



**FINANCIAL AND STATISTICAL REPORT**  
**December 31, 2025**  
**(UNAUDITED)**

PAGE

1	Combined Statements of Revenues and Expenses for the three months ended December 31, 2025 and 2024
2	Combined Statements of Revenues and Expenses for the twelve months ended December 31, 2025 and 2024
3	Combining Balance Sheets as of December 31, 2025 and December 31, 2024
4	Statements of Cash Flows for the twelve months ended December 31, 2025 and 2024
5	Combined Group Statistics for the three months ended December 31, 2025 and 2024
6	Combined Group Statistics for the twelve months ended December 31, 2025 and 2024
7	Liquidity Table for the twelve months ended December 31, 2025
8 -10	Management's Discussion and Analysis of Results of Operations and Financial Position

**NOVANT HEALTH, INC.**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024**

(in thousands of dollars)

	December 31, 2025				December 31, 2024			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Operating revenues and other support</b>								
Net patient service revenues	\$ 2,293,301	\$ 288,748	\$ 20,526	\$ 2,602,576	\$ 2,132,124	\$ 170,358	\$ -	\$ 2,302,483
Other revenue	367,536	203,547	26,197	597,280	305,658	63,497	(6,097)	363,058
Total operating revenues and other support	<u>2,660,837</u>	<u>492,295</u>	<u>46,724</u>	<u>3,199,856</u>	<u>2,437,782</u>	<u>233,855</u>	<u>(6,097)</u>	<u>2,665,541</u>
<b>Operating expenses</b>								
Salaries and employee benefits	1,245,010	216,065	3,824	1,464,899	1,168,636	126,850	(958)	1,294,527
Supplies and other	1,112,635	211,184	42,883	1,366,702	1,009,811	79,315	(5,086)	1,084,039
Depreciation and amortization expense	81,464	14,430	-	95,894	91,500	3,249	-	94,749
(Gain) loss on sale of real estate	(765)	(819)	-	(1,584)	23,733	29,498	-	53,231
Interest expense	30,101	23,432	-	53,533	32,064	21,718	-	53,782
Total operating expenses	<u>2,468,445</u>	<u>464,292</u>	<u>46,707</u>	<u>2,979,444</u>	<u>2,325,744</u>	<u>260,629</u>	<u>(6,045)</u>	<u>2,580,328</u>
Operating income (loss)	192,392	28,004	17	220,412	112,038	(26,774)	(52)	85,213
<b>Non-operating income (expense)</b>								
Investment income (loss)	110,654	13,603	-	124,257	(10,670)	(4,036)	-	(14,706)
Income tax (expense) benefit	298	(12,807)	-	(12,509)	4,387	2,303	-	6,689
Other net periodic pension benefit (costs)	179	(1,028)	-	(849)	(39)	(332)	-	(371)
<b>Excess (deficit) of revenues over expenses</b>	<u>\$ 303,523</u>	<u>\$ 27,771</u>	<u>\$ 17</u>	<u>\$ 331,311</u>	<u>\$ 105,716</u>	<u>\$ (28,839)</u>	<u>\$ (52)</u>	<u>\$ 76,825</u>

**NOVANT HEALTH, INC.**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025 AND 2024**

(in thousands of dollars)

	December 31, 2025				December 31, 2024			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Operating revenues and other support</b>								
Net patient service revenues	\$ 8,856,724	\$ 1,003,114	\$ 20,526	\$ 9,880,364	\$ 8,243,665	\$ 746,277	\$ -	\$ 8,989,942
Other revenue	1,628,554	434,419	(34,364)	2,028,609	1,115,249	135,354	(48,509)	1,202,094
Total operating revenues and other support	<u>10,485,278</u>	<u>1,437,533</u>	<u>(13,838)</u>	<u>11,908,973</u>	<u>9,358,914</u>	<u>881,631</u>	<u>(48,509)</u>	<u>10,192,036</u>
<b>Operating expenses</b>								
Salaries and employee benefits	4,973,282	718,727	-	5,692,009	4,467,236	490,280	(3,983)	4,953,533
Supplies and other	4,440,442	668,240	(13,838)	5,094,844	3,830,698	397,796	(44,526)	4,183,968
Depreciation and amortization expense	308,589	36,335	-	344,924	288,189	30,141	-	318,330
Gain on sale of real estate	(979)	(2,551)	-	(3,530)	(11,739)	(10,121)	-	(21,860)
Interest expense	110,312	93,776	-	204,088	90,756	110,993	-	201,749
Total operating expenses	<u>9,831,646</u>	<u>1,514,527</u>	<u>(13,838)</u>	<u>11,332,335</u>	<u>8,665,140</u>	<u>1,019,089</u>	<u>(48,509)</u>	<u>9,635,720</u>
Operating income (loss)	653,632	(76,994)	-	576,638	693,774	(137,458)	-	556,316
<b>Non-operating income (expense)</b>								
Investment income	549,394	55,448	-	604,842	327,772	31,155	-	358,927
Income tax (expense) benefit	(995)	(17,604)	-	(18,599)	3,376	1,806	-	5,182
Other net periodic pension benefit (costs)	54	(29)	-	26	(324)	(330)	-	(654)
<b>Excess (deficit) of revenues over expenses</b>	<u>\$ 1,202,085</u>	<u>\$ (39,179)</u>	<u>\$ -</u>	<u>\$ 1,162,907</u>	<u>\$ 1,024,598</u>	<u>\$ (104,827)</u>	<u>\$ -</u>	<u>\$ 919,771</u>

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

	December 31, 2025				December 31, 2024			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<i>(in thousands of dollars)</i>								
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 720,049	\$ 225,541	\$ -	\$ 945,590	\$ 461,765	\$ 182,315	\$ -	\$ 644,080
Accounts receivable, net	1,235,269	9,793	-	1,245,062	1,312,634	42,100	-	1,354,734
Short-term investments	65,317	-	-	65,317	-	193	-	193
Current portion of assets limited as to use	49,675	-	-	49,675	16,297	-	-	16,297
Receivable for settlement with third-party payors	258,069	19,175	-	277,244	311,157	22,806	-	333,963
Other current assets	597,805	100,804	(6,161)	692,448	514,156	58,370	(11,586)	560,940
Total current assets	2,926,184	355,313	(6,161)	3,275,336	2,616,009	305,784	(11,586)	2,910,207
Assets limited as to use	397,322	5,183	-	402,504	297,072	5,141	-	302,213
Long-term investments	4,103,409	626,960	-	4,730,369	3,308,247	527,735	-	3,835,982
Property and equipment, net	3,876,385	350,273	-	4,226,658	3,417,186	269,856	-	3,687,042
Right-of-use assets, net	578,436	225,422	-	803,858	559,709	154,989	(75,600)	639,098
Intangible assets and goodwill, net	2,690,683	1,207,217	-	3,897,900	2,689,687	290,438	-	2,980,125
Investments in affiliates	804,233	2,535,243	(3,184,711)	154,765	1,826,793	2,682,367	(4,124,179)	384,981
Deferred tax asset	-	252	-	252	-	522	-	522
Other assets	200,909	16,020	-	216,929	268,295	18,660	(1,023)	285,932
Total assets	<u>\$ 15,577,561</u>	<u>\$ 5,321,883</u>	<u>\$ (3,190,872)</u>	<u>\$ 17,708,572</u>	<u>\$ 14,982,998</u>	<u>\$ 4,255,492</u>	<u>\$ (4,212,388)</u>	<u>\$ 15,026,102</u>
<b>Liabilities and Net Assets</b>								
Current liabilities								
Current portion of long-term debt	\$ 52,384	\$ 2,092	\$ -	\$ 54,476	\$ 50,802	\$ 1,049	\$ -	\$ 51,851
Short-term borrowings	453,993	-	-	453,993	-	-	-	-
Accounts payable	366,627	41,730	(6,351)	402,006	443,662	21,313	(11,533)	453,442
Accrued liabilities	801,866	229,292	-	1,031,158	748,233	190,231	-	938,464
Current portion of operating lease liabilities	110,777	37,376	-	148,153	105,362	22,527	(7,964)	119,925
Estimated third-party payor settlements	125,095	8,723	-	133,818	158,518	12,476	-	170,994
Due to (from) related organizations	(3,211,139)	3,211,139	-	-	(2,850,320)	2,850,320	-	-
Total current liabilities	(1,300,397)	3,530,352	(6,351)	2,223,604	(1,343,743)	3,097,916	(19,497)	1,734,676
Long-term debt, net of current portion	5,216,348	17,138	-	5,233,486	5,241,629	3,701	-	5,245,330
Deferred tax liability	-	31,558	-	31,558	-	10,250	-	10,250
Operating lease liabilities, net of current portion	503,648	196,085	-	699,733	486,253	132,505	(68,662)	550,096
Derivative financial instruments	8,783	89	-	8,872	7,491	-	-	7,491
Employee benefits and other liabilities	1,280,616	10,371	-	1,290,987	477,564	13,722	-	491,286
Total liabilities	5,708,998	3,785,593	(6,351)	9,488,240	4,869,194	3,258,094	(88,159)	8,039,129
Net assets								
Without donor restrictions- attributable to Novant Health	9,868,353	1,294,629	(3,184,521)	7,978,461	10,113,361	814,882	(4,124,229)	6,804,014
Without donor restrictions - noncontrolling interests	-	118,156	-	118,156	-	65,664	-	65,664
Total net assets without donor restrictions	9,868,353	1,412,785	(3,184,521)	8,096,617	10,113,361	880,546	(4,124,229)	6,869,678
With donor restrictions	210	123,505	-	123,715	443	116,852	-	117,295
Total net assets	9,868,563	1,536,290	(3,184,521)	8,220,332	10,113,804	997,398	(4,124,229)	6,986,973
Total liabilities and net assets	<u>\$ 15,577,561</u>	<u>\$ 5,321,883</u>	<u>\$ (3,190,872)</u>	<u>\$ 17,708,572</u>	<u>\$ 14,982,998</u>	<u>\$ 4,255,492</u>	<u>\$ (4,212,388)</u>	<u>\$ 15,026,102</u>

**NOVANT HEALTH, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025 AND 2024**

<i>(in thousands of dollars)</i>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 1,233,359	\$ 1,004,801
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	336,295	317,628
Gain on sale of property and equipment	(3,531)	(21,860)
Change in net assets due to sale of consolidated affiliate	-	(1,370)
Change in net assets due to purchase of consolidated affiliate	(72,604)	(61,819)
Gain on purchase of consolidated affiliate	(117,000)	(10,058)
Gain on sale of consolidated entities	-	(868)
Share of earnings in affiliates, net of distributions	2,882	34,705
Net realized and unrealized gains on assets limited as to use and investments	(522,848)	(285,523)
Change in fair value of interest rate swap	1,381	(4,763)
Contributions restricted for capital	(3,629)	(4,069)
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed		
Accounts receivable	99,665	(258,663)
Accounts payable and accrued liabilities	(50,672)	193,475
Long-term liabilities	25,511	13,409
Other current assets	5,127	(13,040)
Deferred revenue	820,905	-
Third-party payor settlements, net	19,543	(253,146)
Deferred taxes, net	21,578	(1,634)
Other long-term assets	85,374	(96,937)
Other assets and liabilities, net	1,329	(2,511)
Net cash provided by operating activities	<u>1,882,665</u>	<u>547,757</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(815,544)	(564,088)
Proceeds from sales of long-term investments	1,975,449	1,441,614
Purchases of long-term investments	(2,359,857)	(1,528,478)
Proceeds from sales of short-term investments	-	10,908
Purchases of short-term investments	(65,194)	-
Proceeds from sale of property and equipment	10,943	65,942
Payments on purchase of consolidated entities, net of cash acquired	(592,980)	(2,615,786)
Proceeds on sale of consolidated entities, net of cash disposed	35,366	2,806
Investments in unconsolidated affiliates	(11,399)	(22,598)
Other investing activities	(4,580)	453
Net cash used in investing activities	<u>(1,827,796)</u>	<u>(3,209,227)</u>
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	(10,306)	(46,501)
Proceeds from long-term debt	-	2,445,295
Proceeds from sale of accounts receivable	13,943	23,490
Proceeds from repurchase agreements, net	104,828	-
Principal payments on short-term debt	(52,783)	-
Proceeds from issuance of short-term debt	396,276	2,360,000
Payments on short-term debt	-	(2,360,000)
Proceeds from revolving credit facility	202,350	212,500
Payments on revolving credit facility	(202,350)	(258,325)
Other debt payments	(91,438)	-
Proceeds from real estate financing	-	288,659
Other financing activities	3,629	1,105
Net cash provided by financing activities	<u>364,149</u>	<u>2,666,223</u>
Net increase in cash and cash equivalents	419,018	4,753
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of period	<u>877,832</u>	<u>873,079</u>
End of period	<u>\$ 1,296,850</u>	<u>\$ 877,832</u>

**NOVANT HEALTH, INC.**  
**COMBINED GROUP STATISTICS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 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	
																	December 31, 2025	December 31, 2024
<b><u>INPATIENT STATISTICS</u></b>																		
Average Daily Census	508	117	99	30	29	24	612	3	59	53	13	738	58	43	30	50	2,466	2,470
Discharges	7,922	2,770	2,085	534	888	787	9,408	90	1,230	1,333	485	11,797	1,527	1,073	1,011	1,421	44,361	43,388
Average Length of Stay	5.9	3.9	4.4	5.2	3.0	2.8	6.0	2.7	4.4	3.7	2.6	5.8	3.5	3.7	2.8	3.2	5.1	5.2
Patient Days	46,765	10,740	9,101	2,802	2,684	2,210	56,260	242	5,469	4,889	1,237	67,905	5,307	3,939	2,793	4,601	226,944	227,255
<b><u>ADJUSTED STATISTICS</u></b>																		
Adjusted Patient Days	100,262	26,806	25,565	7,157	11,370	9,917	95,350	3,266	16,014	15,408	6,508	156,080	16,967	8,555	10,292	10,326	519,843	497,694
Adjusted Discharges	16,984	6,914	5,857	1,364	3,762	3,531	15,944	1,211	3,603	4,200	2,549	27,116	4,882	2,330	3,725	3,189	107,161	100,942
<b><u>OUTPATIENT STATISTICS</u></b>																		
Emergency Department Visits	19,694	8,171	9,892	-	8,445	5,011	20,667	-	8,169	9,508	6,101	40,523	10,014	3,689	10,220	5,512	165,616	161,756
Novant Health Medical Group Encounters																	1,723,866	1,655,762
Cases	58,406	28,093	21,916	5,589	14,275	9,029	37,103	4,198	15,466	16,859	11,391	141,596	25,069	12,529	18,346	19,264	439,129	414,549
<b><u>SURGERY STATISTICS</u></b>																		
Inpatient Surgical Cases	1,709	485	398	566	87	94	2,213	91	164	239	173	3,299	269	442	241	258	10,728	11,239
Outpatient Surgical Cases	4,908	1,300	1,419	2,539	430	682	3,661	2,576	809	840	893	5,998	1,108	1,087	884	538	29,672	28,572
Total Surgical Cases	6,617	1,785	1,817	3,105	517	776	5,874	2,667	973	1,079	1,066	9,297	1,377	1,529	1,125	796	40,400	39,811
<b><u>OTHER STATISTICS</u></b>																		
Total Births	1,230	587	367	-	147	184	947	-	161	112	-	1,264	188	377	246	53	5,863	6,186
Total Cath Cases	723	422	200	-	-	-	1,096	-	-	173	-	1,626	-	-	-	207	4,447	4,457
Total EP Cases	545	31	26	-	-	-	661	-	-	88	-	720	-	-	-	-	2,071	1,884
Open Heart Surgeries	120	-	-	-	-	-	107	-	-	-	-	148	-	-	-	13	388	396
Endoscopy Procedures	2,302	636	960	-	139	222	2,106	-	192	160	-	2,297	347	99	750	151	10,361	11,183
Radiology Procedures	51,516	31,558	25,498	6,200	16,918	12,273	65,761	1,196	18,303	22,437	13,886	110,184	27,121	7,985	15,207	19,730	445,773	422,437
Licensed Beds	583	177	139	58	36	36	859	9	146	63	36	823	74	140	44	93	3,316	3,296
Staffed Beds	559	138	118	43	37	29	672	7	66	68	21	772	48	45	34	53	2,710	2,684
Occupancy as % of Staffed Beds	90.9%	84.6%	84.2%	71.4%	79.6%	84.3%	91.0%	38.5%	89.6%	78.0%	63.0%	95.7%	120.5%	95.9%	88.5%	95.2%	91.0%	92.0%

**NOVANT HEALTH, INC.**  
**COMBINED GROUP STATISTICS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 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	Twelve Months Ended	
																	December 31, 2025	December 31, 2024
<b><u>INPATIENT STATISTICS</u></b>																		
Average Daily Census	511	120	105	29	26	24	644	3	58	52	16	733	57	46	29	50	2,503	2,467
Discharges	31,729	11,299	9,610	2,094	3,383	3,046	38,680	431	4,952	5,270	2,260	45,404	5,800	4,599	3,969	5,599	178,125	175,151
Average Length of Stay	5.9	3.9	4.0	5.1	2.8	2.9	6.1	2.6	4.3	3.6	2.5	5.9	3.6	3.6	2.6	3.3	5.1	5.2
Patient Days	186,368	43,731	38,497	10,673	9,475	8,875	235,061	1,123	21,252	19,148	5,731	267,563	20,721	16,667	10,448	18,317	913,650	902,913
<b><u>ADJUSTED STATISTICS</u></b>																		
Adjusted Patient Days	385,783	105,520	104,002	26,384	41,110	37,742	390,982	12,535	61,645	57,636	24,267	597,665	65,855	34,379	39,282	41,473	2,026,260	1,946,233
Adjusted Discharges	65,679	27,264	25,962	5,176	14,678	12,953	64,337	4,811	14,364	15,863	9,570	101,421	18,433	9,486	14,923	12,677	417,597	398,186
<b><u>OUTPATIENT STATISTICS</u></b>																		
Emergency Department Visits	78,993	33,541	41,518	-	33,448	19,363	84,531	-	33,567	38,402	25,728	161,381	40,980	15,120	40,879	23,681	671,132	644,322
Novant Health Medical Group Encounters																	6,721,878	6,425,259
Cases	226,871	109,277	88,415	20,792	54,350	31,892	145,013	15,855	61,213	64,396	45,907	535,079	99,862	50,631	71,652	77,057	1,698,262	1,622,364
<b><u>SURGERY STATISTICS</u></b>																		
Inpatient Surgical Cases	6,920	2,044	1,790	2,363	310	341	9,000	424	620	899	902	13,495	1,029	1,889	891	1,039	43,956	44,300
Outpatient Surgical Cases	18,754	4,757	5,521	9,430	1,592	2,112	14,062	9,502	3,185	3,084	3,158	23,146	4,131	4,177	3,361	2,221	112,193	110,798
Total Surgical Cases	25,674	6,801	7,311	11,793	1,902	2,453	23,062	9,926	3,805	3,983	4,060	36,641	5,160	6,066	4,252	3,260	156,149	155,098
<b><u>OTHER STATISTICS</u></b>																		
Total Births	5,075	2,380	1,919	-	517	756	4,101	-	609	411	-	5,063	750	1,577	937	210	24,305	24,283
Total Cath Cases	2,744	1,723	994	-	-	-	4,620	-	4	624	-	6,502	2	-	-	1,201	18,414	18,309
Total EP Cases	1,967	105	116	-	-	-	2,672	-	-	310	-	2,833	-	-	-	-	8,025	7,085
Open Heart Surgeries	488	-	-	-	-	-	499	-	-	-	-	525	-	-	-	41	1,553	1,798
Endoscopy Procedures	8,904	2,787	4,008	-	423	859	8,026	-	820	690	-	9,655	1,607	394	3,107	430	41,710	44,384
Radiology Procedures	204,468	127,164	101,770	23,742	66,484	43,938	265,497	4,555	72,562	84,340	55,085	426,912	109,125	32,142	58,878	84,777	1,761,439	1,646,407
Licensed Beds	583	177	139	58	36	36	859	9	146	63	36	823	74	140	44	93	3,316	3,296
Staffed Beds	560	141	123	42	34	29	708	7	66	65	24	772	58	47	31	52	2,759	2,698
Occupancy as % of Staffed Beds	91.2%	85.3%	85.4%	70.3%	77.2%	85.2%	91.0%	44.9%	88.4%	80.3%	65.7%	94.9%	97.3%	96.1%	93.3%	95.6%	90.7%	91.4%

**NOVANT HEALTH, INC.  
LIQUIDITY TABLE**

(in thousands of dollars)

	<b>December 31, 2025</b>
<b>Daily Liquidity<sup>1</sup></b>	
Cash & Cash Equivalents	\$ 19,728
Money Market Funds	482,744
<i>Subtotal Daily Liquidity</i>	<i>\$ 502,472</i>
<b>Weekly Liquidity<sup>2</sup></b>	
Cash Equivalents	\$ 94,848
U.S. Treasuries and Agencies	375,278
General Purpose Line of Credit (undrawn)	500,000
<i>Subtotal Weekly Liquidity</i>	<i>\$ 970,126</i>
<b>TOTAL DAILY AND WEEKLY LIQUIDITY</b>	<b>\$ 1,472,598</b>
<b>CURRENTLY OUTSTANDING SELF-LIQUIDITY LIABILITIES</b>	
Taxable Commercial Paper	\$ 350,000
<b>TOTAL SELF-LIQUIDITY LIABILITIES<sup>3</sup></b>	<b>\$ 350,000</b>

<sup>1</sup>Liquidity sources that can be liquidated on a same-day basis.

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

<sup>3</sup>Self-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 twelve months ended December 31, 2025**

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*(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 twelve months ended December 31, 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

## **Novant Health, Inc.**

### **Management's Discussion and Analysis of Results of Operations and Financial Position As of and for the twelve months ended December 31, 2025**

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*(in thousands of dollars)*

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 Twelve Months Ended December 31, 2025**

**Operating Revenues.** Total operating revenues for Novant Health for the twelve months ended December 31, 2025 were \$11,908,973, an increase of 16.8% compared to the \$10,192,036 of total operating revenues for the twelve months ended December 31, 2024.

Net patient service revenues totaled \$9,880,364, an increase of 9.9% compared to \$8,989,942 for the twelve months ended December 31, 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 twelve months ended December 31, 2025 were \$11,332,335, an increase of 17.6% compared to the same period for the prior year. Salaries and benefits increased \$738,476, or 14.9%, compared to the same period for the prior year, primarily due to merit and market-based pay adjustments and acquisitions. Other operating expenses increased \$910,876, or 21.8%, 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 \$26,594, or 8.4%, 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 \$576,638, or 4.8% of total operating revenues, for the twelve months ended December 31, 2025, as compared to \$556,316, or 5.5% of total operating revenues for the twelve months ended December 31, 2024.

**Non-Operating Income.** Income from investments was \$604,842 for the twelve months ended December 31, 2025, which is favorable compared to income from investments of \$358,927 for same period for the prior year.

#### **Financial Position as of December 31, 2025**

**Cash and Cash Equivalents, Investments and Liquidity.** Novant Health maintained cash and cash equivalents as of December 31, 2025 of \$945,590. Net cash provided by operating activities for the twelve months ended December 31, 2025 was \$1,882,665, compared to \$547,757 net cash provided for the twelve months ended December 31, 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 December 31, 2025, Novant Health held long-term investments of \$4,730,369, approximately \$972,598 of which can be liquidated within 7 days.

## **Novant Health, Inc.**

### **Management's Discussion and Analysis of Results of Operations and Financial Position**

#### **As of and for the twelve months ended December 31, 2025**

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*(in thousands of dollars)*

**Property and Equipment.** Capital expenditures were \$815,544 for the twelve months ended December 31, 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 December 31, 2025, total long-term debt outstanding was \$5,287,962. 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 December 31, 2025, \$500,000 was available for borrowing.

As of December 31, 2025, 89% 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 December 31, 2025.

As of December 31, 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 December 31, 2025, the interest rate swaps had a fair market value of \$8,872. \$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.

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 December 31, 2025, \$150,000 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.

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, including the right to substitute collateral during the term of the agreement, and provide for remedies in the event of default by either party. At December 31, 2025, \$104,828 was outstanding, and reported as short-term borrowings.