ALLEGHENY HEALTH NETWORK

Unaudited Financial Information and Management's Discussion and Analysis

For the Periods Ended September 30, 2026 and 2025



November 17, 2026

ALLEGHENY HEALTH NETWORK

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BASIS OF PRESENTATION; FORWARD-LOOKING STATEMENTS

Allegheny Health Network is the Credit Group Representative of an obligated group (the "Obligated Group") formed pursuant to a Master Trust indenture dated as of December 1, 2017, as amended (the "Master Trust Indenture"). The Allegheny County Hospital Development Authority Revenue Bonds (Allegheny Health Network Obligated Group Issue), Series 2018A (the "Series 2018A Bonds") are secured pursuant to the Master Trust Indenture. The information contained herein is being filed by Allegheny Health Network for the purpose of complying with the Obligated Group's obligations under the Continuing Disclosure Agreement entered into in connection with the issuance of the Series 2018A Bonds. Allegheny Health Network and its consolidated subsidiaries are referred to collectively herein as "AHN."

AHN presumes that users of this financial information have read or have access to AHN's audited financial statements and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The audited financial statements of AHN for the fiscal years ended December 31, 2025 and 2024 are on file at www.emma.msrb.org.

Except as otherwise specified, information contained in this report includes the unaudited financial performance of AHN on a consolidated basis and thus includes entities that are not members of the Obligated Group. The unaudited consolidated financial information contained herein includes all required adjustments that management believes are necessary for a fair presentation of AHN's financial position and the results of operations for these quarters. All financial and statistical information is derived from internal records of AHN.

References herein to Highmark Health ("Highmark Health"), which is the parent of AHN and of Highmark Inc. ("Highmark"), mean those entities affiliated with AHN by virtue of common corporate control. **NEITHER HIGHMARK HEALTH NOR HIGHMARK IS OBLIGATED WITH RESPECT TO THE SERIES 2018A BONDS, AND NONE OF THEIR RESPECTIVE ASSETS OR REVENUES ARE AVAILABLE TO PAY DEBT SERVICE ON THE SERIES 2018A BONDS.**

This report contains information which constitutes "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words like "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan," "initiative" or "continue." These forward-looking statements are based on the current plans and expectations of AHN and are subject to a number of known and unknown uncertainties and risks, many of which are beyond AHN's control and could significantly affect current plans and expectations and AHN's future financial position and results of operations. These factors include, but are not limited to, (i) the highly competitive nature of the health care industry, (ii) the efforts of insurers, health care providers and others to contain health care costs, (iii) possible changes in the Medicare and Medicaid programs that may impact reimbursements to health care providers and insurers, (iv) the ability to achieve expected levels of patient volumes and control the costs of providing services, (v) changes in federal, state or local regulations affecting the health care industry, (vi) the ability to attract and retain qualified management and personnel, including affiliated physicians, nurses and medical support personnel, (vii) liabilities and other claims asserted against AHN, (viii) changes in accounting practices, (ix) changes in general economic conditions including growing numbers of uninsured and unemployed patients, (x) changes in revenue mix and the ability to enter into and renew managed care provider arrangements on acceptable terms and (xi) the collectability of uninsured accounts and deductible and co-pay amounts. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements made by or on behalf of AHN. Users of this report are cautioned not to rely on such forward-looking statements when evaluating the information presented in this report, including "Management's Discussion and Analysis."

It should be noted that earnings before interest, taxes, depreciation and amortization (“EBITDA”), days cash on hand and certain other financial metrics included in this filing are not measures of operating performance, liquidity or financial leverage defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

ALLEGHENY HEALTH NETWORK

Introduction and Overview

Allegheny Health Network is the parent organization of a system of acute care hospitals and affiliated providers in western Pennsylvania that constitutes the clinical delivery component of an integrated delivery and financing system ("IDFS"), with Highmark Health as its parent company. Highmark Health is also the parent of Highmark Inc. ("Highmark"). AHN is the clinical delivery system affiliate of Highmark for enrollees in Highmark's various health plans in the region, as well as enrollees covered by other insurers and Medicaid and Medicare programs. While AHN is integrated with Highmark Health and its affiliates for strategic planning, budgetary, and other purposes and shares certain common management personnel, directors, and committees, neither Highmark Health nor Highmark is part of the Obligated Group (as defined in the Master Trust Indenture). Neither Highmark Health nor Highmark is obligated with respect to the Series 2018A Bonds, and none of their assets or revenues are pledged to pay debt service on such bonds.

ALLEGHENY HEALTH NETWORK

Consolidated Balance Sheets – Unaudited*

September 30, 2026 and 2025 and December 31, 2025

(Dollars in thousands)

	2026	2025	
	September	September	December
Assets			
Current assets			
Cash and cash equivalents	$ 317,389	$ 306,105	$ 341,442
Patient accounts receivable	786,906	705,216	648,655
Other current assets	383,577	214,388	285,649
Total current assets	1,487,872	1,225,709	1,275,746
Investments	429,553	406,688	419,178
Assets whose use is limited	136,259	76,574	71,827
Restricted investments	499,103	443,456	452,282
Equity investments/other	75,322	29,873	29,888
Property and equipment, net	2,289,407	2,068,082	2,124,727
Right to use assets	278,050	256,704	246,526
Other assets	228,869	218,240	217,597
Total assets	**$ 5,424,435**	**$4,725,326**	**$ 4,837,771**
Liabilities and net assets			
Current liabilities	$ 757,914	$ 604,353	$ 692,397
Current portion of lease liabilities	42,798	41,795	40,638
Current portion of long-term debt	37,583	27,251	27,848
Total current liabilities	838,295	673,399	760,883
Accrued pension obligation	240,591	211,867	240,441
Long-term debt	878,750	870,854	868,332
Lease liabilities	257,583	235,776	226,243
Other liabilities	300,911	238,987	261,796
Total liabilities	2,516,130	2,230,883	2,357,695
Net assets:			
Without donor restrictions	2,406,975	2,050,645	2,032,201
With donor restrictions	501,330	443,798	447,875
Total net assets	2,908,305	2,494,443	2,480,076
Total liabilities and net assets	**$ 5,424,435**	**$4,725,326**	**$ 4,837,771**

* Includes entities that are not members of the Obligated Group

** September 2026 Balance Sheet includes Heritage Valley Health System

ALLEGHENY HEALTH NETWORK

Consolidated Statements of Operations – Unaudited*
For the Periods Ended September 30, 2026 and 2025

(Dollars in thousands)

	QTD		YTD	
	2026	2025	2026	2025
Revenue				
Net patient service revenue	$ 1,454,851	$ 1,252,026	$ 4,130,640	$ 3,743,056
Other operating revenue	180,172	149,318	626,459	452,830
Total revenue	1,635,023	1,401,344	4,757,099	4,195,886
Expenses				
Salaries, wages, and fringe benefits	852,314	702,009	2,335,102	2,084,587
Patient care supplies	443,185	359,581	1,230,206	1,053,175
Other operating expenses	327,838	279,779	909,749	818,397
Depreciation and amortization	60,680	52,941	171,450	160,999
Total operating expenses	1,684,017	1,394,310	4,646,507	4,117,158
Operating (loss) income	**(48,994)**	**7,034**	**110,592**	**78,728**
Investment income	9,013	10,149	28,036	23,214
Net unrealized (losses) gains	(8,575)	8,796	(2,282)	25,890
Interest expense	(4,271)	(5,111)	(12,305)	(16,772)
Other components of net periodic benefit credit	1,800	2,425	5,400	7,275
Net assets acquired through affiliation	-	-	217,085	-
Other non-operating income (expense), net	12,720	(3,723)	(464)	(9,467)
(Deficit) excess of revenue over expenses, before income taxes	**(38,307)**	**19,570**	**346,062**	**108,868**
Income tax (expense) benefit	(60)	1,772	(106)	2,194
(Deficit) excess of revenue over expenses	**$ (38,367)**	**$ 21,342**	**$ 345,956**	**$ 111,062**
Operating margin %	-3.0%	0.5%	2.3%	1.9%
Net margin %	-2.3%	1.5%	7.3%	2.6%
Operating EBITDA	$ 11,686	$ 59,975	$ 282,042	$ 239,727
Operating EBITDA %	0.7%	4.3%	5.9%	5.7%
Net EBITDA	$ 26,644	$ 77,622	$ 529,817	$ 286,639
Net EBITDA %	1.6%	5.5%	11.1%	6.8%
Total current and long-term debt**	$ 916,333	$ 898,105	$ 916,333	$ 898,105
Total current and long-term debt** to net EBITDA	8.6	2.9	1.3	2.3

* Includes entities that are not members of the Obligated Group

** Excluding lease liabilities

*** 2026 Consolidated Statements of Operations includes Heritage Valley Health System (July 2026-September 2026)

ALLEGHENY HEALTH NETWORK

Utilization Statistics*

For the Periods Ended September 30, 2026 and 2025

Utilization Statistics

	QTD		YTD	
	2026^	2025^	2026^	2025^
Discharges	22,385	21,664	65,853	64,816
Observation cases	11,501	12,295	34,504	35,843
Total discharges and observation cases	33,886	33,959	100,357	100,659
Patient days	134,809	129,004	404,055	389,301
Average length of stay (medical acute days only)	5.51	5.37	5.64	5.50
Case-mix index (all payor)	2.07	2.06	2.11	2.06
Outpatient registrations	578,670	565,270	1,701,038	1,650,309
Emergency department visits	106,430	102,659	303,674	298,295
Inpatient surgeries	5,671	5,626	16,928	16,950
Outpatient surgeries	14,280	13,909	43,516	42,643
Ambulatory surgical cases	7,848	7,564	23,927	23,352
Total surgical cases	27,799	27,099	84,371	82,945
Physician visits	1,076,824	1,034,472	3,219,659	3,099,551
Full time equivalents	23,026	22,057	22,684	21,923
Days in patient accounts receivable**	49.2	50.7	49.2	50.7

* Includes entities that are not members of the Obligated Group
** Calculated using 90 days rolling net patient revenue
^ Excludes Heritage Valley

Note: Certain PY amounts have been updated to provide consistency with 2026

Consolidated Statements of Operations
Year-to-date September 30, 2026 compared to year-to-date September 30, 2025

The audited financial statements of AHN for the fiscal years ended December 31, 2025 and 2024 are on file at www.emma.msrb.org.

For the nine months ended September 30, 2026, income from operations was $110.6 million compared to income from operations of $78.7 million for the comparable 2025 period, a year over year improvement of $31.9 million.

For the nine months ended September 30, 2026 total revenue grew 13.4% compared to the same period in the prior year. AHN's stable volume, improved case mix index, favorable third-party payor incentives, and FEMA grants drove favorable revenue. In addition, following the finalization of the affiliation with Heritage Valley Health System ("HVHS"), revenue for the nine months ended September 30, 2026, includes HVHS's financial results (see "New Affiliation Agreement" below).

For the nine months ended September 30, 2026, AHN recognized $157.6 million in federal funds under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), with such amounts accounted for as grant revenue and included in other operating revenue in the consolidated statement of operations. During 2025, AHN recognized $54.1 million of CARES Act funds.

Salaries, wages, and fringe benefits are higher than the prior year due to workforce investments, and higher employee health benefits driven by healthcare inflation and employee growth. Growth in patient care supplies expense over the prior year was driven by higher costs, offset by supply chain improvements to manage acquisition costs and inventory levels. Continued expansion of the retail pharmacy and infusion programs also contributed to increased drug expense, which drove an overall favorable margin on pharmacy distribution.

For the nine months ended September 30, 2026, AHN recorded an excess of revenue over expenses of $346.0 million compared to an excess of revenue over expenses of $111.1 million for the same period in the prior year, an improvement of $234.9 million. This is primarily due to the recognized contribution income of $217.1 million within non-operating income on the consolidated statements of operations, representing the inherent contribution received from the affiliation with HVHS. Remaining improvement is due to stronger operating results noted above, partially offset by lower investment results due to macro market volatility. AHN had total investment income (net unrealized losses and investment income) of $25.8 million for the nine months ended September 30, 2026 compared to investment income of $49.1 million for the nine months ended September 30, 2025, a year over year decline of $23.3 million.

Operating EBITDA was $282.0 million for the nine months ended September 30, 2026 versus operating EBITDA of $239.7 million for the same period in the prior year, an increase of $42.3 million. Net EBITDA increased to $529.8 million for the nine months ended September 30, 2026 versus net EBITDA of $286.6 million during the same period in the prior year, an increase of $243.2 million, driven by the contribution income recognized in conjunction with the Heritage Valley Health System affiliation as well as the improved operating income described above.

The combined total of discharges and observation cases decreased 0.3% (302 cases) from 100,659 cases for the nine months ended September 30, 2025 to 100,357 cases for the same period during 2026. Outpatient registrations increased 3.1% (50,729 registrations) from 1,650,309 for the nine months ended September 30, 2025 to 1,701,038 for the same period during 2026. Physician visits grew 3.9% (120,108 visits) from 3,099,551 visits for the nine months ended September 30, 2025 to 3,219,659 visits for the same period during 2026.

Total surgical cases increased 1.7% (1,426 cases) from 82,945 cases for the nine months ended September 30, 2025 to 84,371 cases for the nine months ended September 30, 2026. Length of stay rose by 2.5%, increasing to 5.64 for the nine months ended September 30, 2026, primarily due to patient acuity.

Consolidated Balance Sheets
September 30, 2026 compared to September 30, 2025

Cash and unrestricted investments totaled $883.2 million and $789.4 million at September 30, 2026 and September 30, 2025, respectively. Based on a 12-month rolling calculation, days cash on hand decreased by 3 days from 54 days at September 30, 2025 to 51 days at September 30, 2026.

Patient accounts receivable increased $81.7 million from $705.2 million as of September 30, 2025 to $786.9 million as of September 30, 2026. The increase is driven by higher rates and growth in daily census, specifically within receivables aged less than 90 days.

Property and equipment increased $221.3 million from $2,068.1 million as of September 30, 2025 to $2,289.4 million as of September 30, 2026. The increase reflects investments in strategic capital projects including facility mechanical infrastructure improvements, a land purchase for the new Canonsburg Hospital location, emergency department improvements at Allegheny General Hospital, catheterization lab renovations at Forbes Hospital, as well as continued investments in digital and network infrastructure. In addition, property and equipment as of September 30, 2026, includes $122.0 million related to HVHS.

Long-term debt (including the current portion) increased $18.2 million from $898.1 million as of September 30, 2025 to $916.3 million as of September 30, 2026. The increase in debt was primarily due to the addition of Heritage Valley's existing debt totaling $46.8 million at September 30, 2026 partially offset by required principal payments, including the fifth principal payment made on March 31, 2026 of $22.8 million for the Series 2018A Bonds, as well as the amortization of bond premiums.

On March 23, 2026, AHN's $50.0 million line of credit facility was amended, increasing the available amount to $200.0 million and extending the expiration date to June 14, 2027. Under the amended credit facility, $15.0 million is available for letters of credit, of which $0.01 million has been utilized for strategic real estate projects but not drawn upon. No amounts were outstanding at September 30, 2026.

Accrued pension obligations increased $28.7 million from $211.9 million at September 30, 2025 to $240.6 million as of September 30, 2026. The increase was due to unrealized loss activity partially offset by a net periodic benefit credit.

Net assets without donor restrictions increased $356.4 million from $2,050.6 million as of September 30, 2025 to $2,407.0 million at September 30, 2026. The increase was a result of AHN's excess of revenue over expenses during the period as well as the net asset transfers made to AHN by Highmark pursuant to the clinical affiliation agreement, partially offset by certain pension plan liability changes.

Investments in AHN by Highmark

Highmark has continued to make investments in AHN to enhance AHN's position as the provider core to the Highmark Health IDFS. Highmark is not an obligor or guarantor of the Series 2018A Bonds and none of its assets or revenues are pledged as collateral.

Effective January 1, 2023, AHN executed a new five-year clinical affiliation agreement with Highmark. The agreement provides for affiliation payments to AHN for access and capacity projects, service line development and enhancement, development of reimbursement strategies, clinical innovation initiatives and AHN's role in the development of the enterprise's Living Health strategy.

For the nine months ended September 30, 2026, Highmark made investments in AHN pursuant to the clinical affiliation agreement. Capital investments totaled $61.1 million and were reflected as net asset transfers in the AHN financial statements.

New Affiliation Agreement

On June 30, 2026, AHN, pursuant to that certain Affiliation Agreement dated as of October 15, 2025, by and among AHN, Highmark Health, Heritage Valley Health System, Inc. ("HVHS") and Heritage Valley Health System Foundation, became the sole corporate member of Valley Medical Facilities, Inc., ("VMF"), the successor by merger to HVHS. VMF was the wholly owned operating subsidiary of HVHS and continues to operate two acute care hospital facilities.

By virtue of the transaction, VMF did not join the AHN Obligated Group or Credit Group established under that certain Master Trust Indenture dated December 1, 2017, by and among AHN and The Entities Listed on Appendix A to the Master Trust Indenture, and The Bank of New York Mellon Trust Company, N.A., as amended. VMF and AHN each remain separate corporations, responsible for their own respective liabilities and obligations, including AHN's obligations with respect to the above-referenced Bonds.

In accordance with the acquisition method of accounting, an analysis of the fair value of HVHS's assets and liabilities is currently being performed. Based on preliminary evaluations, this process is expected to result in a significant decrease in the value of the net assets acquired through the affiliation.

Series 2018A Revenue Bonds Due Dates and CUSIPs

Serial Bonds:

Due Date	Amount	CUSIP
4/1/2027	24,005,000	01728A3M6
4/1/2028	25,240,000	01728A3N4
4/1/2029	26,535,000	01728A3P9
4/1/2030	27,895,000	01728A3Q7
4/1/2031	29,325,000	01728A3R5
4/1/2032	30,825,000	01728A3S3
4/1/2033	32,410,000	01728A3T1
4/1/2034	34,070,000	01728A3U8
4/1/2035	35,815,000	01728A3V6
4/1/2036	37,655,000	01728A3W4
4/1/2037	39,385,000	01728A3X2
4/1/2038	40,990,000	01728A3Y0
	$ 384,150,000	Total Serial Bonds

Term Bonds

Due Date	Amount	CUSIP
4/1/2044	$ 283,575,000	01728A3Z7
4/1/2047	172,070,000	01728A4A1
	$ 455,645,000	Total Term Bonds
	$ 839,795,000	**Total Series 2018A Revenue Bonds Outstanding**