



FINANCIAL AND STATISTICAL REPORT
September 30, 2025
(UNAUDITED)

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NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(in thousands of dollars)

	September 30, 2025				September 30, 2024			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 2,208,597	\$ 244,200	\$ -	\$ 2,452,798	\$ 2,436,367	\$ 242,490	\$ -	\$ 2,678,856
Other revenue	485,568	88,814	(20,326)	554,056	267,136	19,222	(20,491)	265,867
Total operating revenues and other support	<u>2,694,165</u>	<u>333,014</u>	<u>(20,326)</u>	<u>3,006,853</u>	<u>2,703,503</u>	<u>261,712</u>	<u>(20,491)</u>	<u>2,944,723</u>
Operating expenses								
Salaries and employee benefits	1,292,795	178,115	(1,269)	1,469,641	1,125,568	131,819	(972)	1,256,416
Supplies and other	1,174,709	178,976	(19,057)	1,334,628	1,097,728	129,717	(19,577)	1,207,869
Depreciation and amortization expense	73,614	8,326	-	81,941	59,235	12,525	-	71,760
(Gain) loss on sale of real estate	-	(1,333)	-	(1,333)	(1,371)	17	-	(1,354)
Interest expense	27,933	23,577	-	51,509	18,893	29,140	-	48,033
Total operating expenses	<u>2,569,051</u>	<u>387,661</u>	<u>(20,326)</u>	<u>2,936,387</u>	<u>2,300,053</u>	<u>303,219</u>	<u>(20,548)</u>	<u>2,582,724</u>
Operating income (loss)	125,114	(54,647)	-	70,467	403,450	(41,507)	57	361,999
Non-operating income (expense)								
Investment income	169,822	18,560	-	188,382	146,013	16,221	-	162,234
Income tax (expense) benefit	(666)	(2,905)	-	(3,570)	806	(152)	-	655
Other net periodic pension benefit (costs)	(42)	972	-	931	(93)	83	-	(10)
Excess (deficit) of revenues over expenses	<u>\$ 294,228</u>	<u>\$ (38,019)</u>	<u>\$ -</u>	<u>\$ 256,209</u>	<u>\$ 550,176</u>	<u>\$ (25,355)</u>	<u>\$ 57</u>	<u>\$ 524,878</u>

NOVANT HEALTH, INC.
COMBINED STATEMENTS OF REVENUES AND EXPENSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(in thousands of dollars)

	September 30, 2025				September 30, 2024			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Operating revenues and other support								
Net patient service revenues	\$ 6,563,422	\$ 714,366	\$ -	\$ 7,277,788	\$ 6,111,541	\$ 575,919	\$ -	\$ 6,687,459
Other revenue	1,261,018	230,872	(60,561)	1,431,329	809,591	71,857	(42,412)	839,036
Total operating revenues and other support	<u>7,824,441</u>	<u>945,238</u>	<u>(60,561)</u>	<u>8,709,117</u>	<u>6,921,132</u>	<u>647,776</u>	<u>(42,412)</u>	<u>7,526,495</u>
Operating expenses								
Salaries and employee benefits	3,728,272	502,662	(3,824)	4,227,110	3,298,600	363,430	(3,025)	3,659,006
Supplies and other	3,327,806	457,057	(56,721)	3,728,142	2,820,887	318,481	(39,440)	3,099,929
Depreciation and amortization expense	227,124	21,905	-	249,029	196,689	26,892	-	223,581
Gain on sale of real estate	(214)	(1,732)	-	(1,946)	(35,472)	(39,619)	-	(75,091)
Interest expense	80,211	70,344	-	150,555	58,692	89,275	-	147,967
Total operating expenses	<u>7,363,200</u>	<u>1,050,236</u>	<u>(60,545)</u>	<u>8,352,891</u>	<u>6,339,396</u>	<u>758,460</u>	<u>(42,464)</u>	<u>7,055,392</u>
Operating income (loss)	461,240	(104,998)	(17)	356,226	581,736	(110,684)	52	471,103
Non-operating income (expense)								
Investment income	438,740	41,845	-	480,585	338,442	35,191	-	373,633
Income tax expense	(1,293)	(4,797)	-	(6,090)	(1,011)	(497)	-	(1,507)
Other net periodic pension benefit (costs)	(125)	1,000	-	875	(285)	2	-	(283)
Excess (deficit) of revenues over expenses	<u>\$ 898,562</u>	<u>\$ (66,950)</u>	<u>\$ (17)</u>	<u>\$ 831,595</u>	<u>\$ 918,882</u>	<u>\$ (75,988)</u>	<u>\$ 52</u>	<u>\$ 842,946</u>

**NOVANT HEALTH, INC.
COMBINING BALANCE SHEETS**

<i>(in thousands of dollars)</i>	September 30, 2025				December 31, 2024			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
Assets								
Current assets								
Cash and cash equivalents	\$ 966,471	\$ 198,892	\$ -	\$ 1,165,363	\$ 461,765	\$ 182,315	\$ -	\$ 644,080
Accounts receivable, net	1,327,336	24,835	-	1,352,171	1,312,634	42,100	-	1,354,734
Short-term investments	5,000	193	-	5,193	-	193	-	193
Deferred tax asset	-	363	-	363	-	-	-	-
Current portion of assets limited as to use	16,297	-	-	16,297	16,297	-	-	16,297
Receivable for settlement with third-party payors	263,716	19,450	-	283,166	311,157	22,806	-	333,963
Other current assets	611,048	114,249	(7,361)	717,935	514,156	58,370	(11,586)	560,940
Total current assets	3,189,869	357,981	(7,361)	3,540,488	2,616,009	305,784	(11,586)	2,910,207
Assets limited as to use	431,520	5,138	-	436,658	297,072	5,141	-	302,213
Long-term investments	3,754,624	626,936	-	4,381,560	3,308,247	527,735	-	3,835,982
Property and equipment, net	3,673,876	384,392	-	4,058,268	3,417,186	269,856	-	3,687,042
Right-of-use assets, net	661,113	189,342	(91,900)	758,555	559,709	154,989	(75,600)	639,098
Intangible assets and goodwill, net	2,682,694	1,141,385	(551)	3,823,529	2,689,687	290,438	-	2,980,125
Investments in affiliates	1,897,103	3,292,176	(5,043,186)	146,093	1,826,793	2,682,367	(4,124,179)	384,981
Deferred tax asset	-	-	-	-	-	522	-	522
Other assets	191,709	12,381	(1,857)	202,233	268,295	18,660	(1,023)	285,932
Total assets	\$ 16,482,509	\$ 6,009,731	\$ (5,144,855)	\$ 17,347,385	\$ 14,982,998	\$ 4,255,492	\$ (4,212,388)	\$ 15,026,102
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	\$ 51,645	\$ 2,123	\$ -	\$ 53,769	\$ 50,802	\$ 1,049	\$ -	\$ 51,851
Short-term borrowings	397,978	-	-	397,978	-	-	-	-
Accounts payable	452,441	59,508	(7,361)	504,588	443,662	21,313	(11,533)	453,442
Accrued liabilities	765,507	190,645	-	956,151	748,233	190,231	-	938,464
Current portion of operating lease liabilities	119,034	27,906	(9,492)	137,448	105,362	22,527	(7,964)	119,925
Estimated third-party payor settlements	92,601	9,506	-	102,107	158,518	12,476	-	170,994
Due to (from) related organizations	(1,481,872)	3,607,609	(2,125,737)	-	(2,850,320)	2,850,320	-	-
Total current liabilities	397,335	3,897,297	(2,142,591)	2,152,041	(1,343,743)	3,097,916	(19,497)	1,734,676
Long-term debt, net of current portion	5,227,733	17,838	-	5,245,570	5,241,629	3,701	-	5,245,330
Deferred tax liability	-	18,896	-	18,896	-	10,250	-	10,250
Operating lease liabilities, net of current portion	578,740	167,223	(84,252)	661,711	486,253	132,505	(68,662)	550,096
Derivative financial instruments	9,533	69	-	9,602	7,491	-	-	7,491
Employee benefits and other liabilities	1,271,999	10,417	-	1,282,416	477,564	13,722	-	491,286
Total liabilities	7,485,339	4,111,741	(2,226,843)	9,370,236	4,869,194	3,258,094	(88,159)	8,039,129
Net assets								
Without donor restrictions- attributable to Novant Health	8,996,938	1,654,817	(2,918,011)	7,733,744	10,113,361	814,882	(4,124,229)	6,804,014
Without donor restrictions - noncontrolling interests	-	120,741	-	120,741	-	65,664	-	65,664
Total net assets without donor restrictions	8,996,938	1,775,559	(2,918,011)	7,854,486	10,113,361	880,546	(4,124,229)	6,869,678
With donor restrictions	231	122,431	-	122,663	443	116,852	-	117,295
Total net assets	8,997,170	1,897,990	(2,918,011)	7,977,148	10,113,804	997,398	(4,124,229)	6,986,973
Total liabilities and net assets	\$ 16,482,509	\$ 6,009,731	\$ (5,144,855)	\$ 17,347,385	\$ 14,982,998	\$ 4,255,492	\$ (4,212,388)	\$ 15,026,102

NOVANT HEALTH, INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

<i>(in thousands of dollars)</i>	September 30, 2025	September 30, 2024
Cash flows from operating activities		
Increase in net assets	\$ 990,175	\$ 913,394
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	242,582	224,321
Gain on sale of property and equipment	(1,946)	(75,091)
Change in net assets due to purchase of consolidated affiliate	(54,872)	(58,972)
Share of earnings in affiliates, net of distributions	6,343	29,028
Net realized and unrealized gains on assets limited as to use and investments	(434,238)	(321,563)
Change in fair value of interest rate swap	2,111	(3,731)
Contributions restricted for capital	(2,768)	(1,249)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	(3,226)	(160,418)
Accounts payable and accrued liabilities	69,635	105,132
Long-term liabilities	32,410	33,022
Other current assets	(76,620)	(9,904)
Deferred revenue	820,460	-
Third-party payor settlements	(33,472)	(235,110)
Deferred taxes, net	8,805	182
Other assets and liabilities, net	1,412	(12,188)
Net cash provided by operating activities	<u>1,566,791</u>	<u>426,853</u>
Cash flows from investing activities		
Capital expenditures	(582,227)	(306,718)
Proceeds from sales of long-term investments	1,541,550	1,005,487
Purchases of long-term investments	(1,703,297)	(887,957)
Proceeds from sales of short-term investments	-	10,867
Purchases of short-term investments	(5,000)	-
Proceeds from sale of property and equipment	15,992	293,504
Payments on purchase of consolidated entities, net of cash acquired	(673,944)	(2,469,403)
Investments in unconsolidated affiliates	(9,437)	(109,530)
Proceeds on sale of unconsolidated affiliates	35,366	-
Other investing activities	(2,266)	(1,041)
Net cash used in investing activities	<u>(1,383,263)</u>	<u>(2,464,791)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(4,820)	(4,603)
Proceeds from long-term debt	-	2,445,295
Proceeds from sale of accounts receivable	9,626	18,087
Proceeds from issuance of short-term debt	396,276	-
Proceeds from revolving credit facility	202,350	2,572,500
Payments on revolving credit facility	(202,350)	(2,618,325)
Other financing activities	2,768	-
Net cash provided by financing activities	<u>403,850</u>	<u>2,412,954</u>
Net increase in cash and cash equivalents	587,378	375,016
Cash, cash equivalents and restricted cash		
Beginning of period	<u>877,832</u>	<u>873,079</u>
End of period	<u>\$ 1,465,210</u>	<u>\$ 1,248,095</u>

NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	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 Brunswick Medical Center	Novant Health East Cooper Medical Center	Novant Health SC Coastal Medical Center	Novant Health Hilton Head Medical Center	Three Months Ended	
																	September 30, 2025	September 30, 2024
<u>INPATIENT STATISTICS</u>																		
Average Daily Census	502	119	94	31	25	23	602	3	56	49	16	721	54	43	27	45	2,410	2,452
Discharges	7,969	2,855	2,228	544	807	723	9,526	122	1,204	1,278	503	11,849	1,445	1,136	1,029	1,323	44,541	43,843
Average Length of Stay	5.8	3.8	3.9	5.2	2.9	2.9	5.8	2.2	4.3	3.5	2.9	5.6	3.4	3.5	2.4	3.2	5.0	5.1
Patient Days	46,197	10,943	8,663	2,828	2,336	2,100	55,424	273	5,145	4,477	1,439	66,304	4,922	3,959	2,519	4,177	221,706	225,621
<u>ADJUSTED STATISTICS</u>																		
Adjusted Patient Days	96,374	26,811	23,971	6,883	10,399	9,617	95,058	2,885	15,876	13,760	5,835	147,245	16,576	8,504	8,474	10,002	498,270	486,295
Adjusted Discharges	16,625	6,995	6,165	1,324	3,593	3,311	16,339	1,292	3,714	3,929	2,037	26,314	4,866	2,440	3,462	3,168	105,574	99,701
<u>OUTPATIENT STATISTICS</u>																		
Emergency Department Visits	19,797	8,542	10,312	-	8,542	5,032	21,800	-	8,498	10,073	6,563	42,682	11,154	3,762	10,240	6,145	173,142	166,014
Novant Health Medical Group Encounters Cases	56,623	27,873	21,766	5,229	13,820	8,268	38,602	3,893	15,489	16,325	11,394	136,599	25,317	12,821	18,016	19,152	431,187	368,017
<u>SURGERY STATISTICS</u>																		
Inpatient Surgical Cases	1,770	532	448	635	85	84	2,210	117	169	229	239	3,486	251	494	251	224	11,224	11,156
Outpatient Surgical Cases	4,586	1,163	1,326	2,371	413	531	3,501	2,338	819	799	723	5,797	1,052	1,069	924	526	27,938	27,038
Total Surgical Cases	6,356	1,695	1,774	3,006	498	615	5,711	2,455	988	1,028	962	9,283	1,303	1,563	1,175	750	39,162	38,194
<u>OTHER STATISTICS</u>																		
Total Births	1,415	635	386	-	143	189	1,129	-	155	102	-	1,388	210	412	259	66	6,489	6,417
Total Cath Cases	659	432	246	-	-	-	1,167	-	146	-	-	1,687	-	-	-	331	4,668	4,401
Total EP Cases	501	24	26	-	-	-	672	-	-	76	-	713	-	-	-	-	2,012	1,728
Open Heart Surgeries	113	-	-	-	-	-	132	-	-	-	-	134	-	-	-	6	385	384
Endoscopy Procedures	2,216	690	1,011	-	97	239	2,029	-	204	173	-	2,419	298	90	821	130	10,417	11,073
Radiology Procedures	52,311	32,153	24,962	6,165	16,938	11,120	65,695	1,181	18,164	21,418	14,136	109,937	28,363	7,938	14,816	21,436	446,733	383,608
Licensed Beds	583	177	139	58	36	36	859	9	146	63	36	823	74	140	44	93	3,316	3,283
Staffed Beds	554	140	111	51	33	27	671	7	63	62	24	772	45	45	29	48	2,682	2,781
Occupancy as % of Staffed Beds	90.6%	84.8%	84.6%	60.4%	75.8%	84.6%	89.8%	43.5%	88.4%	78.3%	65.2%	93.4%	119.4%	96.5%	93.7%	95.1%	89.9%	88.2%

**NOVANT HEALTH, INC.
COMBINED GROUP STATISTICS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

	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 Brunswick Medical Center	Novant Health East Cooper Medical Center	Novant Health SC Coastal Medical Center	Novant Health Hilton Head Medical Center	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
<u>INPATIENT STATISTICS</u>																		
Average Daily Census	511	121	108	29	25	24	655	3	58	52	16	731	56	47	28	50	2,514	2,480
Discharges	23,807	8,529	7,525	1,560	2,495	2,259	29,272	341	3,722	3,937	1,776	33,754	4,314	3,526	2,958	4,178	133,953	131,763
Average Length of Stay	5.9	3.9	3.9	5.0	2.7	3.0	6.1	2.6	4.2	3.6	2.5	5.9	3.6	3.6	2.6	3.3	5.1	5.1
Patient Days	139,603	32,991	29,396	7,871	6,791	6,665	178,801	881	15,783	14,259	4,494	199,658	15,414	12,728	7,655	13,716	686,706	675,658
<u>ADJUSTED STATISTICS</u>																		
Adjusted Patient Days	285,574	78,733	78,432	19,231	29,718	27,769	295,580	9,243	45,637	42,212	17,845	441,730	48,889	25,820	25,641	31,147	1,503,201	1,445,971
Adjusted Discharges	48,700	20,354	20,078	3,812	10,918	9,412	48,391	3,580	10,761	11,656	7,050	74,679	13,683	7,153	9,908	9,488	309,623	296,159
<u>OUTPATIENT STATISTICS</u>																		
Emergency Department Visits	59,299	25,370	31,626	-	25,003	14,352	63,864	-	25,398	28,894	19,627	120,858	30,966	11,431	30,660	18,169	505,517	479,852
Novant Health Medical Group Encounters Cases	168,465	81,184	66,499	15,203	40,075	22,863	107,910	11,657	45,747	47,537	34,516	394,010	74,757	38,102	53,306	57,793	1,259,624	1,084,758
<u>SURGERY STATISTICS</u>																		
Inpatient Surgical Cases	5,211	1,559	1,392	1,797	223	247	6,787	333	456	660	729	10,196	760	1,452	649	781	33,232	33,061
Outpatient Surgical Cases	13,846	3,457	4,102	6,891	1,162	1,430	10,401	6,926	2,376	2,244	2,265	17,148	3,023	3,092	2,476	1,683	82,522	80,602
Total Surgical Cases	19,057	5,016	5,494	8,688	1,385	1,677	17,188	7,259	2,832	2,904	2,994	27,344	3,783	4,544	3,125	2,464	115,754	113,663
<u>OTHER STATISTICS</u>																		
Total Births	3,845	1,793	1,552	-	370	572	3,154	-	448	299	-	3,799	562	1,200	691	157	18,442	18,097
Total Cath Cases	2,021	1,301	794	-	-	-	3,524	-	4	451	-	4,876	2	-	-	994	13,967	13,595
Total EP Cases	1,442	74	92	-	-	-	2,011	-	-	222	-	2,113	-	-	-	-	5,954	5,201
Open Heart Surgeries	368	-	-	-	-	-	392	-	-	-	-	377	-	-	-	28	1,165	1,403
Endoscopy Procedures	6,602	2,151	3,048	-	284	637	5,920	-	628	530	-	7,358	1,260	295	2,357	279	31,349	33,131
Radiology Procedures	152,952	95,606	76,272	17,542	49,565	31,665	199,736	3,359	54,259	61,903	41,199	316,728	82,004	24,154	43,671	65,047	1,315,662	1,145,765
Licensed Beds	583	177	139	58	36	36	859	9	146	63	36	823	74	140	44	93	3,316	3,283
Staffed Beds	561	141	125	41	33	29	720	7	66	64	25	772	62	48	29	52	2,775	2,759
Occupancy as % of Staffed Beds	91.2%	85.5%	85.8%	69.9%	76.2%	85.5%	91.0%	47.1%	87.9%	81.0%	66.4%	94.7%	91.4%	96.2%	95.2%	95.8%	90.6%	89.9%

**NOVANT HEALTH, INC.
LIQUIDITY TABLE**

(in thousands of dollars)

	September 30, 2025
Daily Liquidity¹	
Cash & Cash Equivalents	\$ 14,728
Money Market Funds	638,803
<i>Subtotal Daily Liquidity</i>	<u>\$ 653,531</u>
Weekly Liquidity²	
U.S. Treasuries and Agencies	\$ 341,493
General Purpose Line of Credit (undrawn)	500,000
<i>Subtotal Weekly Liquidity</i>	<u>\$ 841,493</u>
TOTAL DAILY AND WEEKLY LIQUIDITY	<u>\$ 1,495,024</u>
CURRENTLY OUTSTANDING SELF-LIQUIDITY LIABILITIES	
Taxable Commercial Paper	\$ 397,978
TOTAL SELF-LIQUIDITY LIABILITIES³	<u>\$ 397,978</u>

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 nine months ended September 30, 2025

(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 nine months ended September 30, 2025 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 19 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 Nine Months Ended September 30, 2025

Operating Revenues. Total operating revenues for Novant Health for the nine months ended September 30, 2025 were \$8,709,117, an increase of 15.7% compared to the \$7,526,495 of total operating revenues for the nine months ended September 30, 2024.

Net patient service revenues totaled \$7,277,788, an increase of 8.8% compared to \$6,687,459 for the nine months ended September 30, 2024. The increase was primarily attributable to increases in revenue accrued for North Carolina's Healthcare Access and Stabilization Program (HASP), as well as increases in patient volumes and pharmacy revenue.

Operating Expenses. Total operating expenses for the nine months ended September 30, 2025 were \$8,352,891, an increase of 18.4% compared to the same period for the prior year. Salaries and benefits increased \$568,104, or 15.5%, compared to the same period for the prior year, primarily due to merit and market-based pay adjustments and acquisitions. Other operating expenses increased \$628,213, or 20.3%, 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 \$25,448, or 11.4%, 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 \$356,226, or 4.1% of total operating revenues, for the nine months ended September 30, 2025, as compared to \$471,103, or 6.3% of total operating revenues for the nine months ended September 30, 2024.

Non-Operating Income. Income from investments was \$480,585 for the nine months ended September 30, 2025, which is favorable compared to income from investments of \$373,633 for same period for the prior year.

Financial Position as of September 30, 2025

Cash and Cash Equivalents, Investments and Liquidity. Novant Health maintained cash and cash equivalents as of September 30, 2025 of \$1,165,363. Net cash provided by operating activities for the nine months ended September 30, 2025 was \$1,566,791, compared to \$426,853 net cash provided for the nine months ended September 30, 2024.

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 September 30, 2025, Novant Health held long-term investments of \$4,381,560, approximately \$995,024 of which can be liquidated within 7 days.

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Property and Equipment. Capital expenditures were \$582,227 for the nine months ended September 30, 2025. 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 September 30, 2025, total long-term debt outstanding was \$5,299,339. 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. At September 30, 2025, \$500,000 was available for borrowing.

On June 12, 2025, Novant Health established a taxable commercial paper program. Under the program, Novant may issue Taxable Commercial Paper Notes up to \$500,000 at any one time. At September 30, 2025, \$100,000 was available for issue.

On June 3, 2025, Novant Health entered into an Energy Services Agreement with Winston-Salem Sustainable Energy Partners LLC ("WSEP"). As consideration for the agreement, WSEP made an advance payment to Novant in the amount of \$838,951 which was financed with proceeds of bonds issued by the National Finance Authority.

As of September 30, 2025, 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 93% as of September 30, 2025.

As of September 30, 2025, Novant Health had outstanding \$335,000 in variable rate demand bonds. In conjunction with \$135,000 of these bonds, Novant Health has entered into a floating-to-fixed swap agreement. As of September 30, 2025, the interest rate swaps had a fair market value of \$9,602. \$135,000 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.