2,154	83,157
Interest expense	28,011	23,265	-	51,276	26,254	23,391	-	49,645
Total operating expenses	<u>2,676,616</u>	<u>415,080</u>	<u>(19,838)</u>	<u>3,071,858</u>	<u>2,450,039</u>	<u>338,857</u>	<u>(17,053)</u>	<u>2,771,843</u>
Operating income (loss)	125,165	(39,294)	(8,077)	77,794	247,908	(32,064)	(8,134)	207,710
Non-operating income (expense)								
Investment income	298,195	23,533	-	321,728	237,945	17,601	-	255,546
Income tax (expense) benefit	345	(2,041)	-	(1,696)	(628)	(1,870)	-	(2,498)
Other net periodic pension (costs) benefit	(53)	42	-	(11)	(41)	5	-	(36)
Excess (deficit) of revenues over expenses	<u>\$ 423,652</u>	<u>\$ (17,760)</u>	<u>\$ (8,077)</u>	<u>\$ 397,815</u>	<u>\$ 485,184</u>	<u>\$ (16,328)</u>	<u>\$ (8,134)</u>	<u>\$ 460,722</u>

NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(in thousands of dollars)

	June 30, 2026				June 30, 2025			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 4,550,393	\$ 586,395	\$ 39,134	\$ 5,175,922	\$ 4,354,825	\$ 470,165	\$ -	\$ 4,824,990
Other revenue	968,279	192,084	(98,588)	1,061,775	781,076	142,471	(46,275)	877,272
Total operating revenues and other support	<u>5,518,672</u>	<u>778,479</u>	<u>(59,454)</u>	<u>6,237,697</u>	<u>5,135,901</u>	<u>612,636</u>	<u>(46,275)</u>	<u>5,702,262</u>
Operating expenses								
Salaries and employee benefits	2,636,057	436,498	(2,651)	3,069,904	2,435,477	324,547	(2,555)	2,757,469
Supplies and other	2,404,246	342,414	(48,636)	2,698,024	2,147,472	277,667	(31,625)	2,393,514
Depreciation and amortization expense	177,417	20,626	-	198,043	153,296	13,180	-	166,476
Interest expense	56,057	46,538	-	102,595	52,278	46,767	-	99,045
Total operating expenses	<u>5,273,777</u>	<u>846,076</u>	<u>(51,287)</u>	<u>6,068,566</u>	<u>4,788,523</u>	<u>662,161</u>	<u>(34,180)</u>	<u>5,416,504</u>
Operating income (loss)	244,895	(67,597)	(8,167)	169,131	347,378	(49,525)	(12,095)	285,758
Non-operating income (expense)								
Investment income	309,631	28,608	-	338,239	268,918	23,285	-	292,203
Income tax (expense) benefit	345	(2,052)	-	(1,707)	(628)	(1,892)	-	(2,520)
Other net periodic pension (costs) benefit	(106)	45	-	(61)	(83)	27	-	(56)
Excess (deficit) of revenues over expenses	<u>\$ 554,765</u>	<u>\$ (40,996)</u>	<u>\$ (8,167)</u>	<u>\$ 505,602</u>	<u>\$ 615,585</u>	<u>\$ (28,105)</u>	<u>\$ (12,095)</u>	<u>\$ 575,385</u>

NOVANT HEALTH, INC.
COMBINING BALANCE SHEETS

	June 30, 2026				December 31, 2025			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<i>(in thousands of dollars)</i>								
Assets								
Current assets								
Cash and cash equivalents	\$ 916,760	\$ 166,259	\$ -	\$ 1,083,019	\$ 720,049	\$ 225,541	\$ -	\$ 945,590
Accounts receivable, net	1,333,036	33,397	-	1,366,433	1,235,269	9,793	-	1,245,062
Short-term investments	26,043	-	-	26,043	65,317	-	-	65,317
Current portion of assets limited as to use	49,675	-	-	49,675	49,675	-	-	49,675
Receivable for settlement with third-party payors	378,019	25,364	-	403,383	276,431	19,175	-	295,606
Other current assets	532,777	112,081	(19,827)	625,031	486,845	100,804	(6,161)	581,488
Total current assets	3,236,310	337,101	(19,827)	3,553,584	2,833,586	355,313	(6,161)	3,182,738
Assets limited as to use	408,240	5,183	-	413,423	394,122	5,183	-	399,305
Long-term investments	4,366,770	670,691	-	5,037,461	4,103,409	626,960	-	4,730,369
Property and equipment, net	4,057,021	381,546	-	4,438,567	3,876,385	350,273	-	4,226,658
Right-of-use assets, net	804,191	229,013	(95,581)	937,623	773,883	225,422	(92,259)	907,046
Intangible assets and goodwill, net	2,686,770	1,222,597	-	3,909,367	2,690,683	1,207,751	-	3,898,434
Investments in affiliates	762,896	2,544,797	(3,149,386)	158,307	804,221	2,535,243	(3,184,699)	154,765
Deferred tax asset	-	165	-	165	-	252	-	252
Other assets	339,223	14,564	(2,811)	350,976	295,677	16,020	(2,170)	309,527
Total assets	\$ 16,661,421	\$ 5,405,657	\$ (3,267,605)	\$ 18,799,473	\$ 15,771,966	\$ 5,322,417	\$ (3,285,289)	\$ 17,809,094
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 51,833	\$ 1,713	\$ -	\$ 53,546	\$ 52,384	\$ 2,092	\$ -	\$ 54,476
Short-term borrowings	252,803	-	-	252,803	453,993	-	-	453,993
Accounts payable	346,105	37,499	(19,827)	363,777	366,627	41,730	(6,351)	402,006
Accrued liabilities	832,746	262,050	-	1,094,796	801,866	229,292	-	1,031,158
Current portion of operating lease liabilities	118,893	37,283	(10,919)	145,257	124,138	37,376	(10,172)	151,342
Estimated third-party payor settlements	149,930	10,007	-	159,937	125,095	8,723	-	133,818
Due to (from) related organizations	(3,188,626)	3,188,626	-	-	(3,211,139)	3,211,139	-	-
Total current liabilities	(1,436,316)	3,537,178	(30,746)	2,070,116	(1,287,036)	3,530,352	(16,523)	2,226,793
Long-term debt, net of current portion	5,205,125	16,716	-	5,221,841	5,213,148	17,138	-	5,230,286
Deferred tax liability	-	32,798	-	32,798	-	31,558	-	31,558
Operating lease liabilities, net of current portion	728,738	201,302	(87,458)	842,582	687,892	196,085	(84,245)	799,732
Derivative financial instruments	7,844	(80)	-	7,764	8,783	89	-	8,872
Deferred revenue	780,705	-	-	780,705	794,673	-	-	794,673
Employee benefits and other liabilities	514,658	10,073	-	524,731	485,943	10,371	-	496,314
Total liabilities	5,800,754	3,797,987	(118,204)	9,480,537	5,903,403	3,785,593	(100,768)	9,588,228
Net assets								
Without donor restrictions- attributable to Novant Health	10,860,485	912,984	(3,149,401)	8,624,068	9,868,353	1,294,959	(3,184,521)	7,978,791
Without donor restrictions - noncontrolling interests	-	558,559	-	558,559	-	118,360	-	118,360
Total net assets without donor restrictions	10,860,485	1,471,543	(3,149,401)	9,182,627	9,868,353	1,413,319	(3,184,521)	8,097,151
With donor restrictions	182	136,127	-	136,309	210	123,505	-	123,715
Total net assets	10,860,667	1,607,670	(3,149,401)	9,318,936	9,868,563	1,536,824	(3,184,521)	8,220,866
Total liabilities and net assets	\$ 16,661,421	\$ 5,405,657	\$ (3,267,605)	\$ 18,799,473	\$ 15,771,966	\$ 5,322,417	\$ (3,285,289)	\$ 17,809,094

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

<i>(in thousands of dollars)</i>	June 30, 2026	June 30, 2025
Cash flows from operating activities		
Increase in net assets	\$ 1,098,069	\$ 600,611
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	198,579	162,803
Gain on sale of property and equipment	(526)	(613)
Change in net assets due to sale of interest in consolidated affiliate	(600,000)	-
Change in net assets due to purchase of consolidated affiliate	(4,003)	(27,440)
Gain on purchase of consolidated affiliate	(940)	-
Share of earnings in affiliates, net of distributions	797	(2,392)
Net realized and unrealized gains on assets limited as to use and investments	(305,848)	(262,791)
Change in fair value of interest rate swap	(1,108)	1,411
Contributions restricted for capital	-	(90)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(133,206)	(44,785)
Accounts payable and accrued liabilities	64,140	(60)
Long-term liabilities	31,647	23,046
Other current assets	(43,194)	(139,271)
Deferred revenue	(13,968)	820,460
Third-party payor settlements	(81,658)	3,818
Deferred taxes, net	1,327	1,507
Other long-term assets	6,263	-
Other assets and liabilities, net	2,657	317
Net cash provided by operating activities	<u>219,028</u>	<u>1,136,531</u>
Cash flows from investing activities		
Capital expenditures	(500,192)	(391,088)
Advance payments on capital expenditures	(19,048)	-
Proceeds from sales of long-term investments	863,449	1,169,186
Purchases of long-term investments	(952,331)	(1,281,962)
Proceeds from sales of short-term investments	39,564	-
Purchases of short-term investments	(96)	(5,000)
Proceeds from sale of property and equipment	9,744	10,454
Payments on purchase of consolidated entities, net of cash acquired	(8,571)	(226,394)
Proceeds on sale of unconsolidated affiliates	1,512	-
Proceeds on sale of deconsolidated affiliates	10,751	35,366
Investments in unconsolidated affiliates	(4,118)	(9,437)
Other investing activities	808	(1,842)
Net cash used in investing activities	<u>(558,529)</u>	<u>(700,717)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(6,820)	(4,304)
Principal payments on short-term debt	(299,012)	-
Proceeds from sale of interest in consolidated affiliate	600,000	-
Proceeds from sale of accounts receivable	10,111	5,408
Payments on repurchase agreements, net	(1,875)	-
Proceeds from issuance of short-term debt	99,697	-
Proceeds from revolving credit facility	-	(202,000)
Payments on revolving credit facility	-	202,350
Other financing activities	-	90
Net cash provided by financing activities	<u>402,101</u>	<u>1,544</u>
Net increase in cash and cash equivalents	62,600	437,358
Cash, cash equivalents and restricted cash		
Beginning of period	1,293,643	877,832
End of period	<u>\$ 1,356,243</u>	<u>\$ 1,315,190</u>

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED JUNE 30, 2026 AND 2025

	Novant Health Presbyterian Medical Center	Novant Health Matthews Medical Center	Novant Health Huntersville Medical Center	Novant Health Charlotte Orthopedic Hospital	Novant Health Mint Hill Medical Center	Novant Health Ballantyne Medical Center	Novant Health Forsyth Medical Center	Novant Health Medical Park Hospital	Novant Health Thomasville Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Novant Health New Hanover Regional Medical Center	Novant Health Scotts Hill Medical Center	Novant Health Brunswick Medical Center	Novant Health East Cooper Medical Center	Novant Health SC Coastal Medical Center	Novant Health Hilton Head Medical Center	Three Months Ended	
																		June 30, 2026	June 30, 2025
<u>INPATIENT STATISTICS</u>																			
Average Daily Census	496	113	90	30	24	20	652	3	57	48	13	747	-	59	47	26	44	2,469	2,475
Discharges	7,870	2,749	2,071	402	836	683	10,005	81	1,121	1,156	363	11,544	-	1,454	1,220	931	1,250	43,736	44,183
Average Length of Stay	5.7	3.7	4.0	6.8	2.6	2.7	5.9	2.8	4.6	3.8	3.4	5.9	-	3.7	3.5	2.6	3.2	5.1	5.1
Patient Days	45,102	10,264	8,232	2,716	2,160	1,839	59,344	228	5,158	4,353	1,217	67,998	-	5,410	4,295	2,397	4,018	224,731	225,245
<u>ADJUSTED STATISTICS</u>																			
Adjusted Patient Days	97,371	26,203	24,048	9,132	10,514	9,268	99,919	3,732	16,176	15,107	7,039	163,981	-	18,556	9,713	10,381	10,688	531,828	496,566
Adjusted Discharges	16,990	7,017	6,050	1,351	4,071	3,442	16,846	1,326	3,516	4,012	2,099	27,839	-	4,987	2,759	4,032	3,325	109,662	103,327
<u>OUTPATIENT STATISTICS</u>																			
Emergency Department Visits	19,277	8,342	9,770	-	8,665	4,826	21,617	-	8,031	9,768	6,014	31,521	9,035	10,490	3,947	10,343	6,237	167,883	159,395
Novant Health Medical Group Encounters																		1,745,249	1,646,052
Cases	59,582	28,064	22,223	6,893	15,143	9,170	37,444	4,649	15,689	17,429	12,230	121,301	22,643	26,907	11,644	16,586	19,441	447,038	419,541
<u>SURGERY STATISTICS</u>																			
Inpatient Surgical Cases	1,692	474	340	527	90	79	2,298	84	121	240	146	3,258	-	298	434	205	227	10,513	10,996
Outpatient Surgical Cases	4,374	1,210	1,291	2,768	472	627	3,608	2,388	829	882	864	5,340	816	1,114	979	960	498	28,919	27,758
Total Surgical Cases	6,066	1,684	1,631	3,295	562	706	5,906	2,472	950	1,122	1,010	8,598	816	1,412	1,412	1,065	725	38,616	38,754
<u>OTHER STATISTICS</u>																			
Total Births	1,280	601	368	-	125	166	1,036	-	130	138	-	1,437	-	201	396	219	38	6,135	6,071
Total Cath Cases	745	453	243	-	-	-	1,229	-	-	187	-	1,805	-	-	-	-	196	4,858	4,562
Total EP Cases	520	28	37	-	-	-	708	-	-	91	-	739	-	-	-	-	180	2,303	2,134
Open Heart Surgeries	127	-	-	-	-	-	151	-	-	-	-	160	-	-	-	-	-	438	407
Endoscopy Procedures	2,279	652	960	-	122	231	2,109	-	175	167	-	2,468	-	511	85	666	273	10,698	10,560
Radiology Procedures	51,292	31,991	25,254	6,485	17,298	12,051	66,416	1,193	18,396	23,052	15,051	93,943	18,824	29,552	7,340	14,484	19,484	452,106	437,107
Licensed Beds	583	157	139	57	36	36	879	9	146	63	36	823	-	74	140	44	93	3,315	3,296
Staffed Beds	558	135	110	42	33	27	723	7	65	63	24	823	-	73	53	31	50	2,817	2,752
Occupancy as % of Staffed Beds	88.8%	83.5%	82.2%	70.7%	71.7%	74.9%	90.2%	37.4%	87.7%	75.9%	56.1%	90.8%	0.0%	81.7%	88.9%	83.7%	88.0%	87.6%	90.0%

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

	Novant Health Presbyterian Medical Center	Novant Health Matthews Medical Center	Novant Health Huntersville Medical Center	Novant Health Charlotte Orthopedic Hospital	Novant Health Mint Hill Medical Center	Novant Health Ballantyne Medical Center	Novant Health Forsyth Medical Center	Novant Health Medical Park Hospital	Novant Health Thomasville Medical Center	Novant Health Kernersville Medical Center	Novant Health Clemmons Medical Center	Novant Health New Hanover Regional Medical Center	Novant Health Scotts Hill Medical Center	Novant Health Brunswick Medical Center	Novant Health East Cooper Medical Center	Novant Health SC Coastal Medical Center	Novant Health Hilton Head Medical Center	Six Months Ended	
																		June 30, 2026	June 30, 2025
<u>INPATIENT STATISTICS</u>																			
Average Daily Census	503	116	97	30	26	21	671	2	58	50	15	753	-	59	46	28	48	2,523	2,569
Discharges	15,641	5,448	4,202	818	1,696	1,389	19,997	186	2,376	2,362	765	22,957	-	2,985	2,393	1,915	2,546	87,676	89,348
Average Length of Stay	5.8	3.9	4.2	6.6	2.7	2.8	6.1	2.3	4.5	3.8	3.4	5.9	-	3.6	3.5	2.6	3.4	5.2	5.2
Patient Days	90,972	20,994	17,507	5,426	4,624	3,861	121,369	421	10,576	9,021	2,627	136,354	-	10,650	8,291	5,046	8,668	456,407	464,982
<u>ADJUSTED STATISTICS</u>																			
Adjusted Patient Days	194,462	52,870	48,940	17,170	21,688	18,805	199,990	5,879	31,841	30,587	14,357	321,364	-	35,485	18,596	21,317	22,060	1,055,411	1,006,946
Adjusted Discharges	33,434	13,720	11,747	2,589	7,955	6,765	32,951	2,597	7,153	8,009	4,181	54,106	-	9,946	5,367	8,090	6,480	215,090	204,809
<u>OUTPATIENT STATISTICS</u>																			
Emergency Department Visits	38,514	16,531	19,213	-	17,029	9,702	42,862	-	16,075	19,181	11,752	62,208	17,678	20,435	7,735	20,534	11,776	331,225	332,374
Novant Health Medical Group Encounters																		3,408,678	3,333,868
Cases	115,161	54,907	43,118	12,630	29,315	17,674	72,662	8,696	30,149	33,100	23,196	236,210	43,108	51,482	23,962	33,147	37,263	865,780	828,113
<u>SURGERY STATISTICS</u>																			
Inpatient Surgical Cases	3,368	946	755	1,032	163	166	4,613	192	281	445	305	6,455	-	534	873	434	487	21,049	21,999
Outpatient Surgical Cases	8,917	2,427	2,584	5,378	915	1,204	6,807	4,714	1,635	1,689	1,747	10,463	1,721	2,183	1,933	1,701	1,068	57,086	54,582
Total Surgical Cases	12,285	3,373	3,339	6,410	1,078	1,370	11,420	4,906	1,916	2,134	2,052	16,918	1,721	2,717	2,806	2,135	1,555	78,135	76,581
<u>OTHER STATISTICS</u>																			
Total Births	2,508	1,158	714	-	238	323	2,033	-	275	238	-	2,823	-	395	784	432	73	11,994	11,947
Total Cath Cases	1,444	875	474	-	-	-	2,351	-	-	333	-	3,459	-	-	-	-	359	9,295	8,921
Total EP Cases	1,008	49	80	-	-	-	1,392	-	-	173	-	1,445	-	-	-	-	255	4,402	4,129
Open Heart Surgeries	271	-	-	-	-	-	305	-	-	-	-	325	-	-	-	-	1	902	780
Endoscopy Procedures	4,584	1,331	1,915	-	238	466	4,115	-	325	335	-	4,709	-	868	163	1,370	346	20,765	20,932
Radiology Procedures	99,267	62,071	49,195	12,443	33,451	23,561	131,482	2,296	35,923	44,209	28,543	183,536	35,701	56,148	14,222	28,320	37,419	877,787	868,932
Licensed Beds	583	157	139	57	36	36	879	9	146	63	36	823	-	74	140	44	93	3,315	3,296
Staffed Beds	561	138	116	46	34	27	739	7	74	63	25	823	-	71	52	33	53	2,862	2,851
Occupancy as % of Staffed Beds	89.5%	83.9%	83.0%	65.5%	74.7%	77.6%	90.7%	34.7%	78.4%	79.1%	59.2%	91.5%	0.0%	82.8%	88.8%	85.6%	89.7%	88.2%	90.1%

NOVANT HEALTH, INC. LIQUIDITY TABLE

(in thousands of dollars)

June 30, 2026

Daily Liquidity¹

Cash & Cash Equivalents	\$ 17,771
Money Market Funds	748,203
<i>Subtotal Daily Liquidity</i>	<u>\$ 765,974</u>

Weekly Liquidity²

Cash Equivalents	\$ 116,158
U.S. Treasuries and Agencies	251,311
General Purpose Line of Credit (undrawn)	500,000
<i>Subtotal Weekly Liquidity</i>	<u>\$ 867,469</u>

TOTAL DAILY AND WEEKLY LIQUIDITY	<u>\$ 1,633,443</u>
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CURRENTLY OUTSTANDING SELF-LIQUIDITY LIABILITIES

Taxable Commercial Paper	\$ 150,000
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TOTAL SELF-LIQUIDITY LIABILITIES³	<u>\$ 150,000</u>
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¹Liquidity sources that can be liquidated on a same-day basis.

²Liquidity sources that can be liquidated within seven days of providing notice of the need to liquidate.

³Self-liquidity liabilities refer to short-term liabilities for which no liquidity facility is in place to satisfy maturities or tenders of the securities represented by such liabilities.

Novant Health, Inc.

Management's Discussion and Analysis of Results of Operations and Financial Position As of and for the six months ended June 30, 2026

(in thousands of dollars)

Purpose of this Report

The purpose of this report is to provide information necessary to comply with continuing disclosure undertakings for Novant Health, Inc. ("Novant Health" or the "Company"). This filing does not purport to contain all information that may be material to an investor's decision to buy, sell, or hold bonds or notes issued by or for the benefit of Novant Health, and does not constitute or imply any representation that no other information exists that may have a bearing on the financial condition of Novant Health, the security for any related bonds, or an investor's decision to buy, sell, or hold any related bonds. This report includes financial and operating information only as of and for the six months ended June 30, 2026 and such information should not be relied upon as indicative of future financial or operating performance.

Background

Novant Health, Inc. Combining Balance Sheet and Combined Statement of Operations (which Combines the Information of the Combined Group and Unrestricted Affiliates)

Novant Health is a not-for-profit integrated network of more than 900 locations, including 20 medical centers, more than 750 physician clinics and urgent care centers, outpatient facilities, and imaging and pharmacy services. Novant Health's more than 40,000 team members along with more than 8,500 independent and employed clinicians care for patients and communities in North Carolina and South Carolina.

The Total column is comprised of the Combined Group (as described below, which is comprised of the Obligated Group and Restricted Affiliates) and the Unrestricted Affiliates, which represent affiliates not meeting the definition of the Obligated Group or Restricted Affiliates as defined below.

The Eliminations column represents the elimination of intercompany transactions and balances between the Combined Group and the Unrestricted Affiliates.

Combined Group Combining Balance Sheet and Statement of Operations

The Amended and Restated Master Indenture (the "Agreement") dated June 1, 2003 authorizes the creation of a Combined Group, which consists of the Members of the Obligated Group and Restricted Affiliates designated as such by a Member of the Obligated Group with Novant Health's consent. Novant Health and its two affiliates that operate tertiary care hospitals, Forsyth Memorial Hospital, Inc. d/b/a Novant Health Forsyth Medical Center and The Presbyterian Hospital d/b/a Novant Health Presbyterian Medical Center, both of which are North Carolina nonprofit corporations, are the Members of the Obligated Group. The Members of the Obligated Group are jointly and severally liable for the payment of all Master Obligations issued under the Master Indenture.

Restricted Affiliates represent entities that are not directly obligated to pay obligations under the Agreement, but the members of the Obligated Group have covenanted in the Agreement to cause the Restricted Affiliates to provide funds to the members of the Obligated Group to pay obligations under the Agreement. The Company has designated 16 of its affiliates as Restricted Affiliates. Ten of these Restricted Affiliates, Medical Park Hospital, LLC d/b/a Novant Health Medical Park Hospital, Novant Health Thomasville Medical Center, LLC, Novant Health Matthews Medical Center, LLC, Brunswick Community Hospital, LLC d/b/a Novant Health Brunswick Medical Center, Novant Health Mint Hill Medical Center, LLC, Novant Health New Hanover Regional

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Medical Center, LLC, Novant Health Ballantyne Medical Center, LLC, East Cooper Medical Center, LLC, South Carolina Coastal Medical Center, LLC, and Hilton Head Medical Center, LLC, operate or maintain a significant investment in, hospitals. The other six Restricted Affiliates, Carolina Medicorp Enterprises, LLC, Foundation Health Systems, LLC, Novant Medical Group, LLC f/k/a Presbyterian Regional Healthcare Corp., Salem Health Services, Inc., East Cooper Physician Group, LLC, and Hilton Head Regional Physician Group, LLC, provide, or invest in subsidiaries or joint ventures which provide health care and ancillary services. All of the members of the Combined Group, except Salem Health Services, Inc., are exempt from federal and state income taxation.

Results of Operations for the Six Months Ended June 30, 2026

Operating Revenues. Total operating revenues for Novant Health for the six months ended June 30, 2026 were \$6,237,697, an increase of 9.4% compared to the \$5,702,262 of total operating revenues for the six months ended June 30, 2025.

Net patient service revenues totaled \$5,175,923, an increase of 7.3% compared to \$4,824,990 for the six months ended June 30, 2025. The increase was primarily attributable to increases in patient volumes and pharmacy revenue, as well as increases in revenue accrued for North Carolina's Healthcare Access and Stabilization Program (HASP).

Operating Expenses. Total operating expenses for the six months ended June 30, 2026 were \$6,068,565, an increase of 12.0% compared to the same period for the prior year. Salaries and benefits increased \$312,435, or 11.3%, compared to the same period for the prior year, primarily due to merit and market-based pay adjustments and acquisitions. Other operating expenses increased \$304,510, or 12.7%, compared to the same period for the prior year, primarily due to increases in expenses accrued for HASP assessments, inflation, increased medical supplies expense, and other costs associated with increases in patient volumes. Depreciation and amortization expense increased \$31,567, or 19.0%, compared to the same period for the prior year, primarily due to capital projects placed in service and acquisitions. Interest expense is consistent with the prior year.

Operating Income. Operating income was \$169,131, or 2.7% of total operating revenues, for the six months ended June 30, 2026, as compared to \$285,758, or 5.0% of total operating revenues for the six months ended June 30, 2025.

Non-Operating Income. Income from investments was \$338,239 for the six months ended June 30, 2026, which is favorable compared to income from investments of \$292,203 for same period for the prior year.

Financial Position as of June 30, 2026

Cash and Cash Equivalents, Investments and Liquidity. Novant Health maintained cash and cash equivalents as of June 30, 2026 of \$1,083,019. Net cash provided by operating activities for the six months ended June 30, 2026 was \$219,028, compared to \$1,136,531 net cash provided by operating activities for the six months ended June 30, 2025.

Novant Health's long-term investments are reported at either fair value, the equity method of accounting or at net asset value as a practical expedient. As of June 30, 2026, Novant Health held long-term investments of \$5,037,461, approximately \$1,133,443 of which can be liquidated within 7 days.

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Property and Equipment. Capital expenditures were \$500,192 for the six months ended June 30, 2026. Novant Health's routine capital expenditures are regularly evaluated based upon business need, economic conditions, and the Company's financial position and are financed through a combination of operating cash flow, contributions, as well as tax-exempt and taxable borrowings.

Debt Structure and Liability Management. As of June 30, 2026, total long-term debt outstanding was \$5,275,387. Novant Health's capital structure is diversified to mitigate interest rate risk by utilizing different modes and durations of long-term debt as well as interest rate swaps.

Novant Health maintains a Revolving Credit Agreement that originally matured July 1, 2025 for \$250,000. On May 13, 2025, Novant Health amended the agreement to change the maturity date to May 13, 2028 and increase the commitment to \$500,000. Borrowings bear interest at variable rates. At June 30, 2026, \$500,000 was available for borrowing.

As of June 30, 2026, 90% of Novant Health's long-term debt was in some form of fixed rate. Novant Health's effective fixed rate debt percentage, including the swap contracts, was approximately 92% as of June 30, 2026.

As of June 30, 2026, Novant Health had outstanding \$331,800 in variable rate demand bonds. In conjunction with \$131,800 of these bonds, Novant Health has entered into a floating-to-fixed swap agreement. As of June 30, 2026, the interest rate swaps had a fair market value of \$7,764. \$131,800 of the bonds are collateralized by a standby purchase agreement that expires March 31, 2028 and \$200,000 of the bonds are collateralized by a letter of credit that expires May 14, 2029.

In June 2025, Novant Health established a taxable commercial paper program. Under the program, the Company may issue Taxable Commercial Paper Notes up to \$500,000 in face value. Maturity of the notes can be no more than 270 days from the date of issue. At the date of issuance, the dealer determines the rate of interest and notes may be sold at either a discount from the par amount or at par and bearing an interest rate. The notes are not subject to redemption prior to their maturity date. At June 30, 2026, notes with a face value of \$150,000 were outstanding.

During 2025, Novant Health entered into an Energy Services Agreement in which an unrelated third party purchased the exclusive rights to operate the Company's thermal energy and chilled water infrastructure ("Energy Assets") at certain acute facilities and utilize any excess capacity generated by the Energy Assets over a 30-year contract period. Such excess capacity utilization could include providing this excess capacity to third party off-takers in accordance with the Energy Services Agreement. In consideration for these rights, the Company received \$838,951 in June 2025 which has been recorded as deferred revenue and will be amortized on a straight-line basis over the contract period. Additionally, pursuant to the Energy Services Agreement, the Company will pay a monthly fee in exchange for the energy services and the operations and management of the Energy Assets over the 30-year contract period. The fee consists of a fixed component that ranges from \$22,321 to \$89,466 per year and a variable component that starts at \$7,729, adjusted annually based on inflation. The third party also guaranteed a reduction in the Company's energy consumption which will partially offset the annual fees incurred.

In addition, the Company entered into a separate agreement with the same third party to make infrastructure upgrades to improve the energy efficiency at the Company's acute facilities. The total project cost is

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anticipated to be \$172,000, which is being advanced on a fixed schedule over four years. The agreement also allows for up to \$200,000 in additional elective improvements over the contract period. A portion of the proceeds of the Energy Services Agreement were deposited with a trustee to fund these projects and are included in assets limited as to use. As of June 30, 2026, \$111,646 has been advanced to the third party. These prepaid construction costs are presented within other assets on the consolidated balance sheet and will be reclassified to property and equipment as the assets are placed in service.

In November 2025, Novant Health entered into a securities repurchase program with a number of third parties. Securities repurchase transactions are conducted by the Company under a standardized securities industry master agreement, amended to suit the specificities of each respective counter-party. These agreements generally provide detail as to the nature of the transaction, including provisions for payment netting, established parameters concerning the ownership and custody of the collateral securities and provide for remedies in the event of default by either party. The Company's securities repurchase agreements are accounted for as a secured borrowing and are reported in the consolidated balance sheets as short-term borrowings. The Company posts collateral in the form of U.S. Treasury Inflation Protected Securities and receives an amount ranging from 98% to 100% of the fair value of the securities to be repurchased at interest rates ranging from 3.65% to 3.95%. At June 30, 2026, the fair value amount outstanding was \$102,953. The agreements are typically one month in duration.