McLEOD HEALTH

FINANCIAL INFORMATION FOR THE CONSOLIDATED & OBLIGATED GROUP UNDER THE SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE DATED JUNE 1, 2018

FOURTH QUARTER REPORT

TWELVE MONTHS ENDING SEPTEMBER 30, 2026 AND 2025

Note: These unaudited financial statements have been prepared in accordance with generally accepted accounting procedures for interim financial information. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and estimates) considered necessary for a fair presentation have been included. The year-to-date operating results reflected on these financial statements are not necessarily indicative of the results that may be expected for the entire fiscal year.

McLeod Health
Fourth Quarter Report
Twelve Months Ending September 30, 2026 and 2025

Summary of Utilization and Financial Performance

Fiscal Year Ended September 30, 2026 compared to Fiscal Year Ended September 30, 2025

The System had 51,669 admissions (consisting of 50,844 acute care, 28 swing bed and 797 hospice admissions) and 241,368 patient days (consisting of 236,260 acute care, 429 swing bed and 4,679 hospice days), a 3.2% increase in admissions and 0.1% decrease in patient days from the same period in 2025, respectively. Inpatient surgeries increased to 9,243 (up 3.4%). Emergency room visits increased to 240,665 (up 2.5%) and outpatient surgeries increased to 30,963 (up 5.7%) from the same period last year.

Total System operating revenue was $2.26B, up 8.0% from $2.09B, and operating income of $137.5M was down 9.7% from $152.2M during the same period in 2025. The System experienced a net unrealized gain of $132.2M and a net realized gain of $23.4M on investments. Unrestricted cash and investments of $2.34B at September 30, 2026 were up 15.0% from $2.03B held at September 30, 2025. The growth in operating revenue was due to increased volumes from acute admissions, increased inpatient and outpatient surgeries, pharmacy strategies, as well as the ongoing benefit of state directed payments from the HAWQ program.

FINANCIAL PERFORMANCE

Summary of Consolidated Statements of Operations (Unaudited)

(in Thousands of Dollars)	Twelve Months Ending September 30, 2026	2025
Revenue, Gains, and Other Support		
Net Patient Service Revenue	$2,124,567	$1,991,156
Other Operating Revenues	137,907	102,790
Total Revenue, Gains, and Other Support	2,262,474	2,093,946
Expenses		
Personnel	1,144,110	1,061,352
Other	868,445	775,170
Interest	12,308	10,446
Depreciation and Amortization	100,138	94,739
Subtotal	2,125,001	1,941,706
Income from Operations	137,474	152,240
Other Revenues (Expenses)		
Investment Management Fees	(4,190)	(5,422)
Investment Income	55,155	79,641
Other Income	1,006	6,445
Unrealized Gains	132,155	105,879
Increase (Decrease) in Total Net Assets	**$321,600**	**$338,784**

UTILIZATION

	Twelve Months Ending September 30, 2026	2025
McLeod Health System Totals		
Acute Admissions (excludes newborns)	50,844	48,746
Hospice Admissions	797	665
Swing Bed Admissions	28	39
Behavioral Health Admissions*	0	614
Acute Days (excludes newborns)	236,260	231,111
Hospice Days	4,679	4,088
Swing Bed Days	429	639
Behavioral Health Days*	0	5,888
Acute Length of Stay (excludes newborns)	4.65	4.74
Hospice Length of Stay	5.87	6.15
Swing Bed Length of Stay	15.32	16.38
Behavioral Health Length of Stay*	0.00	9.59
Emergency Department Visits	240,665	234,682
Inpatient Surgery Cases	9,002	8,671
Outpatient Surgery Cases	30,963	29,286
Open Heart Cases	241	265
Newborn Deliveries	3,156	3,144
Medicare Case Mix Index	1.68	1.67

**In Q4 of FY 2025 the System transitioned the last of its 23 psychiatric beds into a collaborative partnership with the State of South Carolina, City of Florence, local universities and local healthcare organizations into a new regional behavioral healthcare hub.*

Note: Utilization statistics for individual hospital facilities operated by the System are available upon request. To obtain such information, please contact Debbie Benton, Financial Analyst at debbie.benton@mcleodhealth.org.

Sources of Revenue

Payments to the System are made on behalf of certain patients by third-party payors, including Federal and State governments under the Medicare and Medicaid programs, commercial insurance and managed care providers.

The percentage distribution of the System's total gross patient service revenue by source of payment for the fiscal years ended September 30, 2026 and 2025 is set forth in the following table.

Percentage of Total System Gross Revenues by Payor Categories

	Twelve Months Ending September 30, 2026	2025
Medicare	56.82%	56.01%
Medicaid	10.40%	10.73%
Contracted Payors	27.69%	28.68%
Self Pay	5.09%	4.58%
Total	100.00%	100.00%

Source: Internal Records

Current Indebtedness of the Obligated Group

Long-term Debt. Long-term debt of the Obligated Group includes the following indebtedness secured by Master Trust Indenture Obligations as of September 30, 2026.

Bonds Outstanding	Master Trust Indenture Obligation Securing Debt	September 30, 2026
Hospital Revenue Bonds (McLeod Regional Medical Center Project), Series 2010B, final maturity November 1, 2040	Obligation No. 13	$46,770,000
Refunding and Improvement Revenue Bonds (McLeod Health Projects), Series 2018, final maturity November 1, 2048	Obligation No. 15	$123,445,000
Hospital Revenue Bonds (McLeod Regional Medical Center Project), Series 2020A, final maturity November 1, 2037	Obligation No. 16	$75,330,000
Healthcare Revenue Bonds (McLeod Health Project), Series 2024, final maturity November 1, 2054	Obligation No. 18	$141,045,000
Unamortized Premiums/Issue Costs on Above Bond Obligations		$17,720,956
TOTAL		**$404,310,956**

As of September 30, 2026, the members of the Obligated Group have indebtedness of $6,433,527 that is not secured by a Master Trust Indenture Obligation but is a guarantee issued by the Borrower in respect of a commercial loan to McLeod Medical Partners, LLC. In addition, there are operating and capital lease payables totaling $5,348,307 that have varying interest rates.

Short-term Debt. McLeod Health has an unsecured line of credit with Truist Bank in the amount of $20,000,000. Outstanding balances from draws on this line of credit bear interest at a variable rate based on SOFR (Secured Overnight Financing Rate) plus a spread and interest is payable monthly. There were no outstanding balances at September 30, 2026.

Current Indebtedness of the Non-Obligated Group

As mentioned previously, McLeod Medical Partners, LLC has a commercial loan outstanding in the amount of $6,433,527.

M c L E O D H E A L T H
OBLIGATED GROUP UNAUDITED BALANCE SHEET

	09/30/26	09/30/25
ASSETS:		
Current Assets		
Cash and cash equivalents	$122,553,993	$71,867,314
Receivables		
Net Patient Receivables	191,094,804	178,515,346
Other	34,924,454	78,590,037
Inventories	48,978,489	44,999,828
Prepaid expenses	43,136,226	37,995,504
Total Current Assets	440,687,965	411,968,027
Assets whose use is limited	2,197,216,641	1,965,496,483
Net property and equipment	1,106,869,845	1,020,259,976
Other assets		
Goodwill	4,887,544	4,887,544
Other assets	56,860,325	55,880,894
Total Other Assets	61,747,869	60,768,438
TOTAL ASSETS:	**$3,806,522,320**	**$3,458,492,925**
LIABILITIES AND NET ASSETS:		
Current Liabilities		
Current portion of long term debt	13,552,034	15,821,219
Accounts payable	127,355,583	104,978,559
Accrued expenses and other liabilities	209,207,464	184,968,750
Estimated third-party payor settlements	71,384,163	81,723,485
Total Current Liabilities	421,499,243	387,492,013
Long-term debt less current maturities	400,758,202	409,822,458
Other Long Term Liabilities	11,575,926	11,147,354
Total Liabilities	833,833,371	808,461,825
Owned Interest in Net Assets		
Net Assets without Donor Restrictions	2,972,688,949	2,650,031,100
Total Net Assets	2,972,688,949	2,650,031,100
TOTAL LIABILITIES AND NET ASSETS:	**$3,806,522,320**	**$3,458,492,925**

M c L E O D H E A L T H
OBLIGATED GROUP UNAUDITED OPERATING STATEMENT

REVENUES AND EXPENSES:	Twelve Months Ending September 30, 2026	2025
Unrestricted revenue, gains and other support		
Patient services revenue	2,118,725,983	1,985,570,750
Other operating revenue	179,793,914	143,262,016
Total Operating Revenue	2,298,519,896	2,128,832,767
Expenses		
Salaries, wages, benefits and contracted labor	1,173,110,710	1,087,639,362
Supplies and other expenses	878,827,472	784,327,626
Depreciation, Amortization	98,967,020	93,513,261
Interest	12,106,277	10,235,440
Total Operating Expenses	2,163,011,477	1,975,715,689
Income from Operations	135,508,419	153,117,078
Non-Operating Revenues (Expenses)		
Interest and Dividends	30,728,673	26,276,679
Realized Gains	23,053,682	51,400,829
Unrealized Gains	131,689,515	105,072,385
Management Fees	(4,900,446)	(4,316,119)
Other Income	5,632,289	5,856,416
Net Non-Operating Revenues (Expenses)	186,203,713	184,290,192
Increase in Net Assets	**$321,712,132**	**$337,407,269**

McLEOD HEALTH
CONSOLIDATED UNAUDITED BALANCE SHEET

	09/30/26	09/30/25
ASSETS:		
Current Assets		
Cash and cash equivalents	$136,641,332	$80,538,174
Investments	5,660,335	5,166,808
Receivables		
Net Patient Receivables	191,846,860	178,848,350
Other	14,320,362	60,558,507
Inventories	49,112,173	45,133,512
Prepaid expenses	43,322,294	38,166,704
Total Current Assets	440,903,357	408,412,054
Assets whose use is limited	2,218,367,419	1,990,811,307
Net property and equipment	1,116,717,189	1,030,708,995
Other assets		
Goodwill	4,887,544	4,887,544
Other assets	24,256,618	23,480,489
Total Other Assets	29,144,162	28,368,033
TOTAL ASSETS:	**$3,805,132,126**	**$3,458,300,390**
LIABILITIES AND NET ASSETS:		
Current Liabilities		
Current portion of long term debt	13,878,291	16,138,478
Accounts payable	127,989,046	105,914,222
Accrued expenses and other liabilities	209,528,608	185,254,139
Estimated third-party payor settlements	71,384,163	81,723,485
Total Current Liabilities	422,780,108	389,030,323
Long-term debt less current maturities	406,865,472	416,253,094
Other Long Term Liabilities	11,575,926	11,147,354
Total Liabilities	841,221,505	816,430,771
Noncontrolling interest	9,210,036	8,353,786
Owned Interest in Net Assets		
Net Assets without Donor Restrictions	2,937,364,585	2,618,121,833
Net Assets with Donor Restrictions	17,336,000	15,394,000
Total Net Assets	2,954,700,585	2,633,515,833
TOTAL LIABILITIES AND NET ASSETS:	**$3,805,132,126**	**$3,458,300,390**

M c L E O D H E A L T H
CONSOLIDATED UNAUDITED OPERATING STATEMENT

REVENUES AND EXPENSES:	Twelve Months Ending September 30 2026	2025
Unrestricted revenue, gains and other support		
Patient services revenue	2,124,567,172	1,991,155,605
Other operating revenue	137,907,207	102,790,058
Total Operating Revenue	2,262,474,379	2,093,945,663
Expenses		
Salaries, wages, benefits and contracted labor	1,144,109,596	1,061,351,868
Supplies and other expenses	868,444,825	775,169,822
Depreciation, Amortization	100,138,478	94,738,658
Interest	12,307,974	10,445,593
Total Operating Expenses	2,125,000,874	1,941,705,941
Income from Operations	137,473,505	152,239,722
Non-Operating Revenues (Expenses)		
Interest and Dividends	31,797,131	28,046,481
Realized Gains	23,357,956	51,595,007
Unrealized Gains	132,154,888	105,879,262
Management Fees	(4,190,111)	(5,421,695)
Other Income	1,006,169	6,445,302
Net Non-Operating Revenues (Expenses)	184,126,032	186,544,358
Increase in Net Assets	**$321,599,537**	**$338,784,080**