

Consolidated Financial Statements,  
Supplementary Information Report of  
Independent Certified Public  
Accountants

**Virtua Health, Inc.**

December 31, 2025 and 2024



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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees  
Virtua Health, Inc.

**Opinion**

We have audited the consolidated financial statements of Virtua Health, Inc. ("Virtua Health"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Virtua Health as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Virtua Health and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virtua Health's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virtua Health's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virtua Health's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary information**

The accompanying supplementary information on pages 52 to 69 is presented for purposes of additional analysis, rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

Philadelphia, Pennsylvania  
June 9, 2026

Virtua Health, Inc.

CONSOLIDATED BALANCE SHEETS

December 31,  
(Dollar amounts in thousands)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 107,209	\$ 94,919
Assets limited as to use	30,656	22,886
Patient accounts receivable	293,853	297,535
Other current assets	<u>312,648</u>	<u>156,446</u>
Total current assets	744,366	571,786
<b>Assets limited as to use</b>		
By Board of Trustees' designation	2,510,678	2,171,464
Insurance funds	73,153	59,765
Restricted funds	<u>25,393</u>	<u>24,414</u>
	2,609,224	2,255,643
<b>Property, plant, and equipment, net</b>	1,198,593	1,085,527
<b>Right of use assets</b>	190,013	196,232
<b>Other long-term assets</b>		
Investment in unconsolidated joint ventures	187,501	200,342
Goodwill and other intangibles, net	546,646	539,089
Other assets	43,278	40,354
Beneficial interest in perpetual trust	<u>9,713</u>	<u>8,953</u>
	<u>787,138</u>	<u>788,738</u>
Total assets	<u>\$ 5,529,334</u>	<u>\$ 4,897,926</u>

The accompanying notes are an integral part of these consolidated financial statements.

Virtua Health, Inc.

CONSOLIDATED BALANCE SHEETS - CONTINUED

December 31,  
(Dollar amounts in thousands)

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 56,286	\$ 54,656
Current maturities of lease liability	38,793	34,486
Accounts payable and accrued expenses	420,584	293,551
Accrued compensation and related liabilities	160,291	143,317
Accrued interest payable	2,436	2,923
Estimated settlements due to third-party payers	<u>20,822</u>	<u>20,167</u>
Total current liabilities	699,212	549,100
<b>Long-term liabilities</b>		
Estimated settlements due to third-party payers	14,193	18,205
Self-insurance liabilities	114,585	88,216
Accrued retirement benefits	720	16,259
Long-term debt, net of current maturities	511,232	563,023
Lease liability, net of current maturities	164,887	174,998
Other liabilities	<u>13,142</u>	<u>12,480</u>
Total liabilities	1,517,971	1,422,281
<b>Net assets</b>		
Without donor restrictions		
Virtua Health, Inc.	3,564,325	3,035,249
Noncontrolling interests	<u>406,949</u>	<u>404,634</u>
	3,971,274	3,439,883
With donor restrictions	<u>40,089</u>	<u>35,762</u>
Total net assets	<u>4,011,363</u>	<u>3,475,645</u>
Total liabilities and net assets	<u>\$ 5,529,334</u>	<u>\$ 4,897,926</u>

The accompanying notes are an integral part of these consolidated financial statements.

Virtua Health, Inc.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**

Years ended December 31,  
(Dollar amounts in thousands)

	<b>2025</b>	<b>2024</b>
<b>Net assets without donor restrictions</b>		
Revenue		
Patient service revenue	\$ 3,402,619	\$ 3,024,083
Other revenue	146,345	136,305
Equity in income of unconsolidated joint ventures	80,575	80,127
Total revenue	3,629,539	3,240,515
Expenses		
Salaries and wages	1,560,922	1,406,257
Professional fees	66,883	57,779
Employees' fringe benefits	290,990	271,577
Other operating expenses	1,286,974	1,154,199
Interest	14,460	19,020
Depreciation, amortization and other	158,632	136,644
Total expenses	3,378,861	3,045,476
<b>Income from operations (includes \$52,307 in 2025 and \$62,696 in 2024 of income attributed to noncontrolling interests)</b>	250,678	195,039
<b>Nonoperating gains and losses</b>		
Investment return, net	327,155	155,043
Other accrued retirement costs	(1,667)	(2,154)
Total nonoperating gains, net	325,488	152,889
<b>EXCESS OF REVENUE AND GAINS OVER EXPENSES AND LOSSES</b>	576,166	347,928
<b>Excess of revenue and gains over expenses and losses attributed to noncontrolling interests</b>	(52,307)	(62,696)
<b>Excess of revenue and gains over expenses and losses attributed to Virtua Health, Inc.</b>	523,859	285,232

The accompanying notes are an integral part of these consolidated financial statements.

**Virtua Health, Inc.**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS - CONTINUED**

Years ended December 31,  
(Dollar amounts in thousands)

	<b>2025</b>	<b>2024</b>
<b>Excess of revenue and gains over expenses and losses attributed to Virtua Health, Inc. (continued from previous page)</b>	\$ 523,859	\$ 285,232
<b>Other changes in net assets without donor restrictions - Virtua Health, Inc.</b>		
Net assets released for property, plant, and equipment	130	799
Other changes in accrued retirement benefits	5,087	7,641
Increase in net assets without donor restrictions - Virtua Health, Inc.	529,076	293,672
<b>Noncontrolling interests</b>		
Excess of revenues and gains over expenses and losses attributable to noncontrolling interests	52,307	62,696
Distributions	(61,597)	(63,133)
Other	625	(222)
Membership interest changes:		
Acquisitions, divestitures and other changes, net	10,980	37,032
Increase in net assets without donor restrictions - noncontrolling interests	2,315	36,373
<b>Net assets with donor restrictions</b>		
Contributions, net	7,747	4,777
Investment return, net	495	244
Increase in beneficial interest in perpetual trust	760	509
Net assets released from restrictions for operations	(4,545)	(4,661)
Net assets released from restrictions for property, plant, and equipment	(130)	(799)
Increase in net assets with donor restrictions	4,327	70
<b>INCREASE IN NET ASSETS</b>	535,718	330,115
<b>Net assets - beginning of year</b>	3,475,645	3,145,530
<b>Net assets - end of year</b>	\$ 4,011,363	\$ 3,475,645

The accompanying notes are an integral part of these consolidated financial statements.

Virtua Health, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,  
(Dollar amounts in thousands)

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 535,718	\$ 330,115
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Other changes in accrued retirement benefits	(5,087)	(7,641)
Gain on acquisitions	(1,493)	(19,276)
Equity in income of unconsolidated joint ventures	(80,575)	(80,127)
Distributions from unconsolidated joint ventures	85,315	77,027
Distributions to noncontrolling interests	61,597	63,133
Membership interest changes	(10,980)	(37,032)
Restricted contributions, including change in beneficial interest in perpetual trust	(8,507)	(5,286)
Depreciation, amortization and other	155,879	133,875
Amortization of premium and financing costs	(299)	(361)
Amortization of intangible assets	2,753	2,769
Net realized and unrealized (gains) losses investments	(332,132)	(159,588)
Changes in certain assets and liabilities:		
Patient accounts receivable	7,318	(24,968)
Other assets	(119,270)	19,514
Right of use assets and lease liabilities, net	27	302
Accounts payable and accrued expenses	82,366	55,043
Accrued compensation and related liabilities	16,974	20,722
Accrued interest payable	(487)	(532)
Self-insurance liabilities	32,875	10,982
Other liabilities	445	1,089
Accrued retirement benefits	(10,453)	(3,384)
Estimated settlements due to third-party payers	(3,356)	4,754
	<u>408,628</u>	<u>381,130</u>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant, and equipment	(250,053)	(185,920)
Purchases of investments	(371,750)	(230,381)
Sales of investments	342,505	190,291
Investment in unconsolidated joint ventures, net	(1,619)	(46)
Cash paid for acquisitions, net	(7,636)	(8,479)
	<u>(288,553)</u>	<u>(234,535)</u>
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt	(55,626)	(53,176)
Proceeds from long-term debt	5,307	5,592
Payments on financing costs	-	(152)
Distributions to noncontrolling interests	(61,597)	(63,133)
Net restricted contributions and pledge payments	4,131	2,304
	<u>(107,785)</u>	<u>(108,565)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>12,290</b>	<b>38,030</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>94,919</b>	<b>56,889</b>
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 107,209</u></b>	<b><u>\$ 94,919</u></b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest, net of capitalized interest	\$ 14,947	\$ 19,552
Change in accrued capital expenditures in accounts payable and accrued expenses	<u>\$ 2,927</u>	<u>\$ 1,218</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

**NOTE A - ORGANIZATION**

Virtua Health, Inc. is a not-for-profit healthcare organization incorporated in New Jersey with facilities, operations and investments in New Jersey, southeastern Pennsylvania, and Delaware. The consolidated financial statements include the accounts of Virtua Health, Inc., and its controlled entities (collectively, "Virtua Health").

Virtua Health is composed of the following controlled entities:

***Virtua Obligated Group***

Virtua-Memorial Hospital Burlington County, Inc., d/b/a Virtua Mount Holly Hospital ("Virtua-Memorial") is a not-for-profit, tax-exempt corporation. Virtua-Memorial owns and operates a 383 licensed bed acute care hospital in Mount Holly, New Jersey. Virtua-Memorial provides general health care services to residents within its geographic location for a wide range of inpatient and outpatient services, including medical, surgical, cardiac, obstetrical, gynecological, oncological, pediatric, emergency, behavioral health, and ambulatory care.

Virtua-Memorial and unrelated separate corporations own holding companies for the purpose of acquiring, owning and operating ambulatory surgical centers through joint ventures. These joint ventures are located in New Jersey, and southeastern Pennsylvania. The following are the consolidated companies that Virtua-Memorial has a majority ownership position and control in, as follows:

- Virtua-SCA Holdings, LLC ("SCA Holdings") – 55.00% at December 31, 2025 and 2024
  - SCA Holdings has an interest in Surgical Center of South Jersey, L.P. ("SCSJ") of 60.49% at December 31, 2025 and 69.02% at December 31, 2024. Virtua-Memorial has a direct interest in SCSJ of 9.40% at December 31, 2025 and 2024.
- Virtua-SCA Holdings II, LLC ("SCA Holdings II") – 55.00% at December 31, 2025 and 2024
  - SCA Holdings II has an interest in Pennsylvania Eye & Ear Surgery Center, LLC ("PEESC") of 54.00% at December 31, 2025 (Note C – Previously Unrelated Clinical Ventures)
- Virtua-SCA Holdings III, LLC ("SCA Holdings III") – 80.39% at December 31, 2025 and 2024
  - SCA Holdings III has an interest in Burlington County Endoscopy Center, LLC ("BCEC") of 51.00% at December 31, 2025 and 2024. Virtua-Memorial has a direct interest in BCEC of 8.65% and 10.15% at December 31, 2025 and 2024, respectively.
- Emmaus Holdings, LLC ("Emmaus Holdings") – 50.10% at December 31, 2025 and 2024
- Virtua-USP Princeton, LLC ("Virtua-USP Princeton") – 68.20% at December 31, 2025 and 2024
- Endo Surgi Center of Old Bridge, LLC ("Endo Old Bridge") – 51.00% at December 31, 2025 and 2024
- Mercer County Surgery Center, LLC ("MCSC") - 55.65% at December 31, 2025 and 2024

The financial results of these joint ventures are consolidated into Virtua-Memorial's financial statements.

Virtua-West Jersey Health System, Inc. ("Virtua-West Jersey") is a not-for-profit, tax-exempt corporation. Virtua-West Jersey owns and operates a 606 licensed bed health system that includes two general acute

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

care hospitals, which are located in Marlton, and Voorhees, New Jersey. Virtua-West Jersey provides general health care services to residents within its geographic location for a wide range of inpatient and outpatient services, including medical, surgical, cardiac, obstetrical, gynecological, oncological, pediatric, emergency, and ambulatory care. Virtua-West Jersey owns and operates facilities in Berlin and Camden, New Jersey, which provide emergent care and other outpatient services, and rents space to third parties in the building where the Camden facility is located, primarily to outside social services programs. Virtua-West Jersey also provides a variety of outpatient services in space leased from a third-party developer in two Virtua Health and Wellness Centers, one in Voorhees, New Jersey and one in Washington Township, New Jersey.

Virtua-West Jersey and unrelated separate corporations own holding companies for the purpose of acquiring, owning and operating ambulatory surgical centers through joint ventures. These joint ventures are located in New Jersey. The following are the consolidated companies that Virtua-West Jersey has a majority ownership position and control in, as follows:

- Voorhees Endoscopy Holding Co., LLC (“Voorhees Endo Holding”) – 51.00% at December 31, 2025 and 2024
- River Drive Holding Co., LLC (“River Drive Holding”) – 51.00% at December 31, 2025 and 2024
- Access Holding, LLC (“Access Holding”) – 59.64% at December 31, 2025 and 2024
  - Access Holding has an interest in Atlantic Gastro Surgicenter, LLC (“AGSL”) of 54.50% at December 31, 2025 and 2024. Virtua-West Jersey has an interest in AGSL of 5.00% at December 31, 2025 and 2024. AGSL ceased operations on October 31, 2025 (Note C – Divestiture and other changes)
- Virtua Campus Holdings, LLC (“Campus Holdings”) – 51.70% at December 31, 2025 and 2024
- SJV Management (“SJM”) – 51.00% at December 31, 2025 and 2024
- Virtua-NJEYE Holdings, LLC (“NJEYE Holdings”) – 51.00% at December 31, 2025 and 2024
- Summit Surgical, LLC (“Summit”) – 100.00% at December 31, 2025 (Note C – Wholly Owned Subsidiary Previously Unconsolidated)

The financial results of these joint ventures are consolidated into Virtua-West Jersey’s financial statements.

Certain debt obligations (Note K) are secured equally and ratably on a parity basis by notes issued under the Master Trust Indenture (the “Master Trust Indenture”), with Virtua-Memorial, Virtua-West Jersey, and Virtua Health, Inc. being the obligated issuers (collectively, the “Virtua Obligated Group”).

***Virtua Lourdes Hospital Group***

Virtua Our Lady of Lourdes Hospital, Inc. (“Virtua-Lourdes”) is a not-for-profit, tax-exempt corporation. Virtua-Lourdes owns and operates a 358 licensed bed, tertiary acute care hospital in Camden, New Jersey. Virtua-Lourdes provides general health care services to residents within its geographic location for a wide range of inpatient and outpatient services, including medical, surgical, transplant, cardiac, neurology, obstetrical, gynecological, oncological, pediatric, emergency, and ambulatory care. Virtua-Lourdes also provides a variety of outpatient services in space leased from a third-party developer in Cherry Hill, New Jersey. Virtua-Lourdes is the sole corporate member of Our Lady of Lourdes School of Nursing, Inc., a not-for-profit, tax-exempt corporation.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

Virtua Willingboro Hospital, Inc. (“Virtua-Willingboro”) is a not-for-profit, tax-exempt corporation. Virtua-Willingboro owns and operates a 169 licensed bed, acute care hospital in Willingboro, New Jersey. Virtua-Willingboro provides general health care services to residents within its geographic location for a wide range of inpatient and outpatient services, including behavioral health, medical, surgical, cardiac, obstetrical, gynecological, oncological, pediatric, emergency, and ambulatory care.

***Virtua Other Business Units***

Virtua Home Care-Community Nursing Services (“CNS”) is a not-for-profit, tax-exempt corporation. CNS operates a Care at Home service line designed to support patients in the ambulatory setting with continuous and longitudinal remote monitoring depending on patient acuity. CNS also operates a specialty pharmacy program, which provides both specialty and routine medications to Virtua employees, patients, and the community, and a Healthy Neighbor Program, which helps the Camden, New Jersey community members manage hypertension and diabetes. CNS is the owner of VRI, Inc. (“VRI”), a for-profit, taxable corporation. VRI primarily consists of an internal staffing agency that provides nurses to Virtua Health, along with the ownership in Acentus Practice Management, LLC (Note I), a joint ventured physician billing company.

***Virtua Medical Group***

Virtua Medical Group, PA (“VMG”) is a not-for-profit, tax-exempt captive professional association consisting of 1,695 clinicians, primarily specialty and primary care physicians, as of December 31, 2025. VMG provides services to Virtua’s hospitals, and at many owned and leased physician-practice sites located throughout southern New Jersey, and at three sites located in Delaware.

Lourdes Ancillary Services, Inc. (“LAS”) is a not-for-profit, tax-exempt corporation that maintains an ownership position in Health Management Services Organization, Inc. (“HMSO”), a for-profit, taxable corporation that maintains a minority equity interest in Lourdes Specialty Hospital of Southern New Jersey, LLC, a long-term acute care hospital located within Virtua-Willingboro. For reporting purposes, HMSO is included in the operations of VMG. LAS also is the sole member of LHS Health Network, Inc., which is reported under Population Health Management, noted below.

Lourdes Cardiology Services, PC (“LCS”) is a not-for-profit, tax-exempt captive professional corporation incorporated in New Jersey that employs 20 clinicians, primarily cardiologists. LCS provides professional services to Virtua’s hospitals as well as VMG owned and leased physician-practice sites located throughout southern New Jersey.

***Virtua Population Health Management Group***

LHS Health Network, Inc., d/b/a Virtua Integrated Network (“VIN”) is an inactive for-profit, taxable corporation, owned by HMSO.

VirtuaPhysicianPartners, LLC (“VPP”) is an inactive limited liability company.

***Virtua Health Foundation, Inc.***

Virtua Health Foundation, Inc. (“VHF”) is a not-for-profit, tax-exempt corporation established to promote and support Virtua, its sole corporate member and affiliated corporations, and the health care of the population of southern New Jersey, by developing the resources necessary to attain these goals.

***Virtua Assurance***

Virtua Assurance, Inc. (“VAI”) is a for-profit, taxable captive insurance company in the state of Vermont whose sole shareholder is Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Principles of Consolidation***

Virtua Health, through Virtua-Memorial and Virtua-West Jersey owns interests in several companies that are included in the consolidated financial statements. The noncontrolling interests of these companies, SCA Holdings, SCA Holdings II, SCA Holdings III, Emmaus Holdings, Virtua-USP Princeton, Endo Old Bridge, MCSC, Voorhees Endo Holding, River Drive Holding, Access Holding, Campus Holdings, SJVM, and NJEYE Holdings are reported as a component of net assets. Significant intercompany balances and transactions have been eliminated. Joint ventures in which Virtua Health has financial interest and shares control equally with unrelated investors are accounted for under the equity method as discussed in Note I. As disclosed in Note K, the assets of any member of the Virtua Obligated Group may not be available to members of Virtua Health that are not part of the Virtua Obligated Group.

***Basis of Accounting***

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("US GAAP") consistent with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 954, *Health Care Entities*, and other pronouncements applicable to health care organizations.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are used in recording patient accounts receivable and patient service revenue, estimated settlements with third-party payers, useful lives of property, plant and equipment, goodwill and other intangibles, self-insurance program liabilities, imputed interest rates for leases, accrued retirement benefits, and the reported fair values of certain assets and liabilities. Actual results could differ from those estimates.

***Fair Value of Financial Instruments***

Financial instruments consist of cash and cash equivalents, patient accounts receivable, assets limited as to use, investments, accounts payable and accrued expenses, estimated settlements with third-party payers and long-term debt. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, patient accounts receivable, assets limited as to use, investments, accounts payable and accrued expenses and estimated settlements with third-party payers approximate fair value. Management's estimates of the fair value of other financial instruments are described elsewhere in the notes to the consolidated financial statements.

***Cash and Cash Equivalents***

Cash and cash equivalents include various checking, savings, time deposits, and money market accounts with initial maturities of three months or less. At December 31, 2025 and 2024, certain cash balances with financial institutions exceeded federal depository insurance limits. Management believes that credit risk related to these deposits is minimal.

***Patient Accounts Receivable***

Patient accounts receivable are recognized when there is an unconditional right to payment, subject only to the passage of time. Patient accounts receivable, including billed accounts and unbilled accounts, which

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

have the unconditional right to payment, and estimated amounts due from third-party payers for retroactive adjustments, are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. The estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to patient accounts receivable.

***Assets Limited as to Use, Investments, and Investment Income***

Investments in marketable equity, debt securities, and other investments are presented at fair value in the consolidated balance sheets as disclosed in Notes G and H. Amounts required to meet current liabilities have been classified as current assets in the accompanying consolidated balance sheets. Certain other investments are accounted for under the equity method of accounting as disclosed in Note I.

*Assets limited as to use* - by the Board of Trustees' designation are resources arising from results of operations and investment returns that have been designated by the Board of Trustees for specific purposes. This includes assets jointly owned in split dollar agreements for certain employees through an insurance company.

*Assets limited as to use* - under debt agreements are held by a trustee under bond indenture agreements and consist of those assets designated for the payments of principal and interest due on indebtedness.

*Assets limited as to use* - insurance funds include funds that are held by a trustee for the self-insurance workers' compensation program and self-funded professional liabilities.

*Assets limited as to use* - restricted funds are assets to be held in accordance with the donor's intentions. Donor restricted investment income is recognized as a direct increase or decrease to net assets with restrictions.

Investment income or losses (including realized and unrealized gains and losses on investments, interest, and dividends) are included in nonoperating gains and losses as investment returns, unless the income or losses are restricted by donor or law, or from those under debt agreements. Investment income or losses (including realized and unrealized gains and losses on investments, interest, and dividends) for those under debt agreements, are included in other revenue, except for interest income capitalized during construction, which is included in property, plant, and equipment, net.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and consolidated statements of operations and changes in net assets.

***Property, Plant, and Equipment***

Property, plant, and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Equipment acquired under finance leases is amortized based on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. The following is the estimated useful lives by category:

Land improvements	5-25 years
Building and improvements	10-40 years
Fixed equipment	5-20 years
Furniture and fixtures	3-20 years

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

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Construction in progress represents amounts expended or incurred toward property and equipment projects that have not been completed. No depreciation or amortization has been recorded for these items. Interest cost incurred, net of investment income earned on borrowed funds during the period of construction, is capitalized as a component of the cost of acquiring those assets. In cases where internal cash reserves are used to fund construction, interest is capitalized based on average accumulated expenditures multiplied by the weighted-average interest rate on existing debt. Capitalized interest was \$2,248 and \$958 for the years ended December 31, 2025 and 2024, respectively.

Gifts of long-lived assets such as land, buildings, or equipment are reported as other changes in net assets without restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

***Leases***

Arrangements are determined if they are a lease at inception of the contract. Right of use assets represent the right to use the underlying assets for the lease term and lease liabilities represent the obligation to make lease payments arising from the leases. Right of use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. An estimated incremental borrowing rate, which is derived from information available at the lease commencement date, is used in determining the present value of lease payments. This rate is determined based on information obtained from its bankers, its secured debt fair value and publicly available data for instruments with similar characteristics.

The operating leases are primarily for real estate, including off-campus outpatient facilities, medical office buildings, and corporate and other administrative offices, as well as medical and office equipment. Finance leases are for medical equipment. The real estate lease agreements typically have initial terms of five to ten years, and equipment lease agreements typically have initial terms of three to five years. Leases with an initial term of 12 months or less ("short-term leases") are not recorded within the consolidated balance sheets.

The real estate leases may include one or more options to renew, with renewals that typically can extend the lease term from five to ten years. The exercise of lease renewal options is at Virtua Health's sole discretion. In general, these renewal options are not considered to be reasonably likely to be exercised, therefore, renewal options are generally not recognized as part of right of use assets and lease liabilities. The useful life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The majority of the medical equipment leases have terms of three years with no renewal options or bargain purchase options, so these assets are depreciated over their lease term.

Certain lease agreements for real estate include payments based on actual common area maintenance expenses. These variable lease payments are recognized in other operating expenses, net, but are not included in the right of use asset or liability balances. The lease agreements do not contain any material residual value guarantees, restrictions or covenants.

***Impairment of Long-Lived Assets***

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If long-lived assets are deemed to be impaired, the impairment to be recognized is the amount by which the carrying amount of the assets exceeds the fair

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. For the years ended December 31, 2025 and 2024, management recorded no impairment losses.

***Donor-Restricted Gifts***

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. As the donors' intentions are met, the net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as other revenue for operating purposes and as other changes in net assets without donor restrictions for acquisitions of property, plant, and equipment.

***Investments in Unconsolidated Joint Ventures***

Virtua Health and physicians located throughout New Jersey, southeastern Pennsylvania and Delaware, have joined together, along with other non-related for-profit investors, to expand surgical and certain other services within the physicians' local communities through jointly owned ventures. Virtua Health also has ownership interests in other health related businesses. These ventures are for-profit organizations.

Virtua Health has ownership interests in unconsolidated joint ventures. The operating agreements of the unconsolidated joint ventures do not allow the holding companies or Virtua Health to control operating or financial decisions regardless of their proportionate ownership. All decisions are made by the respective operating board, which equally includes members appointed by Virtua Health, and the physician or other party investors.

***Goodwill and Other Intangibles***

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets of businesses acquired. Other intangibles represent certificates of need to perform cardiology services in Camden County, New Jersey, and surgical services in other states, a license to operate inpatient rehabilitation beds, and various other state licenses and professional accreditations, all of which have an indefinite useful life. A trade name is being amortized over its expected useful life of ten years and noncompete agreements are being amortized over their terms, which are five years. The additions to goodwill and intangibles relate to acquisitions, additional membership interest acquisitions of existing consolidated joint ventures with non-controlling interests, and consolidations of previously unconsolidated joint ventures as described in Notes A and C of \$22,554 and \$70,881, for the years ended December 31, 2025 and 2024, respectively. The amount includes \$8,238 and \$43,984 related to additional membership interest acquisitions of previously unconsolidated joint ventures for the years ended December 31, 2025 and 2024, respectively. The impairment to goodwill and intangibles related to the divestiture of existing consolidated joint ventures with non-controlling interests, was \$12,243, for the year ended December 31, 2025. Amortization expense related to intangible assets is included as depreciation, amortization and other in the consolidated statements of operations and changes in net assets, was \$2,753 and \$2,769 for the years ended December 31, 2025 and 2024, respectively.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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Goodwill and other intangibles, net at December 31, 2025 and 2024, are as follows:

	2025	2024
Goodwill	\$ 493,846	\$ 485,666
Other intangibles:		
Perpetual licenses, including certificates of need	45,108	42,978
Noncompete agreements, net of accumulated amortization of \$9,636 and \$8,160 at December 31, 2025 and 2024, respectively	4,757	7,300
Trademark, net of accumulated amortization of \$1,365 and \$1,155 at December 31, 2025 and 2024, respectively	2,935	3,145
	52,800	53,423
	\$ 546,646	\$ 539,089

Goodwill and other intangibles that are considered to have an indefinite useful life are not amortized but are tested for impairment at least annually and whenever events or circumstances change that indicate impairment may have occurred. Qualitative factors are first assessed to determine whether an impairment is necessary to perform quantitative impairment tests for goodwill. If the conclusion of the qualitative assessment is more likely than not that goodwill is not impaired, a quantitative impairment test is not required. If a quantitative impairment test is required, that testing consists of performing an internal valuation analysis and considering other publicly available market information. If the carrying amount of goodwill exceeds the estimated fair value, an impairment charge to current operations is recorded to reduce the carrying value to the estimated fair value. The qualitative impairment test of goodwill and other intangibles was completed, and it was determined that there were no impairments for the years ended December 31, 2025 and 2024. Other intangibles that have a finite useful life have expected amortization expense over the next five years of \$5,491.

**Other Assets**

Other assets at December 31, 2025 and 2024, are as follows:

	2025	2024
Insurance recoveries, net of current portion	\$ 16,102	\$ 17,011
Lease receivable, net with an unconsolidated joint venture	18,613	20,108
Other	8,563	3,235
	\$ 43,278	\$ 40,354

**Beneficial Interest in Perpetual Trust**

Virtua Health has recorded its portion of the fair value of a trust. The trust is perpetual in nature, and the original corpus cannot be violated. The trust is recorded as a net asset with donor restrictions.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
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**Net Assets With Donor Restrictions**

Net assets with donor restrictions represent those net assets whose use has been limited by donors to a specific time period, purpose, or to be maintained in perpetuity. The income from net assets that are to be maintained in perpetuity may be used to support nursing scholarships and to support various other needs, in accordance with donor stipulations. Income from net assets with donor restrictions is expended according to donor intent.

Virtua Health follows the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). The endowments consist of numerous individual funds established for a variety of purposes and consist solely of donor-restricted endowment funds. As required, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Virtua Health has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Virtua Health classifies net assets with donor restrictions related to endowment funds at the original value of gifts donated to the permanent endowment, the original value of subsequent gifts donated to the permanent endowment, and accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instruments.

The investment policies for the endowment assets are consistent with the policies and objectives of its overall investments. The assets are invested in a manner that is intended to produce a positive rate of return while assuming a low level of risk. From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor requires Virtua Health to maintain in perpetual duration.

Changes in donor restricted funds related to endowments for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Endowment net assets - beginning of year	\$ 1,738	\$ 1,700
Investment return - net	111	38
Endowment net assets - end of year	\$ 1,849	\$ 1,738

**Patient Service Revenue**

Virtua Health has negotiated agreements with third-party payers including health insurance companies and has rates set by government regulations (for payers such as Medicare and Medicaid) that provide for reimbursement at amounts different from established charges. Reimbursement methodologies include prospectively determined rates per discharge, per diem rates, reimbursed costs, and discounted charges.

Patient service revenues are recorded at the amounts that reflect the consideration to which Virtua Health expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payers (including managed care payers and government programs, i.e., Medicare and Medicaid) and others, and they include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, patients and third-party payers are billed several days after the services are performed or shortly after discharge. Patient service revenue is recognized in the period in which the performance obligations are satisfied under contracts by transferring services to customers.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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Performance obligations are determined based on the nature of the services provided. Revenues are recognized for performance obligations satisfied over time based on actual charges incurred in relation to total expected charges. This method provides an appropriate depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. Performance obligations are measured from admission to the point when there are no further services required for the patient, which is generally the time of discharge. Revenues are recognized for performance obligations satisfied at a point in time, which generally relate to patients receiving outpatient services, when: (1) services are provided; and (2) when it is believed the patient does not require additional services.

Estimates of contractual adjustments and discounts are determined based on government regulations, contractual agreements, discount policies and historical experience, as applicable. The estimates of implicit price concessions are determined based on historical collection experience within each class of patients using a portfolio approach to account for patient contracts as collective groups rather than individually.

***Performance Indicator***

The consolidated statements of operations and changes in net assets include, as the performance indicator, the excess of revenue and gains over expenses and losses. Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and expenses. Changes in net assets without donor restrictions that are excluded from the excess of revenue and gains over expenses and losses include net assets released from restrictions for property, plant, and equipment, and other changes in accrued retirement benefits.

***Advertising Costs***

Virtua Health expenses advertising costs as incurred. For the years ended December 31, 2025 and 2024, advertising costs were \$12,358 and \$12,826, respectively, which are included in other operating expenses in the accompanying consolidated statements of operations and changes in net assets.

***Tax Status***

Virtua Health, excluding HMSO, VRI, VAI, VIN, VPP, SCA Holdings, SCA Holdings II, SCA Holdings III, Emmaus Holdings, Virtua-USP Princeton, Endo Old Bridge, Voorhees Endo Holding, River Drive Holding, Access Holding, Campus Holdings, SJVM, and NJEYE Holdings are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The not-for-profit affiliates of Virtua Health, except for VMG and LCS, are also exempt from state income taxes. Income taxes are not material to the consolidated financial statements.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
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NOTE C - ACQUISITIONS AND DIVESTITURES

At various dates during the years ended December 31, 2025 and 2024, Virtua Health acquired (wholly or partially) controlling membership interests of previously unrelated clinical ventures, additional membership interests in existing consolidated joint ventures with non-controlling interests, and the previously unconsolidated joint ventures (Note I), through cash consideration or change in control. At those various dates, the ventures were consolidated. Certain membership interests were acquired through holding company interests in conjunction with other partners, as described in Note A. During the years ended December 31, 2025 and 2024, Virtua Health divested from a portion of a non-controlling interest venture.

	2025				
	Previously Unrelated Clinical Ventures	Wholly Owned Subsidiary Previously Unconsolidated	Divestiture	Other Changes	Total
Results of the acquisitions:					
Net working capital and tangible assets	\$ 765	\$ 2,319	\$ (663)	\$ 2,195	\$ 4,616
Intangible assets	1,351	-	-	(1,105)	246
Goodwill	14,021	8,238	(12,243)	49	10,065
Total assets acquired	16,137	10,557	(12,906)	1,139	14,927
Consideration:					
Virtua Health:					
Cash consideration paid, net	(4,505)	(2,106)	(645)	(380)	(7,636)
Investment in unconsolidated joint ventures		(8,369)	-	-	(8,369)
Membership interest changes	(11,632)	-	-	652	(10,980)
Total consideration	(16,137)	(10,475)	(645)	272	(26,985)
Gain (loss) on acquisitions/divestitures	\$ -	\$ 82	\$ (13,551)	\$ 1,411	\$ (12,058)

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
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	2024				
	Previously Unrelated Clinical Ventures	Previously Consolidated Joint Venture With Non-Controlling Interest	Consolidated Joint Venture Previously Unconsolidated	Divestitures and Other Changes	Total
Results of the acquisitions:					
Net working capital and tangible assets	\$ 1,745	\$ -	\$ (256)	\$ (1,311)	\$ 178
Intangible assets	3,154	-	5,272	-	8,426
Goodwill	22,281	-	38,712	1,462	62,455
Total assets acquired	27,180	-	43,728	151	71,059
Consideration:					
Virtua Health:					
Cash consideration (paid) received, net	(7,999)	(1,161)	664	17	(8,479)
Investment in unconsolidated joint ventures	-	-	(6,272)	-	(6,272)
Membership interest changes	(19,181)	3,493	(21,243)	(101)	(37,032)
Total consideration	(27,180)	2,332	(26,851)	(84)	(51,783)
Gain on acquisitions/divestitures	\$ -	\$ 2,332	\$ 16,877	\$ 67	\$ 19,276

For the year ended December 31, 2025, the additional membership acquisition of wholly owned subsidiary previous unconsolidated and other changes generated a gain of \$1,493 which is included in other revenue and a loss from the divestiture of AGSL of \$13,551 which is included in depreciation, amortization and other expense in the consolidated statement of operations and changes in net assets.

For the year ended December 31, 2024, the additional membership interest acquisition of existing consolidated joint ventures with non-controlling interests and the previously unconsolidated joint ventures generated a non-cash gain on acquisitions of \$19,276, which is included in other revenue in the consolidated statement of operations and changes in net assets. The amount of the non-cash gain on acquisitions related to the noncontrolling interest holders is \$23,195 as of December 31, 2024, which is included in excess of revenue and gains over expenses and losses attributed to noncontrolling interests in the consolidated statement of operations and changes in net assets.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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**NOTE D - LIQUIDITY AND AVAILABILITY OF RESOURCES**

In addition to cash flows provided by operating activities, the financial assets available for general expenditure within one year of the consolidated balance sheet date consist of the following at December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 107,209	\$ 94,919
Patient accounts receivable	293,853	297,535
Assets limited as to use		
By Board of Trustees' designation	2,403,797	2,076,578
Insurance funds	95,878	74,667
	2,900,737	2,543,699
Available lines of credit	154,958	154,928
	\$ 3,055,695	\$ 2,698,627

**NOTE E - CHARITY CARE AND STATE SUBSIDY**

Virtua Health provides care to all in need of medical assistance. Many patients cared for at Virtua Health do not have health insurance or the ability to pay for the cost of their care. Virtua Health does not directly receive compensation for the operating expense incurred providing care to these patients. Uninsured patients may qualify for financial assistance under the provisions of two separate programs. Individuals with incomes up to 300% of the federal poverty guidelines, whose individual or family assets do not exceed \$7.5 and \$15.0, respectfully, can qualify for assistance under the New Jersey Hospital Care Payment Assistance Program ("NJHCPAP"). With the objective of increasing eligibility for financial assistance to a greater number of uninsured patients, Virtua Health established its own assistance program whose qualification criterion is less restrictive than the NJHCPAP, as there is no asset test and those with incomes up to 500% of the federal poverty guidelines are eligible. Patients qualifying for these programs receive services without charge or at amounts less than established charges. Virtua Health maintains records to identify and monitor the level of financial assistance provided under both programs. The records include the amount of patient service revenue categorized as charity care.

Under a provision of the Affordable Care Act, the State of New Jersey opted to accept federal government funding to expand the eligibility for enrolling in the state's Medicaid program.

The cost of providing charity care, based on Virtua Health's estimated cost-to-charge ratios, for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
NJHCPAP	\$ 21,688	\$ 27,748
Virtua Health Program	22,943	18,166
	\$ 44,631	\$ 45,914

Virtua Health received \$1,187 and \$3,889 of State of New Jersey Charity Care Subsidy Funds (NJCCSF) for the years ended December 31, 2025 and 2024, respectively. Effective on July 1, 2024, a portion of the

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

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NJCCSF was shifted into a new Medicaid State Directed Payment Program (MSDPP), from which Virtua Health received \$23,048 and \$12,572, for the years ended December 31, 2025 and 2024, respectively. The NJCCSF and MSDPP funding is included in patient service revenue in the consolidated statements of operations and changes in net assets.

**NOTE F - PATIENT SERVICE REVENUE**

Patient service revenue recognized from major payer sources based on primary insurance designation for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Managed care	75%	73%
Medicare and Medicaid (fee for service plans only)	19	21
Other third-party payers	4	4
Self-pay	2	2
	100%	100%

Patient service revenue by type of service for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Inpatient	42%	41%
Outpatient	42	43
Physician services	16	16
	100%	100%

Inpatient acute care services for Medicare and Medicaid program beneficiaries and outpatient services for Medicare beneficiaries are paid at prospectively determined rates per discharge or outpatient service. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

Outpatient services for Medicaid beneficiaries, defined Medicare program pass-through items, and certain other costs provisionally reimbursed by Medicare, are paid based on a cost reimbursement methodology or tentative rate. These are ultimately subjected to certain cost limitations or are contingent on actual data for the year, with final settlement determined after submission of annual cost reports by Virtua Health and audits thereof, by the programs' fiscal intermediaries.

The Centers for Medicare and Medicaid Services ("CMS") previously approved the State of New Jersey's proposal under Section 1115 of the Social Security Act to implement a mandatory Medicaid managed care program, which requires certain Medicaid beneficiaries to enroll in approved managed care plans. In addition, certain Medicare beneficiaries may opt for coverage through federally approved managed care plans. Payments to Virtua Health for these Medicaid and Medicare beneficiaries are based upon the rates negotiated with these managed care plans. The Medicare cost reports have been audited and finalized through December 31, 2021, except for December 31, 2021 for Virtua-Lourdes. The Medicaid cost reports have been audited and finalized through December 31, 2023, for Virtua-West Jersey, Virtua-Mt. Holly, and Virtua-Our Lady of Lourdes and audited and finalized through December 31, 2022 for Virtua-Willingboro. Virtua Health also has outstanding appeal issues relating to prior-year settled cost reports. Differences

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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between the estimated settlements and the amounts settled are recorded in the year of settlement. Estimated favorable results of appeal items are recorded when realization is reasonably assured. These estimates are included in estimated settlements due to third-party payers in the consolidated balance sheets. Management uses the expected-value method when determining these amounts. In the opinion of management, adequate provision has been made for any adjustment, which may result from the final settlement of these cost reports, and any appeal issues. For the years ended December 31, 2025 and 2024, patient service revenue includes net favorable settlements and adjustments for cost reports, audit, and appeal items from prior years of \$8,263 and \$4,234, respectively.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation, and noncompliance could result in significant regulatory action, including fines and penalties. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Virtua Health believes that it is in compliance with applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subjected to future government review and interpretations as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Virtua Health has a corporate compliance program to monitor compliance with these laws and regulations.

Virtua Health is eligible to receive additional Medicaid funding in Camden County and Burlington County, New Jersey for both 2025 and 2024 under the New Jersey County Option Hospital Fee Pilot Program (the County Option Program), which is administrated through the New Jersey Department of Human Services-Division of Medical Assistance and Health Services (NJ DHS). NJ DHS applies to CMS annually for approval to participate for the twelve-month period corresponding the State of New Jersey's fiscal year (SFY) which ends on June 30. Historically, CMS approved applications for the County Option Program in advance of the commencement of the SFY. DHS received the notification of CMS's approval for SFY 2026 on June 2, 2026, for the County Option Program for SFY 2026, for the counties that Virtua Health is an eligible provider. The County Option Program impact for the SFY 2026 as it pertains to the months July through December 2025, are included in the financial results for the year ended December 31, 2025, as noted below. CMS has not approved the program for any years subsequent to SFY 2026 at this time. The County Option Program requires that participating providers pay quarterly assessed fees based on estimated Medicaid utilization data within the county, and the related payments are then pooled with federal Medicaid matching funds and redistributed to the participating hospitals as state directed payments. At December 31, 2025, \$61,501 of paid assessments and \$146,907 of New Jersey directed revenue are included in accounts payable and accrued expenses and other current assets, respectfully in the consolidated balance sheet. The state directed payments are subject to an annual settlement based on actual Medicaid utilization data and other factors.

Virtua Health, Inc.

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(Dollar amounts in thousands)

For the years ended December 31, 2025 and 2024, related paid assessments are included in other operating expenses and Medicaid state directed revenue is included in patient service revenue in the consolidated statements of operations and changes in net assets as follows:

	<u>2025</u>	<u>2024</u>
Paid assessments:		
Camden county	\$ 59,148	\$ 29,395
Burlington county	<u>32,331</u>	<u>20,493</u>
	<u>\$ 91,479</u>	<u>\$ 49,888</u>
 New Jersey Medicaid directed revenue:		
Camden county	\$ 121,492	\$ 47,375
Burlington county	<u>92,739</u>	<u>51,091</u>
	<u>\$ 214,231</u>	<u>\$ 98,466</u>

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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NOTE G - ASSETS LIMITED AS TO USE

Investments and assets limited as to use, stated at fair value at December 31, 2025 and 2024, consist of the following:

	2025	2024
By Board of Trustees' designation:		
Cash and cash equivalents	\$ 2,228	\$ 2,155
Mutual funds - fixed income	318	-
Mutual funds - equity	480	-
Private placement funds - fixed income	999,598	995,874
Private placement funds - equity	1,319,592	1,019,088
Private credit - alternative	81,581	59,461
	<u>2,403,797</u>	<u>2,076,578</u>
Split dollar investments	106,881	94,886
	<u>\$ 2,510,678</u>	<u>\$ 2,171,464</u>
Insurance funds:		
Cash and cash equivalents	\$ 3,296	\$ 2,875
Private placement funds - fixed income	44,166	37,125
Private placement funds - equity	48,416	34,667
	<u>95,878</u>	<u>74,667</u>
Less assets limited as to use that are required for current liabilities	<u>(22,725)</u>	<u>(14,902)</u>
	<u>\$ 73,153</u>	<u>\$ 59,765</u>
Under debt agreements:		
Cash and cash equivalents	\$ 7,931	\$ 7,984
Less assets limited as to use that are required for current liabilities	<u>(7,931)</u>	<u>(7,984)</u>
	<u>\$ -</u>	<u>\$ -</u>
Under debt agreements, assets are maintained for the following purposes:		
Debt service interest fund	\$ 1,376	\$ 1,686
Debt service principal fund	6,555	6,298
	<u>\$ 7,931</u>	<u>\$ 7,984</u>
Restricted funds:		
Cash and cash equivalents	\$ 88	\$ 102
Mutual funds - fixed income	437	689
Mutual funds - equity	680	1,073
Private placement funds - fixed income	10,840	11,450
Private placement funds - equity	13,348	11,100
	<u>\$ 25,393</u>	<u>\$ 24,414</u>

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
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Investment income and realized and unrealized gains and losses, net of fees for assets limited as to use and cash equivalents for the years ended December 31, 2025 and 2024, are composed of the following:

	2025	2024
Other revenue - investment returns	\$ 4,715	\$ 4,455
Nonoperating gains and losses:		
Investment return, net:		
Interest and dividend income	\$ 1,047	\$ 1,154
Net realized gains on sales of investments	150,410	35,965
Net change in unrealized gains and losses on investments	181,221	123,379
Investment management fees	(5,523)	(5,455)
	\$ 327,155	\$ 155,043
Net assets with donor restrictions - net realized gains and change in unrealized gains and losses	\$ 495	\$ 244

**NOTE H - FAIR VALUE MEASUREMENTS**

***Fair Value Measurements***

Investments are classified into: Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market, but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

***Asset Valuation Techniques***

Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

*Mutual Funds* - Fair value estimates for publicly traded mutual funds are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Such mutual funds are actively traded and are classified as Level 1.

*Split Dollar* - The cash surrender value of the split dollar investment is the amount of assets available today if the policies were terminated. Per the insurance carrier, the surrender value is made up of the accumulation value minus any unpaid policy charges minus any indebtedness minus any surrender charges.

*Beneficial Interest in Perpetual Trust* - The estimated fair value of the beneficial interest in perpetual trust is determined based upon information provided by the trustee. Such information is based on the pro rata interest in the net assets of the trust. The assets held in the trust consist primarily of cash equivalents and marketable securities. The fair value of the perpetual trust is measured using the fair value of the underlying investments and is reported as Level 3.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

*Private Placement Funds and Private Credit - Alternative* - The fair value of private placement funds and private credit funds are determined using the net asset value (“NAV”) of the funds as provided by the respective fund managers. The NAV is used as a practical expedient to estimate fair value and is excluded from the fair value hierarchy. The underlying investments of these funds consist of securities with readily determinable market values.

The valuation methods as described above may produce a fair value that may not be indicative of what management would realize upon liquidation or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At December 31, 2025 and 2024, there were no withdrawal restrictions or unfunded commitments on investments reported at NAV, except for \$22,910 and \$35,529 of an unfunded commitment to the private credit-alternative at December 31, 2025 and 2024, respectively.

The information at December 31, 2025 and 2024, pursuant to financial assets that are measured at fair value on a recurring basis using the market approach, is as follows:

Assets	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 13,543	\$ 13,543	\$ -	\$ -
Mutual funds:				
Fixed income	755	755	-	-
Equity	1,160	1,160	-	-
Split dollar - cash surrender value	106,881	-	106,881	-
Beneficial interest in perpetual trust	9,713	-	-	9,713
	132,052	\$ 15,458	\$ 106,881	\$ 9,713
Private placement funds (at NAV):				
Fixed income <sup>(a)</sup>	1,054,604			
Domestic equity <sup>(b)</sup>	885,874			
International equity <sup>(c)</sup>	495,482			
	2,435,960			
Private credit - alternative <sup>(d)</sup> (at NAV)	81,581			
	\$ 2,649,593			

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

Assets	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 13,116	\$ 13,116	\$ -	\$ -
Mutual funds:				
Fixed income	689	689	-	-
Equity	1,073	1,073	-	-
Split dollar - cash surrender value	94,886	-	94,886	-
Beneficial interest in perpetual trust	8,953	-	-	8,953
	118,717	\$ 14,878	\$ 94,886	\$ 8,953
Private placement funds (at NAV):				
Fixed income <sup>(a)</sup>	1,044,449			
Domestic equity <sup>(b)</sup>	660,327			
International equity <sup>(c)</sup>	404,528			
	2,109,304			
Private credit - alternative <sup>(d)</sup> (at NAV)	59,461			
	<u>\$ 2,287,482</u>			

(a) *Fixed income* - Seeks favorable returns comparable to the broad fixed-income market by investing in bonds representing diverse sectors and maturities.

(b) *Domestic equity* - Seeks to provide long-term capital growth by investing in common stocks of U.S. companies with various capitalizations, while managing volatility and maintaining diversification.

(c) *International equity* - Seeks high, long-term returns comparable to the broad international stock market by investing in companies from developed and emerging countries around the world.

(d) *Private credit - alternative* – Features of an investment with emphasis on opportunities in the United States that seeks to outperform the public fixed-income markets in the long term on a risk-adjusted basis while mitigating downside risk through direct investment in a diversified portfolio of private debt funds, and another investment that may invest globally without restriction, but expected to invest primarily in developed countries with a plurality in the United States, that seeks to outperform the public credit markets in the long term in an effort to provide further diversification of income streams for income-focused investors through underlying investment in a diversified portfolio of private market funds.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported during the reporting period.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

There were no transfers into or out of the levels per the tables above, for the years ended December 31, 2025 and 2024.

The table below sets forth the change in the fair value of investments measured using significant unobservable inputs (Level 3) for the years ended December 31, 2025 and 2024, as follows:

Balance - December 31, 2023	\$	8,444
Net realized gains		42
Net unrealized gains		467
		<hr/>
Balance - December 31, 2024		8,953
Net realized gains		95
Net unrealized gains		665
		<hr/>
Balance - December 31, 2025	\$	<u>9,713</u>

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

**NOTE I - INVESTMENT IN JOINT VENTURES**

The ownership percentage for the consolidated joint ventures with non-controlling interest are as follows:

	Membership Percentage	
	December 31,	
	2025	2024
<b>Virtua-Memorial:</b>		
Virtua-SCA Holdings, LLC	55.00%	55.00%
SurgiCare of Central Jersey, LLC	55.00%	55.00%
Seashore Surgical Institute, LLC	51.00%	51.00%
Bergen-Passaic Cataract Laser & Surgery Center, LLC	52.52%	52.88%
Surgical Center of South Jersey, LP	60.49%	62.19%
Harrison Endo Surgical Center, LLC	58.53%	55.00%
Morris County Surgical Center, LLC	58.78%	55.16%
Surgical Center of South Jersey LP	9.40%	9.40%
Virtua-SCA Holdings II, LLC	55.00%	55.00%
Limestone Medical Center, LLC	60.00%	60.00%
Delaware Surgery Center, LLC	57.65%	59.07%
Main Line Spine Surgery Center, LLC	52.80%	52.80%
Tri-County Surgery Center, LLC	51.70%	55.00%
Orthopaedic Specialists Surgi-Center, LLC	51.00%	51.00%
Endoscopy Center of Bucks County, LP	49.64%	44.88%
Endoscopy Center of Bucks County, GP	51.00%	51.00%
Arusha, LLC d/b/a The Surgery Center of Chester County	57.58%	56.96%
Foundation Surgery Affiliate of Huntingdon Valley, LP		
d/b/a Huntingdon Valley Surgery Center	64.29%	61.66%
Foundation Affiliate of Huntingdon Valley, LP d/b/a Valley Pain Center	64.29%	61.66%
Christiana Spine Ambulatory Surgical Center, LLC	55.00%	55.00%
Foundation Surgery	64.98%	62.25%
Pennsylvania Eye & Ear Surgery Center, LLC	54.00%	-
Virtua-SCA Holdings III, LLC	80.39%	80.39%
Burlington County Endoscopy Center, LLC	51.00%	51.00%
Burlington County Endoscopy Center, LLC	8.65%	10.15%
Emmaus Holdings, LLC	50.10%	50.10%
Virtua-USP Princeton, LLC	68.20%	68.20%
Endo Surgi Center of Old Bridge, LLC	51.00%	51.00%
Mercer County Surgery Center, LLC	55.65%	55.65%
<b>Virtua-West Jersey:</b>		
Access Holding Co, LLC	59.64%	59.64%
Atlantic Gastro Surgicenter, LLC	54.50%	54.50%
Atlantic Gastro Surgicenter, LLC	5.00%	5.00%
Virtua Campus Holdings, LLC	51.70%	51.70%
Campus Eye Group ASC, LLC	66.33%	66.33%
Virtua-NJEYE Holdings, LLC	51.00%	51.00%
Freehold Surgical Center, LLC	57.00%	57.00%
South Jersey Eye Physicians, LLC	55.01%	55.01%
Pavonia Surgical Center, LLC	57.00%	57.00%
SurgiCenter of Vineland, LLC	57.00%	57.00%
Voorhees Endo Holding	51.00%	51.00%
River Drive Holding Co., LLC	51.00%	51.00%
SVJ Management, LLC	51.00%	51.00%

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
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**Investment in Unconsolidated Joint Ventures**

The ownership, investment balance, and earnings for the investments in unconsolidated joint ventures are as follows:

	Membership Percentage		Investment in Unconsolidated Affiliates		Equity Earnings in Unconsolidated Affiliates	
	December 31,		December 31,		Year Ended December 31,	
	2025	2024	2025	2024	2025	2024
<b>Virtua-Memorial:</b>						
Vantage Surgical Associates, LLC	51.69%	51.68%	\$ 4,599	\$ 4,389	\$ 1,710	\$ 2,054
Burlington County Endoscopy Center, LLC	-	-	-	-	-	1,018
Virtua-SCA Holdings II: <sup>(a)</sup>	55.00%	55.00%				
Foundation Surgery:						
Huntingdon Valley, LLC and Valley Pain Center, LLC			243	236	15	24
ECBC General Partner, LLC:						
Endoscopy Center of Bucks County, LP			907	851	291	446
Emmaus Holdings <sup>(b)</sup>	50.10%	50.10%				
Emmaus Surgical Center, LLC			6,960	6,785	1,921	1,536
Virtua-USP Princeton <sup>(c)</sup>	68.20%	68.20%				
Surgical Specialist at Princeton, LLC			10,599	10,905	3,906	3,692
<b>Virtua-Lourdes:</b>						
Centennial Surgunit, LLC	58.94%	59.19%	8,704	9,120	2,567	3,084
<b>Virtua-West Jersey:</b>						
Summit Surgical Center, LLC <sup>(d)</sup>	-	61.96%	-	8,511	(142)	686
South Jersey Musculoskeletal Institute, LLC	52.78%	53.02%	3,476	3,596	4,917	4,707
Ambulatory Surgery Center at Virtua						
Washington Township, LLC	54.39%	56.60%	1,327	1,172	2,260	1,892
Rockland Surgical Project, LLC	52.70%	51.25%	9,101	9,425	1,212	1,097
Virtua Adult Imaging Services	50.00%	50.00%	4,831	5,233	11,522	9,277
Center for Ambulatory and Minimally Invasive Surgery, LLC	55.58%	55.39%	12,576	12,922	4,312	4,067
Freehold Endoscopy Associates, LLC	60.00%	60.00%	8,199	8,319	2,639	2,509
Gastro-Surgi Center of New Jersey, LLC	55.23%	51.79%	12,886	12,744	2,780	3,137
Fresenius Medical Care, LLC	30.00%	30.00%	484	667	668	618
Virtua Penn Radiation Oncology Leasing, LLC	50.00%	50.00%	8,664	9,974	3,227	2,867
Virtua Penn Radiation Oncology Partners, LLC	51.00%	51.00%	17,780	18,651	2,444	3,388
Strive Physical Therapy	35.00%	35.00%	135	47	(20)	21
Mt. Laurel Endoscopy Center, LLC	56.39%	58.32%	1,018	1,401	2,954	2,527
USTRC Gloucester, LLC	29.00%	29.00%	344	346	51	36
Specialized Surgical Center of Central NJ	52.70%	52.70%	2,781	2,767	1,714	1,724
Voorhees Endo Holding: <sup>(e)</sup>	51.00%	51.00%				
The Voorhees NJ Endoscopy ASC, LLC			13,459	13,586	12,024	11,962
River Drive Holding: <sup>(f)</sup>	51.00%	51.00%				
River Drive Surgery Center, LLC			44,305	44,760	11,840	12,241
<b>VRI:</b>						
Acentus Practice Management, LLC	50.00%	50.00%	2,059	2,054	4,755	4,321
<b>HMSO:</b>						
Lourdes Specialty Hospital of Southern NJ, LLC	20.00%	20.00%	6,871	6,688	560	619
Tyler Dialysis, LLC, cost basis	19.00%	19.00%	5,193	5,193	448	577
			<u>\$ 187,501</u>	<u>\$ 200,342</u>	<u>\$ 80,575</u>	<u>\$ 80,127</u>

(a) SCA Holdings II owns 64.98% and 62.25% of Foundation Surgery, Affiliate of Huntingdon Valley, LP, a holding company, at December 31, 2025 and 2024, respectively. Foundation Surgery owns 1.00% of Huntingdon Valley, LLC and Valley Pain Center, LLC at December 31, 2025 and 2024. SCA Holdings II also owns 51.00% of ECBC General Partner, LLC (ECBC GP) at December 31, 2025 and 2024.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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ECBC GP owns 13.27% and 12.00% of Endo Center of Bucks County, LP at December 31, 2025 and 2024, respectively. SCA Holdings II also owns 49.64% and 44.88% of ECBC, LP at December 31, 2025 and 2024, respectively. Virtua-Memorial holds a 55.00% membership interest in SCA Holdings II and thus effectively owns a 35.74% and 34.24% interest in Foundation Surgery at December 31, 2025 and 2024, respectively, and a 31.02% and 28.05% interest in ECBC, LP at December 31, 2025 and 2024, respectively.

- (b) Emmaus Holdings, LLC owns 50.57% and 50.33% of Emmaus Surgical Center, LLC at December 31, 2025 and 2024, respectively. Virtua-Memorial holds a 50.10% membership percentage in Emmaus Holdings and thus effectively owns a 25.33% and 25.22% interest in the Emmaus Surgical Center, LLC at December 31, 2025 and 2024, respectively.
- (c) Virtua-USP Princeton owns 63.25% of Surgical Specialists at Princeton, LLC at December 31, 2025 and 2024. Virtua-Memorial holds a 68.20% membership percentage of Virtua-USP Princeton and thus effectively owns a 43.14% interest in Surgical Specialists at Princeton, LLC at December 31, 2025 and 2024.
- (d) In March 2025, Virtua-West Jersey became the sole owner of Summit Surgical Center, LLC, a previously unconsolidated joint venture.
- (e) Voorhees Endo Holding owns 51.00% of The Voorhees NJ Endoscopy ASC, LLC at December 31, 2025 and 2024. Virtua-West Jersey holds a 51.00% membership percentage in Voorhees Endo Holding and thus effectively owns a 26.01% interest in the Voorhees NJ Endoscopy ASC, LLC at December 31, 2025 and 2024.
- (f) River Drive Holding owns 51.00% of River Drive Surgery Center, LLC at December 31, 2025 and 2024. Virtua-West Jersey holds a 51.00% membership percentage in River Drive Holding and thus effectively owns a 26.01% interest in the River Drive Surgery Center, LLC at December 31, 2025 and 2024.

Operating revenues for the combined group of ventures accounted for under the equity method of accounting were \$399,787 and \$394,047 for the years ended December 31, 2025 and 2024, respectively.

Virtua Health provides employee leasing, rental, and management services to and receives billing services from certain of its joint ventures. The total revenue, included in other revenue, from these services was \$20,613 and \$19,911 for the years ended December 31, 2025 and 2024, respectively. The total expenses, included in other operating expense related to the ownership interest in the medical revenue cycle joint venture are \$19,103 and \$17,789 for the years ended December 31, 2025 and 2024, respectively. The total amounts of the receivable, which is included in other current assets, related to these services are \$5,536 and \$3,989 at December 31, 2025 and 2024, respectively.

Additionally, Virtua Health acts as lessor for certain clinical space under a sales-type lease agreement, with an unconsolidated joint venture with annual lease payments of \$2,029 through July 2037, the lease term. The lease receivable is discounted and at December 31, 2025 and 2024, is included in other assets, with the current portion in other current assets in the consolidated balance sheets and interest revenue is recognized over the lease term. Interest revenue from this lease for the years ended December 31, 2025 and 2024, was \$575 and \$614, respectively, and is recorded as other revenue in the consolidated statements of operations and changes in net assets.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

NOTE J - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at December 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 112,095	\$ 112,086
Land improvements	127,745	106,911
Buildings and improvements	973,654	952,726
Fixed equipment	215,576	211,437
Furniture and equipment	<u>1,245,221</u>	<u>1,149,009</u>
	2,674,291	2,532,169
Less accumulated depreciation and amortization	<u>(1,743,495)</u>	<u>(1,594,069)</u>
	930,796	938,100
Construction in progress	<u>267,797</u>	<u>147,427</u>
	<u>\$ 1,198,593</u>	<u>\$ 1,085,527</u>

Depreciation and amortization expense related to property, plant, and equipment was \$142,328 and \$133,875 for the years ended December 31, 2025 and 2024, respectively.

At December 31, 2025, there is a commitment to a campus transformation project at Virtua-Lourdes that includes a new seven-story tower and comprehensive renovations to the existing facility and campus of \$426,312, with completion of portions occurring through 2029.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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**NOTE K - LONG-TERM DEBT**

Long-term debt as of December 31, 2025 and 2024, consists of the following:

	2025	2024
New Jersey Health Care Facilities Financing Authority ("NJHCFFA"):		
Virtua Health Issue, Series 2004 Variable Rate Revenue Bonds - less issuance cost of \$91 and \$110 at December 31, 2025 and 2024, respectively <sup>(a)</sup>	\$ 34,459	\$ 36,715
Virtua Health Issue, Series 2009B-E Variable Rate Revenue Bonds - less issuance cost of \$969 and \$1,031 at December 31, 2025 and 2024, respectively <sup>(b)</sup>	184,031	183,969
Virtua Health Issue, Series 2013 Fixed Rate Revenue Refunding Bonds - plus net original issue premium and issuance cost of \$962 and \$1,426 at December 31, 2025 and 2024, respectively <sup>(c)</sup>	55,622	68,246
Virtua Health Issue, Series 2019 Fixed Rate Refunding Bonds - less issuance cost of \$351 and \$389 at December 31, 2025 and 2024, respectively <sup>(d)</sup>	199,454	199,416
Virtua Health Issue, Series 2020 Fixed Rate Term Loan - less issuance cost of \$30 and \$67 at December 31, 2025 and 2024, respectively <sup>(e)</sup>	75,620	112,108
Finance lease obligations, with various interest rates, secured by lease equipment	2,744	1,474
Consolidated Joint Venture long term debt - less issuance cost of \$44 and \$41 at December 31, 2025 and 2024, respectively	15,588	15,751
	567,518	617,679
Less current maturities of long-term debt	(56,286)	(54,656)
	\$ 511,232	\$ 563,023

<sup>(a)</sup> The NJHCFFA Variable Rate Revenue Bonds, Virtua Health Issue, Series 2004 (the "Series 2004 Bonds") were issued for the purpose of refinancing the 2001 Capital Asset Program loan and funding and reimbursing costs of various capital improvements and equipment purchases by Virtua- Memorial and Virtua-West Jersey. Annual principal payments range from \$2,365 to \$6,385, maturing on July 1 of each year through 2034. Interest is payable monthly at a variable rate not to exceed 10.00%. The interest rate was 2.50% and 3.15% at December 31, 2025 and 2024, respectively. The Series 2004 Bonds are variable rate demand bonds secured by an irrevocable letter of credit with a bank, which expires on March 19, 2029. No amounts were outstanding on the letter of credit at December 31, 2025 and 2024.

<sup>(b)</sup> NJHCFFA Variable Rate Revenue Bonds, Virtua Health Issue, Series 2009B-E (the "Series 2009B-E Bonds") were issued in connection with the Series 2009A Bonds for the purpose of constructing and equipping the Voorhees replacement hospital, funding capitalized interest, and paying certain finance costs. Annual principal payments range from \$34,820 to \$39,245, maturing on July 1, 2039 through 2043. Interest is payable monthly at a variable rate not to exceed 12.00%. The interest rates were 1.45%, 1.45%, 2.46%, and 1.45% at December 31, 2025 and 3.40%, 3.45%, 3.05%, and 2.80%

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
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at December 31, 2024, respectively. The Series 2009B-E Bonds are variable rate demand bonds secured by irrevocable letters of credit with two banks; with one bank for Series B-C providing two letters of credit for a total of \$100,000, which expire on January 2, 2029; and another bank for Series D-E providing two letters of credit for a total of \$85,000, which expire on January 2, 2030. No amounts were outstanding on the letters of credit at December 31, 2025 and 2024.

- (c) The NJHCFFA Fixed Rate Revenue Refunding Bonds, Virtua Health Issue, Series 2013 (the "Series 2013 Bonds") were issued to refund the outstanding Series 1998 Bonds and certain Series 2009A Bonds and pay for costs of issuance of the Series 2013 Bonds. The Series 2013 Bonds bear interest between 4.50% and 5.00%, payable on January 1 and July 1. Annual principal payments range from \$12,750 to \$14,575, maturing on July 1 of each year through 2029.
- (d) The NJHCFFA Fixed Rate Refunding Bonds, Virtua Health Issue, Series 2019 (the "Series 2019 Bonds") were issued to refund the outstanding Series 2009A Bonds. Interest is payable monthly at a fixed rate of 3.20%. Annual principal payments range from \$15,665 to \$27,880, maturing on July 1, 2030 through 2038. The bonds were issued as a private placement with a bank as the direct purchasing bank, through the maturity in 2038.
- (e) The Virtua Health Series 2020 Term Loan (the "Series 2020 Term Loan") was issued to finance capital needs for technology projects, joint venture investments, and other valid corporate purposes. Interest is payable monthly at a fixed rate of 2.37%. Annual principal payments range from \$37,385 to \$38,265, maturing on July 1 of each year through 2027. The term loan was issued as a taxable private placement with a bank as the direct lending bank.

Original issue premium and debt issuance costs for indebtedness are being amortized over the term of the related debt using the effective interest method and is included in interest expense in the consolidated statements of operations and changes in net assets.

Under the terms of its bond trust agreements, Virtua Health has the option to convert the variable rate demand bonds to a fixed rate term mode. For all series of variable rate demand bonds backed by bank letters of credit and subjected to remarketing agreements, in the event that any or all of the bonds are tendered by the bondholder and are unable to be remarketed, the letters of credit are drawn upon by the bond trustee to purchase the bonds. Draws for this purpose under the letters of credit are repaid with interest over a period of one to four years under existing term-out provisions, noting that certain bonds have a one-year interest-only period prior to the repayment period. All series of variable rate demand bonds are subjected to mandatory tender for purchase prior to the expiration of the letter of credit if a substitute facility has not been made effective.

The Series 2004, 2009B-E, 2013 and 2019 Bonds and the Series 2020 Term Loan are all secured equally and ratably on a parity basis by notes issued under the Master Trust Indenture, with Virtua Health, Inc., Virtua-West Jersey, and Virtua-Memorial representing the Virtua Obligated Group. Effective March 19, 2026, the Master Trust Indenture (the "Amended and Restated Master Trust Indenture") was amended and restated. The notes will continue to be secured by a pledge of gross receivables of the Virtua Obligated Group, however, the mortgage on the Voorhees replacement hospital was removed. The members of the Virtua Obligated Group are obligated, jointly and severally, to pay the principal or redemption price and interest on the bonds under loan agreements with the NJHCFFA. The Amended and Restated Master Trust Indenture will apply to the 2026 reporting and with other bond agreements continue to require the Virtua Obligated Group to comply with certain financial covenants. As of December 31, 2025 and 2024, the Virtua Obligated Group has complied with all financial covenants related to the bonds.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

***Future Principal Payments***

Principal payments on long-term debt for the next five years and thereafter are as follows:

<u>Years Ending December 31,</u>			
2026		\$	56,286
2027			58,024
2028			20,675
2029			22,114
2030			23,044
Thereafter			<u>387,898</u>
		<u>\$</u>	<u>568,041</u>

***Lines and Letters of Credit***

Virtua Health has a revolving credit line in place with a bank for \$60,000, which expires in December 2026. The interest rate is based on either the term SOFR (“Secured Overnight Financing Rate”) reference rate for the interest period (one-month) plus 70 basis points (the term SOFR one-month rate was 3.69% and 4.53% at December 31, 2025 and 2024, respectively), or the prime rate minus 150 basis points (the prime rate was 6.75% and 7.50% at December 31, 2025 and 2024, respectively). There were no amounts outstanding under the line of credit at December 31, 2025 and 2024. The line of credit has a provision for letters of credit. There were \$5.042 and \$5.072 in letter of credit commitments with expiration dates in 2026 as of December 31, 2025 and 2024, respectively. These were not drawn upon and are in connection with VAI, a capital project, and a site requirement.

Virtua Health has a second revolving credit line in place with another bank for \$50,000, which expires in December 2026. The interest rate is based on either the daily simple SOFR interest period plus 70 basis points (the daily simple SOFR was 3.87% and 4.49% at December 31, 2025 and 2024, respectively), or the prime rate minus 150 basis points (the prime rate was 6.75% and 7.50% at December 31, 2025 and 2024, respectively). There were no amounts outstanding on the line of credit at December 31, 2025 and 2024.

Virtua Health has a third revolving credit line in place with another bank for \$50,000, which expires in December 2026. The interest rate is based on either the term SOFR reference rate for the interest period (one-month) plus 90 basis points (the term SOFR one-month rate was 3.69% and 4.53% at December 31, 2025 and 2024, respectively), or the prime rate minus 25 basis points (the prime rate was 6.75% and 7.50% at December 31, 2025 and 2024, respectively). There were no amounts outstanding on the line of credit at December 31, 2025 and 2024.

***Fair Value***

Virtua Health used current quoted market prices in estimating the fair value of its long-term debt, excluding financing lease obligations. As of December 31, 2025 and 2024, the fair values were \$537,202 and \$575,188, respectively. Fair value of long-term debt was determined using the market approach, which is considered a Level 2 measurement.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

NOTE L - LEASES

The following table presents the components of the right of use assets and liabilities related to leases and their classification in the consolidated balance sheets at December 31, 2025 and 2024:

Component of Lease Balances	Classification in Consolidated Balance Sheets	2025	2024
Assets:			
Operating lease	Right of use assets	\$ 190,013	\$ 196,232
Finance lease	Property, plant, and equipment, net	6,112	4,351
		<u>\$ 196,125</u>	<u>\$ 200,583</u>
Liabilities:			
Operating lease:			
Current	Current maturities of lease liability	\$ 38,793	\$ 34,486
Long-term	Lease liability, net of current maturities	164,887	174,998
		203,680	209,484
Finance lease:			
Current	Current maturities of long-term debt	1,080	526
Long-term	Long-term debt, net of current maturities	1,664	948
		<u>2,744</u>	<u>1,474</u>
		<u>\$ 206,424</u>	<u>\$ 210,958</u>

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

The following table presents the components of lease expense and their classification in the consolidated statements of operations and changes in net assets for the years ended December 31, 2025 and 2024:

Component of Lease Balances	Classification in Consolidated Statements of Operations and Changes in Net Assets	2025	2024
Operating lease expense	Other operating expenses	\$ 47,234	\$ 44,799
Finance lease expense:			
Amortization of leased assets	Depreciation and amortization	1,094	537
Interest on lease liabilities	Interest expense	288	98
		<u>1,382</u>	<u>635</u>
Variable and short-term lease expense	Other operating expenses	21,129	19,530
		<u>\$ 69,745</u>	<u>\$ 64,964</u>

The weighted-average lease terms and discount rates for operating and finance leases at December 31, 2025 and 2024 are as follows:

	2025	2024
Weighted-average remaining lease term (years)		
Operating leases	6.02 years	6.73 years
Finance leases	0.44 years	0.52 years
Weighted-average discount rate		
Operating leases	4.14%	4.29%
Finance leases	1.12%	1.27%

Cash flow related to leases for the years ended December 31, 2025, and 2024 is as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows related to operating leases	\$ 47,544	\$ 44,738
Operating cash outflows related to finance leases	\$ 478	\$ 150
Financing cash outflows related to finance leases	\$ 968	\$ 728
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 28,792	\$ 25,393
Finance leases	\$ 512	\$ 1,894

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

The future minimum rental commitments for all noncancelable operating and finance leases at December 31, 2025 are as follows:

Years Ending December 31,	Operating Leases	Finance Leases	Total
2026	\$ 47,576	\$ 1,255	\$ 48,712
2027	43,406	921	44,315
2028	35,639	583	36,222
2029	31,630	314	31,985
2030	27,338	13	27,441
Thereafter	56,572	-	56,572
	242,161	3,086	245,247
Less: imputed interest	(38,481)	(342)	(38,823)
	203,680	2,744	206,424
Less: current maturities	(38,793)	(1,080)	(39,873)
	\$ 164,887	\$ 1,664	\$ 166,551

**NOTE M - RETIREMENT BENEFIT PLANS**

***Defined Contribution Plan***

Virtua Health sponsors the Virtua Health 401(k) savings plan covering all nonbargaining unit employees and a group of bargaining unit employees. Employer contributions to the Virtua Health 401(k) savings plan are based on a formula as defined by the plan document.

The amount of expense related to this plan was \$43,425 and \$37,068 for the years ended December 31, 2025, and 2024, respectively, and is included in employees' fringe benefits in the consolidated statements of operations and changes in net assets.

***Defined Benefit Plan***

Virtua Health has a noncontributory defined benefit pension plan (the "Virtua Pension Equity Plan"), which covered employees as defined, and accrued benefit formulas as defined for those who met prescribed eligibility requirements. The Virtua Pension Equity Plan is primarily frozen, except for a small amount of actively accruing participants. The Virtua Pension Equity Plan uses a measurement date of December 31. The mortality table used for projecting the benefit obligations is the Pri-2012 with projected improvements using the MP-2021 projection scale for the years ended December 31, 2025 and 2024.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

The information at December 31, 2025 and 2024, and for the years then ended, about the Virtua Pension Equity Plan is as follows:

	2025	2024
Weighted-average assumptions used to determine benefit obligations - end of year:		
Discount rate	5.71%	5.21%
Rate of compensation increase	N/A	3.00%
Accumulated benefit obligation - end of year	\$ 103,710	\$ 105,065
Changes in benefit obligations:		
Benefit obligations - beginning of year:	\$ 105,065	\$ 114,211
Service cost	1,874	2,454
Interest cost	5,754	5,663
Actuarial loss (gain)	896	(8,358)
Benefits paid	(9,879)	(8,905)
Benefit obligations - end of year	103,710	105,065
Changes in plan assets:		
Fair value of plan assets - beginning of year:	89,481	87,594
Actual return on plan assets	10,070	2,792
Employer contributions	14,000	8,000
Benefits paid	(9,879)	(8,905)
Fair value of plan assets - end of year	103,672	89,481
Funded status of the plan - end of year	\$ (38)	\$ (15,584)
Amounts recognized in the consolidated balance sheets - noncurrent accrued retirement benefits	\$ (38)	\$ (15,584)
Amounts recognized in net assets without restrictions:		
Actuarial loss	\$ 59,984	\$ 67,625
Prior service cost	(3)	(3)
Net gain	(5,084)	(7,638)
Total amounts recognized in net assets without restrictions	\$ 54,897	\$ 59,984

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

	<u>2025</u>	<u>2024</u>
Components of net periodic benefit cost recognized in employee fringe benefits:		
Service cost	\$ 1,874	\$ 2,454
Components recognized in nonoperating gains and losses in other accrual retirement cost:		
Interest cost	5,754	5,663
Expected return on plan assets	(6,128)	(5,724)
Amortization of prior service cost	3	3
Amortization of actuarial loss	<u>2,038</u>	<u>2,212</u>
	<u>1,667</u>	<u>2,154</u>
Total net periodic benefit cost	3,541	4,608
Other changes in accrued retirement benefits recognized in net assets without restrictions:		
Current-year actuarial loss	(3,046)	(5,426)
Recognized actuarial loss	(2,038)	(2,212)
Recognized prior service cost	<u>(3)</u>	<u>(3)</u>
Total recognized in net assets without restrictions	<u>(5,087)</u>	<u>(7,641)</u>
Total recognized in net periodic benefit cost and change in net assets without restrictions	<u>\$ (1,546)</u>	<u>\$ (3,033)</u>
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	5.71%	5.71%
Expected long-term rate of return on plan assets	7.30%	7.00%
Rate of compensation increase	N/A	3.00%

To develop the expected long-term rate of return on assets assumption, historical returns are considered and the future expectations for returns for each asset class, as well as the target allocation of the pension portfolio.

The Virtua Pension Equity Plan amortizes prior service cost as a result of plan amendments on a straight-line basis over the expected average future lifetime of active participants expected to benefit under the plan.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

**Plan Assets**

The pension plan's actual weighted-average asset allocations and target asset allocations, by asset category, at December 31, 2025 and 2024 are as follows:

Asset Category	Target Allocation	2025	2024
Fixed income	30% - 90%	90%	46%
Equity securities	10% - 57%	6	48
Alternative investments/real estate	0% - 15%	4	6
		100%	100%

The investment policy and strategy for the pension plan assets has established guidelines for an asset mix that provides diversification to absorb risk while not sacrificing investment returns.

The fair value of the common/collective trust funds has been determined using the NAV of the funds as provided by the respective fund managers. There were no withdrawal restrictions or unfunded commitments on such funds.

The plan assets in the defined benefit pension plan measured at fair value, using NAV, at December 31, 2025 and 2024, are as follows:

	2025	2024
Common/collective trust funds:		
Fixed income <sup>(a)</sup>	\$ 92,991	\$ 41,562
Domestic equity <sup>(b)</sup>	4,265	24,208
International equity <sup>(c)</sup>	1,932	18,452
U.S. real estate <sup>(d)</sup>	4,484	5,259
	\$ 103,672	\$ 89,481

(a) *Fixed income* - Seeks favorable returns comparable to the broad fixed-income market by investing in bonds representing diverse sectors and maturities.

(b) *Domestic equity* - Seeks to provide a long-term capital growth, by investing primarily in common stocks of U.S. companies with various capitalizations, while managing volatility and maintaining diversification.

(c) *International equity* - Seeks long-term returns comparable to the broad international stock market by investing in companies from developed and emerging countries around the world.

(d) *U.S. real estate* - Employs a multiadvisor, multifund approach to private core and enhanced core real estate investments with a focus on high current income. Manages risk through property type and regional diversification and generally limits portfolio leverage to 30%.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

**Cash Flows**

Contributions

Virtua Health intends to make contributions to the plan assets, as necessary, that will ensure compliance with all provisions of the Pension Protection Act of 2006, as amended (“PPA”).

Estimated Future Benefit Payments:

2026	\$	9,040
2027		9,450
2028		9,493
2029		8,878
2030		8,789
2031-2035		40,503

**Multi-Employer Plan**

Certain Virtua Health employees represented by a bargaining unit participate in a multi-employer pension plan based on a union-negotiated agreement. For these employees, Virtua Health contributes to the Central Pension Fund of the International Union of Operating Engineers and Participating Employers (the “Multi-employer Plan”). Participation in the Multi-employer Plan commences on the first of the month after the employee’s successful completion of 90 days of employment. Contributions to the Multi-employer Plan are based on union employee worked hours and a negotiated contribution rate in accordance with the union’s contractual arrangement.

Under the Employee Retirement Income Security Act of 1974, as amended by the Multi-employer Pension Plan Amendments Act of 1980, the risks of participating in multi-employer plans are different from single-employer plans in the following respects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Until such events above occur, Virtua Health’s share, if any, of the unfunded vested liabilities cannot be determined. At December 31, 2025, Virtua Health has no plans to withdraw from the Multi-employer Plan.

Virtua Health’s participation in the Multi-employer Plan for the years ended December 31, 2025 and 2024, is outlined below:

- The Multi-employer Plan’s Employer Identification Number is 36-6052390, and the three-digit plan number is 001.
- The PPA zone status is based on information that Virtua Health received from the Multi-employer Plan’s sponsor and is certified by the Multi-employer Plan’s actuary. The Multi-employer Plan is in the green zone, which indicates that it is at least 80% funded. The most recent PPA zone status

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

available in 2025 and 2024 is for the Multi-employer Plan years ended January 31, 2025 and 2024, respectively.

- A financial improvement plan or a rehabilitation plan is neither pending nor has one been implemented for the Multi-employer Plan.
- Virtua Health was not required to pay a surcharge to the Multi-employer Plan.
- The current collective bargaining agreement expires on February 28, 2027. This agreement covers approximately 8% of the Registered Nurse workforce.
- Virtua Health contributed \$5,569 and \$5,055 to the Multi-employer Plan for the years ended December 31, 2025 and 2024, respectively. Virtua Health did not contribute more than 5% of the total contributions to the Multi-employer Plan and was not listed in the Form 5500 for the Multi-employer Plan years ended January 31, 2025 and 2024.

At the date the consolidated financial statements were issued, the Form 5500 was not available for the Multi-employer Plan year ended January 31, 2026.

**NOTE N - CONTINGENCIES AND COMMITMENTS**

***Self-Insured Malpractice and General Liability and Litigation***

VAI's principal business is to reinsure the primary layer of exposure underwritten by a third-party insurer for claims-made-basis hospital professional liability, physicians professional liability, and occurrence-basis general liability. For the years ended December 31, 2025 and 2024, malpractice professional liability coverage is limited to \$1,000 per claim and \$3,000 aggregate verify limits per facility, and general liability coverage is limited to \$1,000 per claim. In addition to the primary layer by VAI, Virtua Health maintains excess coverage from third-party insurers for amounts above the limits insured by VAI.

The reserves for reported claims and claims incurred but not reported ("IBNR") are reported gross of expected insurance recoveries. The reserves for reported claims and claims IBNR are reported within accounts payable and accrued expenses and self-insurance liabilities in the consolidated balance sheets. In addition, the expected insurance recoveries are reported in other current assets and other assets in the consolidated balance sheets.

The loss reserves are management's best estimate based on actuarial estimates of the ultimate net cost of settling losses on incurred claims. The estimates are reviewed and adjusted, as necessary, as experience develops or new information becomes known. Management believes that the loss reserves are adequate; however, the ultimate settlement of losses may vary significantly from the amounts recorded in the accompanying consolidated financial statements.

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

Claims reserve activity for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Claims reserves and IBNR - beginning of the year	\$ 108,113	\$ 96,123
Less: Insurance recoveries on unpaid claims	(21,928)	(32,995)
Claims reserves and IBNR, net - beginning of the year	86,185	63,128
Incurred related to:		
Current year	29,648	27,190
Prior year	2,323	4,453
Total incurred	31,971	31,643
Change in IBNR	19,086	10,743
Paid related to:		
Current year	(138)	(166)
Prior year	(18,166)	(19,163)
Total incurred	(18,304)	(19,329)
Claims reserves and IBNR, net - end of the year	118,938	86,185
Add: Insurance recoveries on unpaid claims	22,032	21,928
Claims reserves and IBNR - end of the year	\$ 140,970	\$ 108,113

***Self-Funded Healthcare Plan for Employees***

Virtua Health has a self-funded healthcare employee benefit plan that is administered by a third-party administrator. Virtua Health obtains an excess insurance policy for claims to a member in excess of \$1,000. The reserves for claims that are not paid at December 31, 2025 and 2024 totaled \$15,204 and \$13,209, respectively, and are reported within accounts payable and accrued expenses in the consolidated balance sheets.

***Litigation***

Virtua Health is not a party to, nor are any of its properties the subject of, any material pending legal proceedings other than ordinary, routine litigation incidental to the business.

***Promise to Give in Future Period***

On December 21, 2021, Virtua Health and VHF entered into a Master Affiliation Agreement with the Rowan University Foundation ("Rowan") in order to collaborate for the development and operation of an affiliated academic health system, the purpose of which is to promote and enhance clinical education, research and clinical activities for residents of New Jersey and surrounding states. As part of a separate Gift Agreement to further the initiative, Virtua Health and VHF made a pledge totaling \$85,000 to be paid in ten gift installments, as defined in the Gift Agreement. The annual remaining payments at December 31, 2025, are

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

\$4,375 through 2029. The fifth and fourth installment payments in the amount of \$4,375 were made in December 2025 and 2024, after certain milestones, as defined in the Gift Agreement, were met, and are included in other operating expenses in the consolidated statements of operations and changes in net assets for the years ended December 31, 2025 and 2024, respectively. The remainder of the gift installments under the pledge are conditional depending on various milestones as defined in the Gift Agreement. As such, the remaining pledge of \$17,500 is not recorded in the consolidated financial statements at December 31, 2025.

Virtua Health made additional unconditional commitments to Rowan for the years ended December 31, 2025 and 2024 of \$20,000 and \$25,000 respectively, in support of activities to develop the affiliated academic health system. These are included in other operating expenses in the consolidated statements of operations and changes in net assets.

***Multipurpose Housing Partnership***

VHF has partnered with an unrelated party for the development of a multipurpose housing community in Camden, New Jersey to advance health equity. With this partnership, VHF is participating in financing of the project along with other financing parties including the New Jersey Housing and Mortgage Finance Agency and other sources. VHF entered into a loan agreement on November 28, 2023, to lend \$4,100 at 5.0% per annum of interest that is secured by a mortgage and security agreement, with future project drawdowns to occur as defined. Draws total \$4,100 and \$734, which is included in other assets in the consolidated balance sheets at December 31, 2025 and 2024, respectively. Payment for the entire unpaid principal balance together with all accrued interest shall be due on or before the maturity date of November, 2057.

***COVID-19 Pandemic***

Virtua Health received grant payments from the Federal Emergency Management Agency ("FEMA") related to the COVID-19 pandemic of \$41,663, which are included in other revenue in the consolidated statement of operations and changes in net assets for the year ended December 31, 2025. As of December 31, 2025, no unrecognized amounts related to these grants remain outstanding, the unrecognized amounts is \$2,928 as of December 31, 2024, which is included in estimated settlements due to third-party payers. The FEMA payments are subject to audit and compliance with federal regulations and future grant payments are uncertain at this time.

Virtua Health, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024  
(Dollar amounts in thousands)

**NOTE O - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2025 and 2024 are restricted for the following programs:

	2025	2024
Temporarily - subject to expenditure for specific purpose:		
Property, plant, and equipment and other	\$ 25,700	\$ 22,850
Education and nursing scholarships	4,676	3,959
	30,376	26,809
Permanently - investment in perpetuity whose income is expendable to support:		
Scholarships and other	9,713	8,953
	\$ 40,089	\$ 35,762

**NOTE P - CONCENTRATIONS OF CREDIT RISK**

Virtua Health grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of accounts receivable from patients and third-party payers at December 31, 2025 and 2024, is as follows:

	2025	2024
Managed care	53%	51%
Medicare and Medicaid	20	18
Self-pay	12	14
Other third-party payers	15	17
	100%	100%

**Virtua Health, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**  
**(Dollar amounts in thousands)**

**NOTE Q - FUNCTIONAL EXPENSES**

Virtua Health's primary mission is to provide health care services to its patients. The majority of all operating expenses incurred by Virtua Health are related to the provision of health care services. Virtua Health provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended December 31, 2025 and 2024, are as follows:

	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
<u>2025</u>			
Salaries and wages	\$ 1,459,309	\$ 101,613	\$ 1,560,922
Professional fees	63,622	3,261	66,883
Employers' fringe benefits	254,771	36,219	290,990
Other operating expenses	1,144,542	142,432	1,286,974
Interest	14,202	258	14,460
Depreciation, amortization and other	129,390	29,242	158,632
	<u>\$ 3,065,836</u>	<u>\$ 313,025</u>	<u>\$ 3,378,861</u>
	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
<u>2024</u>			
Salaries and wages	\$ 1,309,792	\$ 96,465	\$ 1,406,257
Professional fees	55,574	2,205	57,779
Employers' fringe benefits	255,938	15,639	271,577
Other operating expenses	1,093,830	60,369	1,154,199
Interest	18,838	182	19,020
Depreciation, amortization and other	111,550	25,094	136,644
	<u>\$ 2,845,522</u>	<u>\$ 199,954</u>	<u>\$ 3,045,476</u>

**NOTE R - SUBSEQUENT EVENTS**

Virtua Health has evaluated its December 31, 2025 consolidated financial statements for subsequent events through June 9, 2026, the date the consolidated financial statements were issued. Virtua Health is not aware of any subsequent events, which require recognition or disclosure in the consolidated financial statements, except as disclosed in Notes C and K.

SUPPLEMENTARY INFORMATION

Virtua Health, Inc.

CONSOLIDATED BALANCE SHEET INFORMATION - VIRTUA HEALTH, INC.

December 31, 2025  
(Dollar amounts in thousands)

	Virtua Health, Inc. Consolidated	Reclassifying/ Eliminating Entries	Total	Virtua Obligated Group	Virtua Lourdes Hospital Group	Virtua Other Business Units	Virtua Medical Group	Virtua Population Health Management Group	Virtua Health Foundation, Inc.	Virtua Assurance
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents	\$ 107,209	\$ -	\$ 107,209	\$ 80,266	\$ 81	\$ 965	\$ 13,782	\$ -	\$ 1,115	\$ 11,000
Assets limited as to use	30,656	-	30,656	7,931	-	-	-	-	-	22,725
Patient accounts receivable	293,853	-	293,853	166,159	77,993	-	49,701	-	-	-
Due from affiliate, net	-	(120,183)	120,183	109,847	-	10,336	-	-	-	-
Other current assets	312,648	-	312,648	226,400	75,255	7,036	798	-	1,667	1,492
Total current assets	744,366	(120,183)	864,549	590,603	153,329	18,337	64,281	-	2,782	35,217
<b>Assets limited as to use</b>										
By Board of Trustees' designation	2,510,678	-	2,510,678	2,414,478	-	-	-	-	96,200	-
Insurance funds	73,153	-	73,153	3,296	-	-	-	-	-	69,857
Restricted funds	25,393	-	25,393	1,205	-	-	-	-	24,188	-
	2,609,224	-	2,609,224	2,418,979	-	-	-	-	120,388	69,857
<b>Property, plant, and equipment, net</b>	1,198,593	-	1,198,593	730,816	391,608	-	76,167	-	2	-
<b>Right of use assets</b>	190,013	-	190,013	109,846	6,956	-	73,211	-	-	-
<b>Other long-term assets</b>										
Due from affiliates, net	-	(233,462)	233,462	233,260	-	-	202	-	-	-
Investment in unconsolidated joint ventures	187,501	-	187,501	164,674	8,704	2,059	12,064	-	-	-
Goodwill and other intangibles, net	546,646	-	546,646	519,896	19,089	-	7,661	-	-	-
Other assets	43,278	-	43,278	34,901	414	-	320	-	7,643	-
Beneficial interest in perpetual trust	9,713	(9,713)	19,426	9,713	-	-	-	-	9,713	-
	787,138	(243,175)	1,030,313	962,444	28,207	2,059	20,247	-	17,356	-
<b>Total assets</b>	<b>\$ 5,529,334</b>	<b>\$ (363,358)</b>	<b>\$ 5,892,692</b>	<b>\$ 4,812,688</b>	<b>\$ 580,100</b>	<b>\$ 20,396</b>	<b>\$ 233,906</b>	<b>\$ -</b>	<b>\$ 140,528</b>	<b>\$ 105,074</b>

Virtua Health, Inc.

CONSOLIDATED BALANCE SHEET INFORMATION - VIRTUA HEALTH, INC.

December 31, 2025  
(Dollar amounts in thousands)

	Virtua Health, Inc. Consolidated	Reclassifying/ Eliminating Entries	Total	Virtua Obligated Group	Virtua Lourdes Hospital Group	Virtua Other Business Units	Virtua Medical Group	Virtua Population Health Management Group	Virtua Health Foundation, Inc.	Virtua Assurance
<b>LIABILITIES AND NET ASSETS</b>										
<b>Current liabilities</b>										
Current maturities of long-term debt	\$ 56,286	\$ -	\$ 56,286	\$ 56,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current maturities of lease liability	38,793	-	38,793	19,889	3,319	-	15,585	-	-	-
Accounts payable and accrued expenses	420,584	(22,699)	443,283	295,506	73,992	12,578	27,697	-	5,004	28,506
Due to affiliates, net	-	(121,390)	121,390	-	24,967	-	12,960	7,366	75,665	432
Accrued compensation and related liabilities	160,291	-	160,291	89,749	16,681	1,173	52,688	-	-	-
Accrued interest payable	2,436	-	2,436	2,436	-	-	-	-	-	-
Estimated settlements due to third-party payers	20,822	-	20,822	10,115	10,707	-	-	-	-	-
Total current liabilities	699,212	(144,089)	843,301	473,981	129,666	13,751	108,930	7,366	80,669	28,938
<b>Long-term liabilities</b>										
Estimated settlements due to third-party payers	14,193	-	14,193	6,487	7,706	-	-	-	-	-
Self insurance liabilities	114,585	(68,871)	183,456	114,585	-	-	-	-	-	68,871
Accrued retirement benefits	720	-	720	720	-	-	-	-	-	-
Due to affiliates, net	-	(140,685)	140,685	-	117,527	-	-	-	23,158	-
Long-term debt, net of current maturities	511,232	-	511,232	511,232	-	-	-	-	-	-
Lease liability, net of current maturities	164,887	-	164,887	98,303	4,012	-	62,572	-	-	-
Other liabilities	13,142	-	13,142	10,502	1,833	113	694	-	-	-
Total liabilities	1,517,971	(353,645)	1,871,616	1,215,810	260,744	13,864	172,196	7,366	103,827	97,809
<b>Net assets (deficiency)</b>										
Without donor restrictions :										
Virtua Health, Inc.	3,564,325	-	3,564,325	3,156,117	316,434	6,532	61,508	(7,366)	23,835	7,265
Noncontrolling interests	406,949	-	406,949	406,949	-	-	-	-	-	-
Total net assets without donor restrictions	3,971,274	-	3,971,274	3,563,066	316,434	6,532	61,508	(7,366)	23,835	7,265
With donor restrictions										
	40,089	(9,713)	49,802	33,812	2,922	-	202	-	12,866	-
Total net assets (deficiency)	4,011,363	(9,713)	4,021,076	3,596,878	319,356	6,532	61,710	(7,366)	36,701	7,265
Total liabilities and net assets (deficiency)	\$ 5,529,334	\$ (363,358)	\$ 5,892,692	\$ 4,812,688	\$ 580,100	\$ 20,396	\$ 233,906	\$ -	\$ 140,528	\$ 105,074

Virtua Health, Inc.

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA HEALTH, INC.

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua Health, Inc. Consolidated	Reclassifying/ Eliminating Entries	Total	Virtua Obligated Group	Virtua Lourdes Hospital Group	Virtua Other Business Units	Virtua Medical Group	Virtua Population Health Management Group	Virtua Health Foundation, Inc.	Virtua Assurance
<b>Net assets without donor restrictions</b>										
Revenue:										
Patient service revenue	\$ 3,402,619	\$ -	\$ 3,402,619	\$ 2,057,178	\$ 794,649	\$ -	\$ 550,792	\$ -	\$ -	\$ -
Other revenue	146,345	(438,453)	584,798	349,288	13,896	54,516	134,848	-	252	31,998
Equity in income of unconsolidated joint ventures	80,575	-	80,575	72,245	2,567	4,755	1,008	-	-	-
<b>Total revenue</b>	<b>3,629,539</b>	<b>(438,453)</b>	<b>4,067,992</b>	<b>2,478,711</b>	<b>811,112</b>	<b>59,271</b>	<b>686,648</b>	<b>-</b>	<b>252</b>	<b>31,998</b>
Expenses:										
Salaries and wages	1,560,922	(1,691)	1,562,613	777,354	216,994	5,757	562,508	-	-	-
Professional fees	66,883	(121,286)	188,169	92,986	71,417	(108)	23,874	-	-	-
Employees' fringe benefits	290,990	(121,726)	412,716	275,599	55,833	745	80,539	-	-	-
Other operating expenses	1,286,974	(193,750)	1,480,724	797,843	391,648	45,010	192,614	-	7,172	46,437
Interest	14,460	-	14,460	16,614	(2,154)	-	-	-	-	-
Depreciation, amortization and other	158,632	-	158,632	114,317	28,035	-	16,280	-	-	-
<b>Total expenses</b>	<b>3,378,861</b>	<b>(438,453)</b>	<b>3,817,314</b>	<b>2,074,713</b>	<b>761,773</b>	<b>51,404</b>	<b>875,815</b>	<b>-</b>	<b>7,172</b>	<b>46,437</b>
<b>Income (loss) from operations (includes \$52,307 of income attributed to noncontrolling interest)</b>	<b>250,678</b>	<b>-</b>	<b>250,678</b>	<b>403,998</b>	<b>49,339</b>	<b>7,867</b>	<b>(189,167)</b>	<b>-</b>	<b>(6,920)</b>	<b>(14,439)</b>
<b>Nonoperating gains and losses</b>										
Investment return, net	327,155	-	327,155	301,215	-	-	-	-	14,923	11,017
Other accrued retirement costs	(1,667)	-	(1,667)	(1,667)	-	-	-	-	-	-
<b>Total nonoperating gains, net</b>	<b>325,488</b>	<b>-</b>	<b>325,488</b>	<b>299,548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,923</b>	<b>11,017</b>
<b>Excess of (deficiency in) revenue and gains over expenses and losses</b>	<b>576,166</b>	<b>-</b>	<b>576,166</b>	<b>703,546</b>	<b>49,339</b>	<b>7,867</b>	<b>(189,167)</b>	<b>-</b>	<b>8,003</b>	<b>(3,422)</b>
<b>Excess of revenue and gains over expenses and losses attributed to noncontrolling interests</b>	<b>(52,307)</b>	<b>-</b>	<b>(52,307)</b>	<b>(52,307)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of (deficiency in) revenue and gains over expenses and losses attributed to Virtua Health, Inc.</b>	<b>523,859</b>	<b>-</b>	<b>523,859</b>	<b>651,239</b>	<b>49,339</b>	<b>7,867</b>	<b>(189,167)</b>	<b>-</b>	<b>8,003</b>	<b>(3,422)</b>

Virtua Health, Inc.

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA HEALTH, INC.

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua Health, Inc. Consolidated	Reclassifying/ Eliminating Entries	Total	Virtua Obligated Group	Virtua Lourdes Hospital Group	Virtua Other Business Units	Virtua Medical Group	Virtua Population Health Management Group	Virtua Health Foundation, Inc.	Virtua Assurance
<b>Excess of (deficiency in) revenue and gains over expenses and losses attributed to Virtua Health, Inc. (continued from previous page)</b>	\$ 523,859	\$ -	\$ 523,859	\$ 651,239	\$ 49,339	\$ 7,867	\$ (189,167)	\$ -	\$ 8,003	\$ (3,422)
<b>Other changes in net assets without donor restrictions - Virtua Health, Inc.</b>										
Restricted net assets released for property, plant, and equipment	130	-	130	85	45	-	-	-	-	-
Other changes in accrued retirement benefits	5,087	-	5,087	5,087	-	-	-	-	-	-
Transfers with affiliates, net	-	-	-	(211,354)	44,559	(9,066)	175,861	-	-	-
Increase (decrease) in net assets without donor restrictions - Virtua Health, Inc.	529,076	-	529,076	445,057	93,943	(1,199)	(13,306)	-	8,003	(3,422)
<b>Noncontrolling interests</b>										
Excess of revenues and gains over expenses attributable to noncontrolling interests	52,307	-	52,307	52,307	-	-	-	-	-	-
Distributions	(61,597)	-	(61,597)	(61,597)	-	-	-	-	-	-
Other	625	-	625	625	-	-	-	-	-	-
Membership interest changes										
Acquisitions, divestitures and other changes, net	10,980	-	10,980	10,980	-	-	-	-	-	-
Increase in net assets without donor restrictions - noncontrolling interests	2,315	-	2,315	2,315	-	-	-	-	-	-
<b>Net assets with donor restrictions</b>										
Contributions, net	7,747	-	7,747	7,109	447	-	152	-	39	-
Investment return, net	495	-	495	1	-	-	-	-	494	-
Increase in beneficial interest in perpetual trust	760	(760)	1,520	760	-	-	-	-	760	-
Net assets released from restrictions for operations	(4,545)	-	(4,545)	(4,375)	(170)	-	-	-	-	-
Net assets released from restrictions for property, plant, and equipment	(130)	-	(130)	(85)	(45)	-	-	-	-	-
Transfers with affiliates, net	-	-	-	(12)	12	-	-	-	-	-
Increase in net assets with donor restrictions	4,327	(760)	5,087	3,398	244	-	152	-	1,293	-
<b>INCREASE (DECREASE) IN NET ASSETS</b>	535,718	(760)	536,478	450,770	94,187	(1,199)	(13,154)	-	9,296	(3,422)
<b>Net assets (deficiency) - beginning of year</b>	3,475,645	(8,953)	3,484,598	3,146,108	225,169	7,731	74,864	(7,366)	27,405	10,687
<b>Net assets (deficiency) - end of year</b>	\$ 4,011,363	\$ (9,713)	\$ 4,021,076	\$ 3,596,878	\$ 319,356	\$ 6,532	\$ 61,710	\$ (7,366)	\$ 36,701	\$ 7,265

Virtua Health, Inc.

COMBINING BALANCE SHEET INFORMATION - VIRTUA OBLIGATED GROUP

December 31, 2025  
(Dollar amounts in thousands)

	Virtua Obligated Group	Reclassifying/ Eliminating Entries	Total	Virtua Health, Inc.	Virtua-Memorial Hospital of Burlington County, Inc.	Virtua- West Jersey Health System, Inc.
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 80,266	\$ -	\$ 80,266	\$ 356	\$ 28,060	\$ 51,850
Assets limited as to use	7,931	(7,931)	15,862	7,931	578	7,353
Patient accounts receivable	166,159	-	166,159	-	55,546	110,613
Due from affiliate, net	109,847	(7,046)	116,893	22,552	-	94,341
Other current assets	226,400	(88)	226,488	59,330	58,864	108,294
Total current assets	590,603	(15,065)	605,668	90,169	143,048	372,451
<b>Assets limited as to use</b>						
By Board of Trustees' designation	2,414,478	-	2,414,478	129,229	219,921	2,065,328
Insurance funds	3,296	-	3,296	3,296	-	-
Restricted funds	1,205	-	1,205	-	1,205	-
	2,418,979	-	2,418,979	132,525	221,126	2,065,328
<b>Property, plant, and equipment, net</b>	730,816	-	730,816	-	155,220	575,596
<b>Right of use assets</b>	109,846	-	109,846	10,354	50,455	49,037
<b>Other long-term assets</b>						
Due from affiliates, net	233,260	(593,466)	826,726	117,137	709,589	-
Investment in unconsolidated joint ventures	164,674	(7,265)	171,939	7,265	23,308	141,366
Goodwill and other intangibles, net	519,896	-	519,896	-	466,241	53,655
Other assets	34,901	-	34,901	16,102	134	18,665
Beneficial interest in perpetual trust	9,713	-	9,713	-	9,713	-
	962,444	(600,731)	1,563,175	140,504	1,208,985	213,686
Total assets	\$ 4,812,688	\$ (615,796)	\$ 5,428,484	\$ 373,552	\$ 1,778,834	\$ 3,276,098
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Current maturities of long-term debt	\$ 56,286	\$ (15,115)	\$ 71,401	\$ 52,500	\$ 4,481	\$ 14,420
Current maturities of lease liability	19,889	-	19,889	4,491	7,060	8,338
Accounts payable and accrued expenses	295,506	(88)	295,594	117,221	41,277	137,096
Due to affiliates, net	-	(1,433)	1,433	-	1,433	-
Accrued compensation and related liabilities	89,749	-	89,749	42,381	16,163	31,205
Accrued interest payable	2,436	(2,281)	4,717	2,436	78	2,203
Estimated settlements due to third-party payers	10,115	-	10,115	-	4,204	5,911
Total current liabilities	473,981	(18,917)	492,898	219,029	74,696	199,173
<b>Long-term liabilities</b>						
Estimated settlements due to third-party payers	6,487	-	6,487	-	2,620	3,867
Self insurance liabilities	114,585	-	114,585	114,585	-	-
Accrued retirement benefits	720	-	720	38	-	682
Due to affiliates, net	-	(131,163)	131,163	-	-	131,163
Long-term debt, net of current maturities	511,232	(458,451)	969,683	496,686	16,833	456,164
Lease liability, net of current maturities	98,303	-	98,303	7,405	47,662	43,236
Other liabilities	10,502	-	10,502	3,478	3,263	3,761
Total liabilities	1,215,810	(608,531)	1,824,341	841,221	145,074	838,046
<b>Net assets (deficiency)</b>						
Without donor restrictions :						
Virtua Obligated Group	3,156,117	(7,265)	3,163,382	(479,554)	1,265,763	2,377,173
Noncontrolling interests	406,949	-	406,949	-	348,895	58,054
Total net assets (deficiency) without donor restrictions	3,563,066	(7,265)	3,570,331	(479,554)	1,614,658	2,435,227
With donor restrictions						
	33,812	-	33,812	11,885	19,102	2,825
Total net assets (deficiency)	3,596,878	(7,265)	3,604,143	(467,669)	1,633,760	2,438,052
Total liabilities and net assets (deficiency)	\$ 4,812,688	\$ (615,796)	\$ 5,428,484	\$ 373,552	\$ 1,778,834	\$ 3,276,098

Virtua Health, Inc.

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA OBLIGATED GROUP

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua Obligated Group	Eliminating Entries	Total	Virtua Health, Inc.	Virtua-Memorial Hospital	Virtua-West Jersey Health System, Inc.		
					Burlington County, Inc.	Total	Voorhees	Marlton
<b>Net assets without donor restrictions</b>								
Revenue:								
Patient service revenue	\$ 2,057,178	\$ -	\$ 2,057,178	\$ -	\$ 726,351	\$ 1,330,827	\$ 1,076,639	\$ 254,188
Other revenue	349,288	(363,581)	712,869	661,752	16,857	34,260	32,487	1,773
Equity in income of unconsolidated joint ventures	72,245	-	72,245	-	7,843	64,402	54,510	9,892
Total revenue	2,478,711	(363,581)	2,842,292	661,752	751,051	1,429,489	1,163,636	265,853
Expenses:								
Salaries and wages	777,354	-	777,354	219,383	188,773	369,198	298,338	70,860
Professional fees	92,986	-	92,986	1,307	35,061	56,618	43,144	13,474
Employees' fringe benefits	275,509	(84,586)	360,185	217,336	48,014	94,835	79,190	15,645
Other operating expenses	797,843	(265,769)	1,063,612	208,210	305,958	549,444	448,216	101,228
Interest	16,614	(13,226)	29,840	15,516	1,194	13,130	11,113	2,017
Depreciation, amortization and other	114,317	-	114,317	-	26,429	87,888	74,431	13,457
Total expenses	2,074,713	(363,581)	2,438,294	661,752	605,429	1,171,113	954,432	216,681
<b>Income from operations (includes \$52,307 of income attributed to noncontrolling interests)</b>	403,998	-	403,998	-	145,622	258,376	209,204	49,172
<b>Nonoperating gains and losses</b>								
Investment return, net	301,215	3,422	297,793	2,184	28,434	267,175	226,137	41,038
Other accrued retirement costs	(1,667)	-	(1,667)	(1,667)	-	-	-	-
Total nonoperating gains, net	299,548	3,422	296,126	517	28,434	267,175	226,137	41,038
<b>Excess of revenue and gains over expenses and losses</b>	703,546	3,422	700,124	517	174,056	525,551	435,341	90,210
<b>Excess of revenue and gains over expenses and losses attributed to noncontrolling interests</b>	(52,307)	-	(52,307)	-	(42,512)	(9,795)	(8,290)	(1,505)
<b>Excess of revenue and gains over expenses and losses attributed to Virtua Obligated Group</b>	651,239	3,422	647,817	517	131,544	515,756	427,051	88,705
<b>Other changes in net assets without donor restrictions - Virtua Obligated Group</b>								
Restricted net assets released for property, plant, and equipment	85	-	85	-	6	79	67	12
Other changes in accrued retirement benefits	5,087	-	5,087	5,087	-	-	-	-
Transfers with affiliates, net	(211,354)	-	(211,354)	(88,221)	26,725	(149,858)	(126,840)	(23,018)
Increase (decrease) in net assets without donor restrictions - Virtua Obligated Group	445,057	3,422	441,635	(82,617)	158,275	365,977	300,278	65,699
<b>Noncontrolling interests</b>								
Excess of revenues and nonoperating gains, net over expenses attributable to noncontrolling interests	52,307	-	52,307	-	42,512	9,795	8,290	1,505
Distributions	(61,597)	-	(61,597)	-	(42,657)	(18,940)	(16,031)	(2,909)
Other	625	-	625	-	612	13	11	2
Membership interest changes	-	-	-	-	-	-	-	-
Acquisitions, divestitures and other changes, net	10,980	-	10,980	-	10,980	-	-	-
Increase (decrease) in net assets without donor restrictions - noncontrolling interests	2,315	-	2,315	-	11,447	(9,132)	(7,730)	(1,402)
<b>Net assets with donor restrictions</b>								
Contributions, net	7,109	-	7,109	6,029	1,048	32	27	5
Investment return, net	1	-	1	-	1	-	-	-
Increase in beneficial interest in perpetual trust	760	-	760	-	760	-	-	-
Net assets released from restrictions for operations	(4,375)	-	(4,375)	(3,950)	(302)	(123)	(104)	(19)
Net assets released from restrictions for property, plant, and equipment	(85)	-	(85)	-	(6)	(79)	(67)	(12)
Transfers with affiliates, net	(12)	-	(12)	(86)	-	74	63	11
Increase (decrease) in net assets with donor restrictions	3,398	-	3,398	1,993	1,501	(96)	(81)	(15)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	450,770	3,422	447,348	(80,624)	171,223	356,749	292,467	64,282
<b>Net assets (deficiency) - beginning of year</b>	3,146,108	(10,687)	3,156,795	(387,045)	1,462,537	2,081,303	1,744,777	336,526
<b>Net assets (deficiency) - end of year</b>	\$ 3,596,878	\$ (7,265)	\$ 3,604,143	\$ (467,669)	\$ 1,633,760	\$ 2,438,052	\$ 2,037,244	\$ 400,808

Virtua Health, Inc.

COMBINING BALANCE SHEET INFORMATION - VIRTUA-MEMORIAL HOSPITAL BURLINGTON COUNTY, INC.

December 31, 2025  
(Dollar amounts in thousands)

	Virtua-Memorial Hospital of Burlington County, Inc.	Reclassifying/ Eliminating Entries	Total	Virtua-Memorial Hospital of Burlington County, Inc.	Virtua SCA Holdings, LLC	Virtua SCA II Holdings, LLC	Virtua SCA III Holdings, LLC	Emmaus Holdings, LLC	Virtua-USP Princeton, LLC	Endo Surgi Center of Old Bridge, LLC	Mercer County Surgery Center, LLC
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	\$ 28,060	\$ -	\$ 28,060	\$ 306	\$ 12,357	\$ 12,346	\$ 1,898	\$ -	\$ -	\$ 1,022	\$ 131
Assets limited as to use	578	-	578	578	-	-	-	-	-	-	-
Patient accounts receivable	55,546	-	55,546	35,010	9,071	10,034	923	-	-	69	439
Other current assets	58,864	-	58,864	52,097	2,121	3,145	49	-	992	150	310
Total current assets	143,048	-	143,048	87,991	23,549	25,525	2,870	-	992	1,241	880
<b>Assets limited as to use</b>											
By Board of Trustees' designation	219,921	-	219,921	219,921	-	-	-	-	-	-	-
Restricted funds	1,205	-	1,205	1,205	-	-	-	-	-	-	-
	221,126	-	221,126	221,126	-	-	-	-	-	-	-
<b>Property, plant, and equipment, net</b>											
	155,220	-	155,220	113,618	16,003	23,391	182	-	-	846	1,180
<b>Right of use assets</b>											
	50,455	-	50,455	12,086	14,792	19,988	141	-	-	887	2,561
<b>Other long-term assets</b>											
Due from affiliates, net	709,589	-	709,589	709,589	-	-	-	-	-	-	-
Investment in unconsolidated joint ventures	23,308	(195,008)	218,316	199,607	-	1,150	-	6,960	10,599	-	-
Goodwill and other intangibles, net	466,241	-	466,241	668	191,750	203,681	43,308	-	-	20,561	6,273
Other assets	134	-	134	-	64	37	1	-	-	-	32
Beneficial interest in perpetual trust	9,713	-	9,713	9,713	-	-	-	-	-	-	-
	1,208,985	(195,008)	1,403,993	919,577	191,814	204,868	43,309	6,960	10,599	20,561	6,305
Total assets	\$ 1,778,834	\$ (195,008)	\$ 1,973,842	\$ 1,354,398	\$ 246,158	\$ 273,772	\$ 46,502	\$ 6,960	\$ 11,591	\$ 23,535	\$ 10,926
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current liabilities</b>											
Current maturities of long-term debt	\$ 4,481	\$ -	\$ 4,481	\$ 1,012	\$ 2,134	\$ 1,291	\$ -	\$ -	\$ -	\$ -	\$ 44
Current maturities of lease liability	7,060	-	7,060	1,825	2,208	2,400	81	-	-	198	348
Accounts payable and accrued expenses	41,277	-	41,277	28,856	3,250	5,888	415	-	-	163	2,705
Due to affiliates, net	1,433	-	1,433	1,433	-	-	-	-	-	-	-
Accrued compensation and related liabilities	16,163	-	16,163	11,614	2,008	2,165	122	-	-	168	86
Accrued interest payable	78	-	78	78	-	-	-	-	-	-	-
Estimated settlements due to third-party payers	4,204	-	4,204	4,204	-	-	-	-	-	-	-
Total current liabilities	74,696	-	74,696	49,022	9,600	11,744	618	-	-	529	3,183
<b>Long-term liabilities</b>											
Estimated settlements due to third-party payers	2,620	-	2,620	2,620	-	-	-	-	-	-	-
Long-term debt, net of current maturities	16,833	-	16,833	2,581	5,874	8,264	-	-	-	-	114
Lease liability, net of current maturities	47,662	-	47,662	12,047	13,828	18,681	76	-	-	689	2,341
Other liabilities	3,263	-	3,263	3,263	-	-	-	-	-	-	-
Total liabilities	145,074	-	145,074	69,533	29,302	38,689	694	-	-	1,218	5,638
<b>Member equity</b>											
Retained earnings	-	(282,941)	282,941	-	107,505	116,935	21,218	5,038	7,642	19,104	5,499
Total equity	-	(42,186)	42,186	-	15,477	15,143	2,693	1,922	3,949	3,213	(211)
	-	(325,127)	325,127	-	122,982	132,078	23,911	6,960	11,591	22,317	5,288
<b>Net assets</b>											
Without donor restrictions :											
Virtua-Memorial Hospital of Burlington County, Inc.	1,265,763	-	1,265,763	1,265,763	-	-	-	-	-	-	-
Noncontrolling interests	348,895	130,119	218,776	-	93,874	103,005	21,897	-	-	-	-
Total net assets without donor restrictions	1,614,658	130,119	1,484,539	1,265,763	93,874	103,005	21,897	-	-	-	-
With donor restrictions											
	19,102	-	19,102	19,102	-	-	-	-	-	-	-
Total net assets	1,633,760	130,119	1,503,641	1,284,865	93,874	103,005	21,897	-	-	-	-
Total liabilities and net assets	\$ 1,778,834	\$ (195,008)	\$ 1,973,842	\$ 1,354,398	\$ 246,158	\$ 273,772	\$ 46,502	\$ 6,960	\$ 11,591	\$ 23,535	\$ 10,926

Virtua Health, Inc.

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA - MEMORIAL HOSPITAL BURLINGTON COUNTY, INC.

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua-Memorial Hospital Burlington County, Inc.	Reclassifying/ Eliminating Entries	Total	Virtua-Memorial Hospital Burlington County, Inc.	Virtua SCA Holdings, LLC	Virtua SCA II Holdings, LLC	Virtua SCA III Holdings, LLC	Emmaus Holdings, LLC	Virtua-USP Princeton, LLC	Endo Surgi Center of Old Bridge, LLC	Mercer County Surgery Center, LLC
<b>Net assets without donor restrictions</b>											
Revenue:											
Patient service revenue	\$ 726,351	\$ -	\$ 726,351	\$ 488,873	\$ 101,397	\$ 110,613	\$ 10,267	\$ -	\$ -	\$ 7,477	\$ 7,724
Other revenue	16,857	(302)	17,159	13,649	2,849	581	3	11	48	10	8
Equity in income of unconsolidated joint ventures	7,843	(25,477)	33,320	27,187	-	306	-	1,921	3,906	-	-
Total revenue	751,051	(25,779)	776,830	529,709	104,246	111,500	10,270	1,932	3,954	7,487	7,732
Expenses:											
Salaries and wages	188,773		188,773	141,592	20,167	22,032	1,893	-	-	1,630	1,459
Professional fees	35,061		35,061	31,826	1,275	1,739	14	10	5	108	84
Employees' fringe benefits	48,014		48,014	36,286	5,431	5,355	427	-	-	304	211
Other operating expenses	305,958	(302)	306,260	200,434	45,753	50,156	2,162	-	-	1,978	5,777
Interest	1,194	-	1,194	95	354	728	2	-	-	-	15
Depreciation, amortization and other	26,429	-	26,429	16,366	4,574	4,349	488	-	-	255	397
Total expenses	605,429	(302)	605,731	426,599	77,554	84,359	4,986	10	5	4,275	7,943
<b>Income (loss) from operations (includes \$42,512 of income attributed to noncontrolling interests)</b>	145,622	(25,477)	171,099	103,110	26,692	27,141	5,284	1,922	3,949	3,212	(211)
<b>Nonoperating gains</b>											
Investment return, net	28,434	-	28,434	28,434	-	-	-	-	-	-	-
Total nonoperating gains, net	28,434	-	28,434	28,434	-	-	-	-	-	-	-
<b>Excess of (deficiency in) revenue over expenses and losses</b>	174,056	(25,477)	199,533	131,544	26,692	27,141	5,284	1,922	3,949	3,212	(211)
<b>Excess of revenue and losses over expenses and losses attributed to noncontrolling interests</b>	(42,512)	(16,707)	(25,805)	-	(11,216)	(11,999)	(2,590)	-	-	-	-
<b>Excess of (deficiency in) revenue and over expenses and losses attributed to Virtua-Memorial Hospital Burlington County, Inc.</b>	131,544	(42,184)	173,728	131,544	15,476	15,142	2,694	1,922	3,949	3,212	(211)

Virtua Health, Inc.

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA - MEMORIAL HOSPITAL BURLINGTON COUNTY, INC.

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua-Memorial Hospital Burlington County, Inc.	Reclassifying/ Eliminating Entries	Total	Virtua-Memorial Hospital Burlington County, Inc.	Virtua SCA Holdings, LLC	Virtua SCA II Holdings, LLC	Virtua SCA III Holdings, LLC	Emmaus Holdings, LLC	Virtua-USP Princeton, LLC	Endo Surgi Center of Old Bridge, LLC	Mercer County Surgery Center, LLC
<b>Excess of (deficiency in) revenue and over expenses and losses attributed to Virtua-Memorial Hospital Burlington County, Inc.</b>	\$ 131,544	\$ (42,184)	\$ 173,728	\$ 131,544	\$ 15,476	\$ 15,142	\$ 2,694	\$ 1,922	\$ 3,949	\$ 3,212	\$ (211)
<b>Other changes in net assets without donor restrictions -</b>											
<b>Virtua-Memorial Hospital Burlington County, Inc.</b>											
Restricted net assets released for property, plant, and equipment	6	-	6	6	-	-	-	-	-	-	-
Transfers with affiliates, net	26,725	-	26,725	26,725	-	-	-	-	-	-	-
Changes paid-in capital	-	(4,914)	4,914	-	-	4,914	-	-	-	-	-
Income distributions	-	24,445	(24,445)	-	(7,524)	(9,725)	(2,242)	(875)	(2,727)	(1,352)	-
Others	-	688	(688)	-	(677)	-	-	-	-	(68)	57
Increase (decrease) in net assets without donor restrictions - Virtua-Memorial Hospital Burlington County, Inc.	158,275	(21,965)	180,240	158,275	7,275	10,331	452	1,047	1,222	1,792	(154)
<b>Noncontrolling interests</b>											
Excess of revenues and nonoperating gains, net over expenses attributable to noncontrolling interests	42,512	16,707	25,805	-	11,216	11,999	2,590	-	-	-	-
Distributions	(42,657)	1,485	(44,142)	-	(17,164)	(20,430)	(3,107)	(871)	(1,271)	(1,299)	-
Other	612	658	(46)	-	(564)	544	-	-	-	(65)	39
Membership interest changes											
Acquisitions, divestitures and other changes, net	10,980	-	10,980	-	(652)	11,632	-	-	-	-	-
Increase (decrease) in net assets without donor restrictions - noncontrolling interests	11,447	18,850	(7,403)	-	(7,164)	3,745	(517)	(871)	(1,271)	(1,364)	39
<b>Net assets with donor restrictions</b>											
Contributions, net	1,048	-	1,048	1,048	-	-	-	-	-	-	-
Investment return, net	1	-	1	1	-	-	-	-	-	-	-
Increase in beneficial interest in perpetual trust	760	-	760	760	-	-	-	-	-	-	-
Net assets released from restrictions for operations	(302)	-	(302)	(302)	-	-	-	-	-	-	-
Net assets released from restrictions for property, plant, and equipment	(6)	-	(6)	(6)	-	-	-	-	-	-	-
Increase in net assets with donor restrictions	1,501	-	1,501	1,501	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS</b>	171,223	(3,115)	174,338	159,776	111	14,076	(65)	176	(49)	428	(115)
<b>Net assets - beginning of year</b>	1,462,537	(191,893)	1,654,430	1,125,089	216,745	221,007	45,873	6,784	11,640	21,889	5,403
<b>Net assets - end of year</b>	\$ 1,633,760	\$ (195,008)	\$ 1,828,768	\$ 1,284,865	\$ 216,856	\$ 235,083	\$ 45,808	\$ 6,960	\$ 11,591	\$ 22,317	\$ 5,288

Virtua Health, Inc.

COMBINING BALANCE SHEET INFORMATION - VIRTUA-WEST JERSEY HEALTH SYSTEM, INC.

December 31, 2025  
(Dollar amounts in thousands)

	Virtua- West Jersey Health System, Inc.	Reclassifying/ Eliminating Entries	Total	Virtua- West Jersey Health System, Inc.	Voorhees Endoscopy Holding Co., LLC	River Drive Holding Company	Access Holding Company	Campus Holding, LLC	South Jersey Vascular Management	NJEYE Holding, LLC	Summit Surgical, LLC
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	\$ 51,850	\$ -	\$ 51,850	\$ 46,094	\$ 82	\$ 2	\$ -	\$ 1,339	\$ 132	\$ 3,577	\$ 624
Assets limited as to use	7,353	-	7,353	7,353	-	-	-	-	-	-	-
Patient accounts receivable	110,613	-	110,613	106,166	-	-	342	423	366	754	2,562
Due from affiliate, net	94,341	-	94,341	94,341	-	-	-	-	-	-	-
Other current assets	108,294	(903)	109,197	102,238	-	1,805	1,254	355	803	1,559	1,183
Total current assets	372,451	(903)	373,354	356,192	82	1,807	1,596	2,117	1,301	5,890	4,369
<b>Assets limited as to use</b>											
By Board of Trustees' designation	2,065,328	-	2,065,328	2,065,328	-	-	-	-	-	-	-
	2,065,328	-	2,065,328	2,065,328	-	-	-	-	-	-	-
<b>Property, plant, and equipment, net</b>	575,596	-	575,596	571,529	-	-	-	209	91	1,859	1,908
<b>Right of use assets</b>	49,037	-	49,037	31,880	-	-	-	2,575	469	3,387	10,726
<b>Other long-term assets</b>											
Due from affiliates, net	-	-	-	-	-	-	-	-	-	-	-
Investment in unconsolidated joint ventures	141,366	(55,233)	196,599	138,835	13,459	44,305	-	-	-	-	-
Goodwill and other intangibles, net	53,655	-	53,655	8,132	-	-	-	24,496	2,682	10,107	8,238
Other assets	18,665	-	18,665	18,665	-	-	-	-	-	-	-
	213,686	(55,233)	268,919	165,632	13,459	44,305	-	24,496	2,682	10,107	8,238
Total assets	\$ 3,276,098	\$ (56,136)	\$ 3,332,234	\$ 3,190,561	\$ 13,541	\$ 46,112	\$ 1,596	\$ 29,397	\$ 4,543	\$ 21,243	\$ 25,241

Virtua Health, Inc.

COMBINING BALANCE SHEET INFORMATION - VIRTUA-WEST JERSEY HEALTH SYSTEM, INC.

December 31, 2025  
(Dollar amounts in thousands)

	Virtua- West Jersey Health System, Inc.	Reclassifying/ Eliminating Entries	Total	Virtua- West Jersey Health System, Inc.	Voorhees Endoscopy Holding Co., LLC	River Drive Holding Company	Access Holding Company	Campus Holding, LLC	South Jersey Vascular Management	NJEYE Holding, LLC	Summit Surgical, LLC
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current liabilities</b>											
Current maturities of long-term debt	\$ 14,420	\$ -	\$ 14,420	\$ 14,103	\$ -	\$ -	\$ 69	\$ 98	\$ -	\$ -	\$ 150
Current maturities of lease liability	8,338	-	8,338	5,772	-	-	-	223	253	604	1,486
Accounts payable and accrued expenses	137,096	(903)	137,999	130,051	-	-	356	615	288	4,079	2,610
Accrued compensation and related liabilities	31,205	-	31,205	29,310	-	-	763	29	42	-	1,061
Accrued interest payable	2,203	-	2,203	2,203	-	-	-	-	-	-	-
Estimated settlements due to third-party payers	5,911	-	5,911	5,911	-	-	-	-	-	-	-
Total current liabilities	199,173	(903)	200,076	187,350	-	-	1,188	965	583	4,683	5,307
<b>Long-term liabilities</b>											
Estimated settlements due to third-party payers	3,867	-	3,867	3,867	-	-	-	-	-	-	-
Accrued retirement benefits	682	-	682	682	-	-	-	-	-	-	-
Due to affiliates, net	131,163	-	131,163	131,163	-	-	-	-	-	-	-
Long-term debt, net of current maturities	456,164	-	456,164	455,870	-	-	220	53	-	-	21
Lease liability, net of current maturities	43,236	-	43,236	27,870	-	-	-	2,391	273	2,889	9,813
Other liabilities	3,761	-	3,761	3,761	-	-	-	-	-	-	-
Total liabilities	838,046	(903)	838,949	810,563	-	-	1,408	3,409	856	7,572	15,141
<b>Member equity</b>	-	(64,663)	64,663	-	1,517	33,213	7,429	14,899	2,771	4,834	-
<b>Retained earnings</b>	-	(23,284)	23,284	-	12,024	12,899	(7,330)	1,995	916	2,780	-
Total equity	-	(87,947)	87,947	-	13,541	46,112	99	16,894	3,687	7,614	-
<b>Net assets</b>											
Without donor restrictions :											
Virtua-West Jersey Health System, Inc.	2,377,173	(10,100)	2,387,273	2,377,173	-	-	-	-	-	-	10,100
Noncontrolling interests	58,054	42,814	15,240	-	-	-	89	9,094	-	6,057	-
Total net assets without donor restrictions	2,435,227	32,714	2,402,513	2,377,173	-	-	89	9,094	-	6,057	10,100
With donor restrictions	2,825	-	2,825	2,825	-	-	-	-	-	-	-
Total net assets	2,438,052	32,714	2,405,338	2,379,998	-	-	89	9,094	-	6,057	10,100
Total liabilities and net assets	\$ 3,276,098	\$ (56,136)	\$ 3,332,234	\$ 3,190,561	\$ 13,541	\$ 46,112	\$ 1,596	\$ 29,397	\$ 4,543	\$ 21,243	\$ 25,241

Virtua Health, Inc.  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA - WEST JERSEY HEALTH SYSTEM, INC.**

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua-West Jersey Health System, Inc.		Reclassifying/ Eliminating Entries	Total	Virtua-West Jersey Health System, Inc.		Voorhees Endoscopic Holding Co., LLC	River Drive Holding Company	Access Holding Company	Campus Holding, LLC	South Jersey Vascular Management	NJEYE Holding, LLC	Summit Surgical, LLC	
	Voorhees Division	Marlton Division			Voorhees	Marlton								
<b>Net assets without donor restrictions</b>														
Revenue														
Patient service revenue	\$ 1,076,639	\$ 254,188	\$ 1,330,827	\$ -	\$ 1,330,827	\$ 1,025,967	\$ 244,992	\$ -	\$ -	\$ 6,496	\$ 11,114	\$ 5,245	\$ 17,418	\$ 19,595
Other revenue	32,487	1,773	34,260	(10,078)	44,338	39,851	3,109	-	1,059	4	-	261	-	54
Equity in income of unconsolidated joint venture	54,510	9,892	64,402	(10,584)	74,986	43,270	7,852	12,024	11,840	-	-	-	-	-
Total revenue	1,163,636	265,853	1,429,489	(20,662)	1,450,151	1,109,088	255,953	12,024	12,899	6,500	11,114	5,506	17,418	19,649
Expenses:														
Salaries and wages	298,338	70,860	369,198	(6,285)	375,483	292,086	69,726	-	-	1,963	1,691	1,101	2,632	6,284
Professional fees	43,144	13,474	56,618	-	56,618	42,434	13,345	-	-	343	430	66	-	-
Employees' fringe benefit	79,190	15,645	94,835	(1,957)	96,792	77,892	15,409	-	-	462	100	-	708	1,957
Other operating expense:	448,216	101,228	549,444	(1,836)	551,280	422,503	96,562	-	-	3,409	5,536	3,232	8,452	11,586
Interest	11,113	2,017	13,130	-	13,130	11,055	2,006	-	-	42	16	-	-	11
Depreciation, amortization and other	74,431	13,457	87,888	-	87,888	61,611	11,131	-	-	13,717	185	91	642	511
Total expenses	954,432	216,681	1,171,113	(10,078)	1,181,191	907,581	208,179	-	-	19,936	8,122	4,590	12,434	20,349
<b>Income (loss) from operations (includes \$8,290 of income attributed to noncontrolling interests)</b>	209,204	49,172	258,376	(10,584)	268,960	201,507	47,774	12,024	12,899	(13,436)	2,992	916	4,984	(700)
Nonoperating gains														
Investment return, net	226,137	41,038	267,175	700	266,475	225,544	40,931	-	-	-	-	-	-	-
Total nonoperating losses, net	226,137	41,038	267,175	700	266,475	225,544	40,931	-	-	-	-	-	-	-
<b>Excess of (deficiency in) revenue over expenses and losses</b>	435,341	90,210	525,551	(9,884)	535,435	427,051	88,705	12,024	12,899	(13,436)	2,992	916	4,984	(700)
<b>Excess of revenue, net over expenses and losses attributed to noncontrolling interests</b>	(8,290)	(1,505)	(9,795)	(12,700)	2,905	-	-	-	-	6,106	(997)	-	(2,204)	-
<b>Excess of (deficiency in) revenue over expenses and losses attributed to Virtua-West Jersey Health System, Inc</b>	427,051	88,705	515,756	(22,584)	538,340	427,051	88,705	12,024	12,899	(7,330)	1,995	916	2,780	(700)
<b>Other changes in net assets without donor restrictions - Virtua-West Jersey Health, Inc.</b>														
Restricted net assets released for property, plant, and equipment	67	12	79	-	79	67	12	-	-	-	-	-	-	-
Transfers with affiliates, net	(126,840)	(23,018)	(149,858)	-	(149,858)	(126,840)	(23,018)	-	-	-	-	-	-	-
Paid-in Capital	-	-	-	(13,160)	13,160	-	-	-	-	(140)	-	-	-	13,300
Income distributions	-	-	-	18,580	(18,580)	-	-	(6,156)	(6,383)	(162)	(1,056)	(840)	(1,483)	(2,500)
Others	-	-	-	17	(17)	-	-	-	-	-	-	(17)	-	-
Increase (decrease) in net assets without donor restrictions Virtua-West Jersey Health System, Inc	300,278	65,699	365,977	(17,147)	383,124	300,278	65,699	5,868	6,516	(7,632)	939	59	1,297	10,100
<b>Noncontrolling interests</b>														
Excess of revenues and nonoperating gains, net over expenses attributable to noncontrolling interest	8,290	1,505	9,795	12,700	(2,905)	-	-	-	-	(6,106)	997	-	2,204	-
Distributions	(16,031)	(2,909)	(18,940)	26	(18,966)	-	-	(5,914)	(6,133)	(355)	(2,024)	(807)	(3,733)	-
Other	11	2	13	(411)	424	-	-	-	-	140	-	(16)	300	-
(Decrease) increase in net assets without donor restrictions noncontrolling interest	(7,730)	(1,402)	(9,132)	12,315	(21,447)	-	-	(5,914)	(6,133)	(6,321)	(1,027)	(823)	(1,229)	-
<b>Net assets with donor restrictions</b>														
Contributions, net	27	5	32	-	32	27	5	-	-	-	-	-	-	-
Net assets released from restrictions for operation	(104)	(19)	(123)	-	(123)	(104)	(19)	-	-	-	-	-	-	-
Net assets released from restrictions for property, plant, and equipment	(67)	(12)	(79)	-	(79)	(67)	(12)	-	-	-	-	-	-	-
Transfers with affiliates, net	63	11	74	-	74	63	11	-	-	-	-	-	-	-
Decrease in net assets with donor restriction	(81)	(15)	(96)	-	(96)	(81)	(15)	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS</b>	292,467	64,282	356,749	(4,832)	361,581	300,197	65,684	(46)	383	(13,953)	(88)	(764)	68	10,100
<b>Net assets - beginning of year</b>	1,744,779	336,524	2,081,303	(50,401)	2,131,704	1,721,087	293,030	13,587	45,729	14,141	26,076	4,451	13,603	-
<b>Net assets - end of year</b>	\$ 2,037,246	\$ 400,806	\$ 2,438,052	\$ (55,233)	\$ 2,493,285	\$ 2,021,284	\$ 358,714	\$ 13,541	\$ 46,112	\$ 188	\$ 25,988	\$ 3,687	\$ 13,671	\$ 10,100

Virtua Health

COMBINING BALANCE SHEET INFORMATION - VIRTUA LOURDES HOSPITAL GROUP

December 31, 2025  
(Dollar amounts in thousands)

	Virtua Lourdes Hospital Group	Reclassifying/ Eliminating Entries	Total	Virtua Our Lady of Lourdes Hospital, Inc.	Virtua Willingboro Hospital, Inc.
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 81	\$ -	\$ 81	\$ 14	\$ 67
Patient accounts receivable	77,993	-	77,993	64,378	13,615
Other current assets	75,255	-	75,255	53,799	21,456
Total current assets	153,329	-	153,329	118,191	35,138
<b>Property, plant, and equipment, net</b>	391,608	-	391,608	313,583	78,025
<b>Right of use assets</b>	6,956	-	6,956	6,701	255
<b>Other long-term assets</b>					
Investment in unconsolidated joint ventures	8,704	-	8,704	8,704	-
Goodwill and other intangibles, net	19,089	-	19,089	19,039	50
Other assets	414	-	414	351	63
	28,207	-	28,207	28,094	113
Total assets	\$ 580,100	\$ -	\$ 580,100	\$ 466,569	\$ 113,531
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Current maturities of lease liability	\$ 3,319	\$ -	\$ 3,319	\$ 3,085	\$ 234
Accounts payable and accrued expenses	73,992	-	73,992	61,783	12,209
Due to affiliates, net	24,967	-	24,967	23,853	1,114
Accrued compensation and related liabilities	16,681	-	16,681	12,772	3,909
Estimated settlements due to third-party payers	10,707	-	10,707	8,833	1,874
Total current liabilities	129,666	-	129,666	110,326	19,340
<b>Long-term liabilities</b>					
Estimated settlements due to third-party payers	7,706	-	7,706	6,149	1,557
Due to affiliates, net	117,527	-	117,527	91,325	26,202
Lease liability, net of current maturities	4,012	-	4,012	3,986	26
Other liabilities	1,833	-	1,833	1,463	370
Total liabilities	260,744	-	260,744	213,249	47,495
<b>Net assets</b>					
Without donor restrictions :					
Virtua Lourdes Hospital Group	316,434	-	316,434	250,577	65,857
Total net assets without donor restrictions	316,434	-	316,434	250,577	65,857
With donor restrictions					
	2,922	-	2,922	2,743	179
Total net assets	319,356	-	319,356	253,320	66,036
Total liabilities and net assets	\$ 580,100	\$ -	\$ 580,100	\$ 466,569	\$ 113,531

Virtua Health, Inc.

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA LOURDES HOSPITAL GROUP

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua Lourdes Hospital Group	Reclassifying/ Eliminating Entries	Total	Virtua Our Lady of Lourdes Hospital, Inc.	Virtua Willingboro Hospital, Inc.
<b>Net assets without donor restrictions</b>					
Revenue:					
Patient service revenue	\$ 794,649	\$ -	\$ 794,649	\$ 616,631	\$ 178,018
Other revenue	13,896	(170)	14,066	10,809	3,257
Equity in income of unconsolidated joint ventures	2,567	-	2,567	2,567	-
Total revenue	811,112	(170)	811,282	630,007	181,275
Expenses:					
Salaries and wages	216,994	-	216,994	165,421	51,573
Professional fees	71,417	-	71,417	60,248	11,169
Employees' fringe benefits	55,833	-	55,833	42,622	13,211
Other operating expenses	391,648	(170)	391,818	322,785	69,033
Interest	(2,154)	-	(2,154)	(2,154)	-
Depreciation, amortization and other	28,035	-	28,035	20,992	7,043
Total expenses	761,773	(170)	761,943	609,914	152,029
<b>Income from operations and excess of revenue over expenses</b>	49,339	-	49,339	20,093	29,246
<b>Other changes in net assets without donor restrictions - Virtua Lourdes Hospital Group</b>					
Net assets released for property, plant, and equipment	45	-	45	45	-
Transfers with affiliates, net	44,559	-	44,559	41,937	2,622
Increase in net assets without donor restrictions - Virtua Lourdes Hospital Group	93,943	-	93,943	62,075	31,868
<b>Net assets with donor restrictions</b>					
Contributions, net	447	-	447	447	-
Net assets released from restrictions for operations	(170)	-	(170)	(169)	(1)
Net assets released from restrictions for property, plant, and equipment	(45)	-	(45)	(45)	-
Transfers with affiliates, net	12	-	12	12	-
Increase (decrease) in net assets with donor restrictions	244	-	244	245	(1)
<b>INCREASE IN NET ASSETS</b>	94,187	-	94,187	62,320	31,867
<b>Net assets - beginning of year</b>	225,169	-	225,169	191,000	34,169
<b>Net assets - end of year</b>	\$ 319,356	\$ -	\$ 319,356	\$ 253,320	\$ 66,036

Virtua Health, Inc.

COMBINING BALANCE SHEET INFORMATION - VIRTUA OTHER BUSINESS UNITS

December 31, 2025

(Dollar amounts in thousands)

	Virtua Other Business Units	Reclassifying/ Eliminating Entries	Total	Virtua Community Nursing Services, Inc.	VRI, Inc.
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 965	\$ -	\$ 965	\$ 886	\$ 79
Due from affiliates - net	10,336	-	10,336	197	10,139
Other current assets	7,036	-	7,036	7,036	-
Total current assets	18,337	-	18,337	8,119	10,218
<b>Other long-term assets</b>					
Investment in unconsolidated joint ventures	2,059	(20,951)	23,010	20,951	2,059
	2,059	(20,951)	23,010	20,951	2,059
Total assets	<u>\$ 20,396</u>	<u>\$ (20,951)</u>	<u>\$ 41,347</u>	<u>\$ 29,070</u>	<u>\$ 12,277</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Accounts payable and accrued expenses	\$ 12,578	\$ -	\$ 12,578	\$ 11,790	\$ 788
Accrued compensation and related liabilities	1,173	-	1,173	1,047	126
Total current liabilities	13,751	-	13,751	12,837	914
<b>Long-term liabilities</b>					
Other liabilities	113	-	113	113	-
Total liabilities	13,864	-	13,864	12,950	914
<b>Net assets</b>					
Without donor restrictions :					
Virtua Other Business Units	6,532	(20,951)	27,483	16,120	11,363
Total net assets without donor restrictions	6,532	(20,951)	27,483	16,120	11,363
Total net assets	6,532	(20,951)	27,483	16,120	11,363
Total liabilities and net assets	<u>\$ 20,396</u>	<u>\$ (20,951)</u>	<u>\$ 41,347</u>	<u>\$ 29,070</u>	<u>\$ 12,277</u>

Virtua Health, Inc.

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
Virtua Other Business Units

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua Other Business Units	Reclassifying/ Eliminating Entries	Total	Virtua Community Nursing Services, Inc.	VRI, Inc.
<b>Net assets without donor restrictions</b>					
Revenue:					
Other revenue	\$ 54,516	\$ (421)	\$ 54,937	\$ 51,326	\$ 3,611
Equity in income of unconsolidated joint ventures	4,755	(5,115)	9,870	5,115	4,755
Total revenue	59,271	(5,536)	64,807	56,441	8,366
Expenses:					
Salaries and wages	5,757	-	5,757	3,300	2,457
Professional fees	(108)	-	(108)	(108)	
Employees' fringe benefits	745	-	745	321	424
Other operating expenses	45,010	(421)	45,431	45,061	370
Total expenses	51,404	(421)	51,825	48,574	3,251
<b>Income from operations and excess of revenue over expenses</b>	7,867	(5,115)	12,982	7,867	5,115
<b>Other changes in net assets without donor restrictions</b>					
<b>Virtua Other Business Units</b>					
Transfers with affiliates, net	(9,066)	-	(9,066)	(9,066)	-
Decrease in net assets without donor restrictions - Virtua Other Business Units	(9,066)	-	(9,066)	(9,066)	-
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(1,199)	(5,115)	3,916	(1,199)	5,115
<b>Net assets - beginning of year</b>	7,731	(15,836)	23,567	17,319	6,248
<b>Net assets - end of year</b>	\$ 6,532	\$ (20,951)	\$ 27,483	\$ 16,120	\$ 11,363

Virtua Health, Inc.

COMBINING BALANCE SHEET INFORMATION - VIRTUA MEDICAL GROUP

December 31, 2025  
(Dollar amounts in thousands)

	Virtua Medical Group Consolidated	Reclassifying/ Eliminating Entries	Total	Virtua Medical Group	Health Management Services Organization, Inc.	Lourdes Cardiology Services, P.C.
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 13,782	\$ -	\$ 13,782	\$ 13,782	\$ -	\$ -
Patient accounts receivable	49,701	-	49,701	49,701	-	-
Due from affiliate, net	-	(658)	658	-	-	658
Other current assets	798	-	798	798	-	-
Total current assets	64,281	(658)	64,939	64,281	-	658
<b>Property, plant, and equipment, net</b>	76,167	-	76,167	76,167	-	-
<b>Right of use assets</b>	73,211	-	73,211	73,211	-	-
<b>Other long-term assets</b>						
Due from affiliates, net	202	-	202	202	-	-
Investment in unconsolidated joint ventures	12,064	-	12,064	-	12,064	-
Goodwill and other intangibles, net	7,661	-	7,661	7,661	-	-
Other assets	320	-	320	320	-	-
	20,247	-	20,247	8,183	12,064	-
Total assets	\$ 233,906	\$ (658)	\$ 234,564	\$ 221,842	\$ 12,064	\$ 658
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Current maturities of lease liability	\$ 15,585	\$ -	\$ 15,585	\$ 15,585	\$ -	\$ -
Accounts payable and accrued expenses	27,697	-	27,697	27,640	-	57
Due to affiliates, net	12,960	(658)	13,618	4,732	8,886	-
Accrued compensation and related liabilities	52,688	-	52,688	52,115	-	573
Total current liabilities	108,930	(658)	109,588	100,072	8,886	630
<b>Long-term liabilities</b>						
Lease liability, net of current maturities	62,572	-	62,572	62,572	-	-
Other liabilities	694	-	694	684	-	10
Total liabilities	172,196	(658)	172,854	163,328	8,886	640
<b>Net assets</b>						
Without donor restrictions :						
Virtua Medical Group	61,508	-	61,508	58,312	3,178	18
Total net assets without donor restrictions	61,508	-	61,508	58,312	3,178	18
With donor restrictions	202	-	202	202	-	-
Total net assets	61,710	-	61,710	58,514	3,178	18
Total liabilities and net assets	\$ 233,906	\$ (658)	\$ 234,564	\$ 221,842	\$ 12,064	\$ 658

Virtua Health, Inc.

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION -  
VIRTUA MEDICAL GROUP

For the year ended December 31, 2025  
(Dollar amounts in thousands)

	Virtua Medical Group Consolidated	Reclassifying/ Eliminating Entries	Total	Virtua Medical Group	Health Management Services Organization, Inc.	Lourdes Cardiology Services, P.C.
<b>Net assets without donor restrictions</b>						
Revenue:						
Patient service revenue	\$ 550,792	\$ -	\$ 550,792	\$ 550,792	\$ -	\$ -
Other revenue	134,848	(17,669)	152,517	134,850	-	17,667
Equity in income of unconsolidated joint ventures	1,008	-	1,008	-	1,008	-
Total revenue	686,648	(17,669)	704,317	685,642	1,008	17,667
Expenses:						
Salaries and wages	562,508	-	562,508	546,938	-	15,570
Professional fees	23,874	(17,669)	41,543	41,543	-	-
Employees' fringe benefits	80,539	-	80,539	78,531	-	2,008
Other operating expenses	192,614	-	192,614	192,525	-	89
Depreciation and amortization	16,280	-	16,280	16,280	-	-
Total expenses	875,815	(17,669)	893,484	875,817	-	17,667
<b>(Loss) income from operations and (deficiency in) excess of revenue over expenses</b>	(189,167)	-	(189,167)	(190,175)	1,008	-
<b>Other changes in net assets without donor restrictions - Virtua Medical Group</b>						
Transfers with affiliates, net	175,861	-	175,861	175,848	-	13
(Decrease) increase in net assets without donor restrictions - Virtua Medical Group	(13,306)	-	(13,306)	(14,327)	1,008	13
<b>Net assets with donor restrictions</b>						
Contributions, net	152	-	152	152	-	-
Increase in net assets with donor restrictions	152	-	152	152	-	-
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(13,154)	-	(13,154)	(14,175)	1,008	13
<b>Net assets - beginning of year</b>	74,864	-	74,864	72,689	2,170	5
<b>Net assets - end of year</b>	\$ 61,710	\$ -	\$ 61,710	\$ 58,514	\$ 3,178	\$ 18