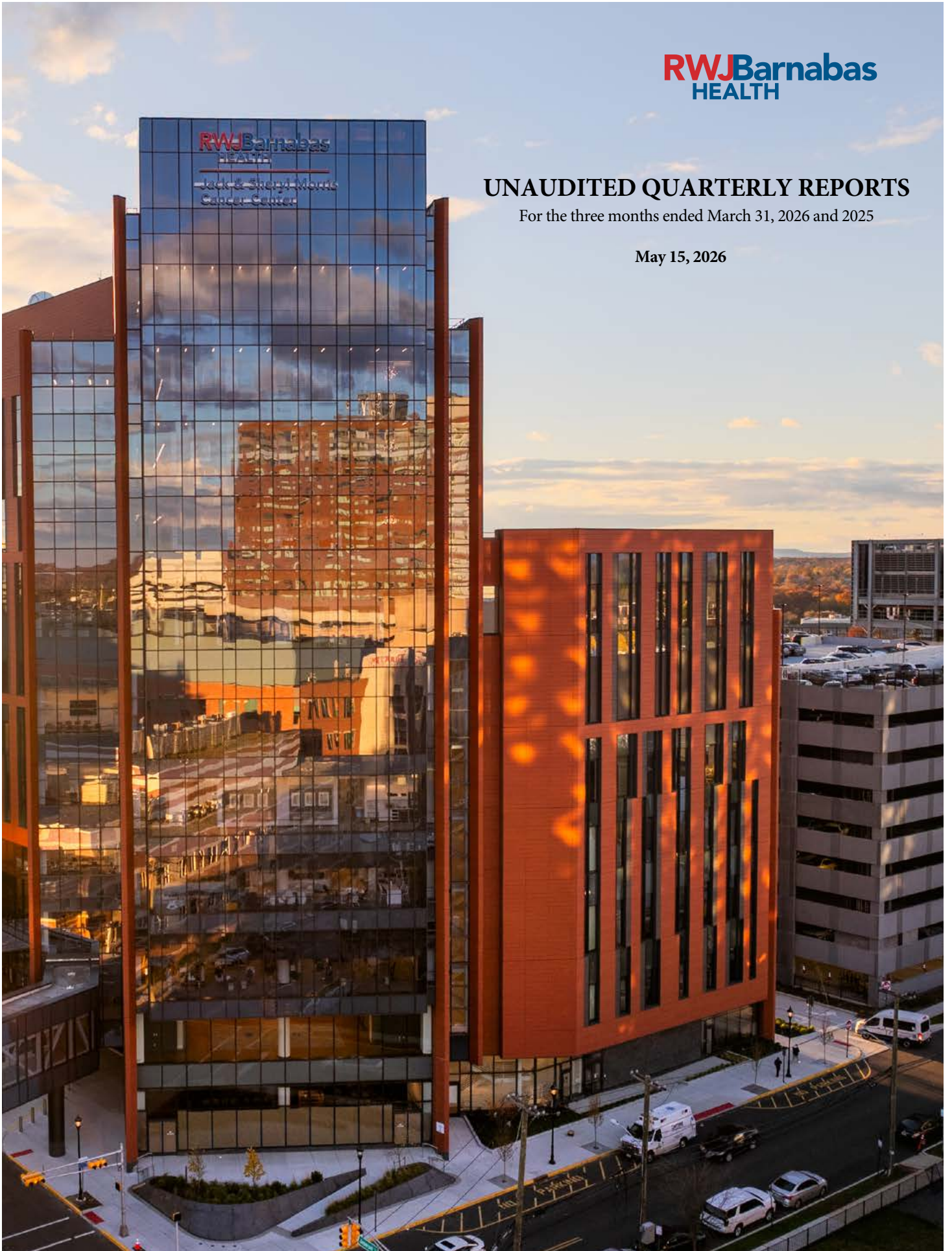


UNAUDITED QUARTERLY REPORTS

For the three months ended March 31, 2026 and 2025

May 15, 2026



RWJ Barnabas Health, Inc.

Consolidated Financial Statements and Supplementary Information as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025

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RWJ BARNABAS HEALTH, INC.

Summary of Obligations under the Master Trust Indenture and Other Credit Arrangements

March 31, 2026

Bond Obligations under the Master Trust Indenture

New Jersey Health Care Facilities Financing Authority Revenue and Refunding Bonds:

- RWJ Barnabas Health Obligated Group Issue, Series 2024A
- RWJ Barnabas Health Obligated Group Issue, Series 2024B
- RWJ Barnabas Health Obligated Group Issue, Series 2021A
- RWJ Barnabas Health Obligated Group Issue, Series 2019A
- RWJ Barnabas Health Obligated Group Issue, Series 2019B-2 and 2019B-3
- RWJ Barnabas Health Obligated Group Issue, Series 2016A

Taxable/Other Debt:

- RWJ Barnabas Health Obligated Group Issue, Series 2019
- RWJ Barnabas Health Senior Secured Notes, Series A through D
- RWJ Barnabas Health Taxable Revenue Bonds, Series 2016

Other Credit Arrangements

- Revolving line of credit agreement with JPMorgan Chase Bank, N.A. for the principal amount of \$150 million. No funds have been drawn down under such credit agreement. Includes a sublimit for letters of credit including the self-insured worker's compensation program. Secured under the Master Trust Indenture.
- Construction loans (combined with grants) from the New Jersey Economic Development Authority under its HUD-funded Energy Resilience Bank program for the construction of combined heating and power systems at each of Cooperman Barnabas Medical Center, Newark Beth Israel Medical Center, Robert Wood Johnson University Hospital Somerset, Jersey City Medical Center, and Trinitas Regional Medical Center, and related funding from PSE&G. The aggregate maximum availability of the loans is approximately \$24.4 million; approximately \$23.8 million has been drawn down under the loans.
- The Corporation established a self-liquidity backed commercial paper program which will serve as a source for interim liquidity needs. The program is authorized up to \$200 million. As of March 31, 2026, there was \$100 million of principal outstanding; \$50 million matured on April 20, 2026 and the remaining \$50 million is maturing on May 18, 2026.

RWJ BARNABAS HEALTH, INC.
LIQUIDITY SUMMARY
(In thousands)

ASSETS	March 31, 2026
Same Day Liquidity	
Deposit Accounts at A-1 rated Banks	\$ 115,052
US Government Securities and Agencies rated A-1 or better maturing under one year	120,064
Money Market Funds rated Am or better	156,675
Next Day Liquidity	
Investment Grade Debt not included above	592,065
Identified Same Day and Next Day Liquidity ⁽¹⁾	\$ 983,856
LIABILITIES (SELF LIQUIDITY DEBT)	
Commercial Paper Notes ⁽²⁾	\$ 99,353
Total Debt Subject to Self-Liquidity	\$ 99,353

⁽¹⁾ Total unrestricted cash and investments as of March 31, 2026 was \$5.2 billion. Certain of these investments are excluded from the above liquidity summary as they are not assets pledged for self-liquidity. The Corporation also has a \$150,000 credit facility in place with an expiration date of March 26, 2027. As of March 31, 2026, \$7,017 of the credit facility was used in the form of standby letters of credit that provide liquidity support for the Corporation's self-insured workers' compensation and other programs. There was no cash drawn under the credit facility during the term.

⁽²⁾ The Corporation established a self-liquidity backed commercial paper program which serves as a source for interim liquidity needs. The program is authorized up to \$200,000. As of March 31, 2026, there was \$100,000 of principal outstanding; \$50,000 matured on April 20, 2026 and the remaining \$50,000 is maturing on May 18, 2026.

RWJ BARNABAS HEALTH, INC.

System Overview

March 31, 2026

Facility	Location	Licensed Beds
Acute Care Hospitals:		
Newark Beth Israel Medical Center	Newark	653 ⁽¹⁾
Community Medical Center	Toms River	617 ⁽²⁾
Cooperman Barnabas Medical Center	Livingston	597
Robert Wood Johnson University Hospital, New Brunswick Campus	New Brunswick	698 ⁽³⁾
Robert Wood Johnson University Hospital, Somerset Campus	Somerville	343
Monmouth Medical Center	Long Branch	514 ⁽⁴⁾
Monmouth Medical Center, Southern Campus	Lakewood	241 ⁽⁵⁾
Clara Maass Medical Center	Belleville	472
Jersey City Medical Center	Jersey City	352
Robert Wood Johnson University Hospital Rahway	Rahway	213
Robert Wood Johnson University Hospital at Hamilton	Hamilton	248
Trinitas Regional Medical Center	Elizabeth	553 ⁽⁶⁾
Total Acute Care Beds		5,501
Transitional Care Beds:		
Children's Specialized Hospital	New Brunswick	159 ⁽⁷⁾
Community Medical Center Transitional Care Unit	Toms River	25 ⁽²⁾
TRMC Hospital-based Long Term Care Facility	Elizabeth	124 ⁽⁶⁾
Total Transitional Care Beds		308
Specialty Hospitals:		
The Children's Hospital of NJ at Newark Beth Israel Medical Center	Newark	156 ⁽¹⁾
Barnabas Health Behavioral Health Center	Toms River	100 ⁽⁵⁾
The Bristol-Myers Squibb Children's Hospital at Robert Wood Johnson University Hospital	New Brunswick	79 ⁽³⁾
The Unterberg Children's Hospital at Monmouth Medical Center	Long Branch	70 ⁽⁴⁾
Total Specialty Hospital Beds		405

(1) Newark Beth Israel Medical Center is licensed for 653 beds, 156 of which are licensed for Children's Hospital of New Jersey at Newark Beth Israel Medical Center. For presentation purposes, these 156 beds are included in the licensed bed complement for both Newark Beth Israel Medical Center and its designated Children's Hospital.

(2) For presentation purposes, the 25 Transitional Care beds located at the general acute care hospital are included in the licensed bed complement for Community Medical Center.

(3) Robert Wood Johnson University Hospital is licensed for 698 beds, of which 96 are licensed for the Morris Cancer Center and 79 are licensed for The Bristol-Myers Squibb Children's Hospital. For presentation purposes, these 79 beds are included in the licensed bed complement for both Robert Wood Johnson University Hospital and its designated Children's Hospital. Robert Wood Johnson University Hospital has been granted temporary approval from the Department of Health to operate an additional 26 neonatal bassinets not included in the count.

(4) Monmouth Medical Center is licensed for 514 beds, 70 of which are licensed for The Unterberg Children's Hospital at Monmouth Medical Center. For presentation purposes, these 70 beds are included in the licensed bed complement for both Monmouth Medical Center and its designated Children's Hospital.

(5) Monmouth Medical Center, Southern Campus is licensed for 241 beds, 60 of which are psychiatric beds located at Barnabas Health Behavioral Health Center. For presentation purposes, these 60 beds are included in the licensed bed complements of both Monmouth Medical Center, Southern Campus combined with the 40 beds licensed to Barnabas Health Behavioral Health Center.

(6) Trinitas Regional Medical Center is licensed for 553 beds, 124 of which are long term and sub acute care. For presentation purposes, these 124 beds are included in the licensed bed complement of Trinitas Regional Medical Center.

(7) These licensed beds represent pediatric long term care and rehabilitation beds. Children's Specialized Hospital operates at multiple locations in New Jersey, including the long term care beds in Mountainside and Toms River, New Jersey.

RWJ BARNABAS HEALTH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Dollars in thousands)

Our Organization

RWJ Barnabas Health, Inc. (RWJBH or the Corporation), the collective group of the entities described herein, is New Jersey's largest academic health care system. The Corporation is a New Jersey not-for-profit corporation exempt from federal and state income taxes. The core service area spans eight counties and more than five million residents. The Corporation's core geographic coverage includes Hudson, Essex, Union, Middlesex, Mercer, Somerset, Monmouth, and Ocean Counties. RWJBH physicians, nurses, and other health professionals are committed to delivering high-quality patient care, training the next generation of health care providers, and—through a long-term affiliation with Rutgers, The State University of New Jersey (Rutgers)—advancing clinical research and innovative therapies. RWJBH also invests in community health initiatives and workforce development to address evolving health needs across New Jersey.

RWJBarnabas Health's Mission, Vision, and Values

RWJBH is one system, one family committed to being the best place to deliver excellent care. We deliver clinical excellence with care and compassion and honor and appreciate the privilege of creating and sustaining healthier communities, one person and one community at a time. We acknowledge the contributions of our team members and support each other in achieving our greatest potential.

Working together, our patients and families will always receive coordinated and equitable care, without compromise. We will challenge ourselves to collaborate and bring together our collective knowledge and talent to achieve world-class outcomes. We will celebrate our diversity and approach each day with a spirit of possibility and optimism.

RWJBH's mission reflects the Corporation's evolution from a "health care" company to an organization focused on health—"Let's Be Healthy Together." The Mission, Vision, and Values statements are intended to guide the enterprise's strategic direction.

Our Mission

We are an academic health system, partnering with our communities to build and sustain a healthier New Jersey.

Our Vision

RWJBH will be the premier health care destination providing patient-centered, high-quality academic medicine in a compassionate and equitable manner, while delivering a best-in-class work experience to every member of the team.

Our Values

Accountability: An acceptance of responsibility for honest and ethical conduct towards others.

Compassion: Sympathetic concern for the sufferings or misfortunes of others.

Curiosity: A strong desire to know or learn something.

Empathy: The ability to understand and share the feelings of another.

Excellence: The quality of being outstanding or extremely good.

Kindness: The quality of being friendly, generous and considerate.

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

Respect: A feeling of deep admiration for someone or something elicited by their abilities, qualities or achievements.

Teamwork: The combined action of a group of people, especially when effective and efficient.

Affiliation with Rutgers, the State University of New Jersey - Realizing our Academic Vision

Through its long-standing relationship with Rutgers—including Rutgers’ two medical schools and schools of nursing, dentistry, pharmacy, allied health professions, public health, and biomedical sciences—the Corporation accesses current medical research and treatment technologies. Under a Master Affiliation Agreement (MAA) executed in 2018, RWJBH and Rutgers aligned their educational, research, and clinical missions. RWJBH, in collaboration with Rutgers’ Robert Wood Johnson Medical School (RWJMS) and New Jersey Medical School, trains and educates more than 1,800 medical residents, interns, and fellows across the Corporation’s hospitals each year. This affiliation supports the Corporation’s position as New Jersey’s largest academic health care system, integrating patient care, research, and health professions education.

Under the terms of the MAA, the Corporation is to invest more than one billion dollars to expand the education and research missions of the academic health system. The affiliation includes the Rutgers Cancer Institute (RCI), the State’s only National Cancer Institute (NCI)-designated Comprehensive Cancer Center and the Rutgers Institute for Translational Medicine and Science, a recipient of the National Institute of Health’s Clinical Translational Science Award distinguishing the partnership as only one of a small group of institutions with access to clinical studies in both oncology and non-oncology.

Key Service Lines

The Corporation’s operating model advances strategy through regional leadership and clinical service lines. Each region is led by a Regional President responsible for inpatient and outpatient operations partnering with service line leaders to integrate care across behavioral health, cardiovascular, oncology, neurosciences, orthopedics, primary care, women’s health, children’s health, and emergency and hospital medicine. RWJBH measures performance through patient outcomes, patient experience, and inpatient share within its core service area. Below are highlights of two key service lines.

Oncology Service Line

The centerpiece of RWJBH’s Oncology service line is RCI, the State’s only NCI-designated Comprehensive Cancer Center. The NCI designation is competitively awarded to centers with demonstrated scientific leadership, resources, and a strong track record of discovery across basic, clinical, and population-based research. Designated centers must meet rigorous standards for clinical care, research, prevention, and education and demonstrate an integrated, transdisciplinary approach to cancer care and research.

The Oncology service line integrates RCI with RWJBH’s hospital and ambulatory programs, making RWJBH the leading provider of cancer services in New Jersey with more than 55,000 new patient visits annually. The service line promotes adherence to evidence-based clinical pathways through shared clinical leadership and a common clinical information system. A call center and navigation program helps patients access local care for routine treatment while connecting them to sub-specialists and advanced services across the network. The service line also supports research and education through a statewide clinical trials network and oncology fellowship programs and improves access for vulnerable populations

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.

Period ended March 31, 2026

through initiatives such as ScreenNJ. From 2019 through 2025, volumes for radiation courses, chemotherapy infusions, malignant surgical cases, and cancer productivity (wRVUs) have increased 24%, 26%, 75%, and 121%, respectively.

As an NCI-designated Comprehensive Cancer Center, RCI supports recruitment of nationally recognized physicians and researchers. This academic and clinical platform helps identify care gaps, improve access and outcomes through aligned care models, and deploy leading-edge technology closer to the communities served. RCI is also a high-volume center for specialized cell therapy and immunotherapy for a variety of cancers. A Good Manufacturing Practices facility supports clinical trials by enabling production of innovative vectors and cells for adoptive cell transfer.

RWJBH is investing in cancer facilities, technology (including two MR-linear accelerators), and physician recruitment across multiple markets. The Jack and Sheryl Morris Cancer Center in New Brunswick—New Jersey’s first freestanding cancer hospital—opened May 13, 2025. The Melchiorre Cancer Center at Cooperman Barnabas Medical Center (CBMC), expected to open in June 2026, will serve as the northern hub for integrated oncology services offered by RWJBH and RCI. The Vogel Medical Campus Specialty and Cancer Care Center at Monmouth Medical Center (MMC), slated to open in the first quarter of 2027, will serve as the southern hub. These investments are designed to extend RCI’s clinical research, expertise, and innovations closer to patients’ homes.

Orthopedics

RWJBH provides comprehensive orthopedic services for adults and children for arthritis, degenerative joint disease, injuries, congenital conditions, and other musculoskeletal needs. Services across acute care, ambulatory, and rehabilitation settings include emergency and trauma care, diagnostics, minimally invasive and robotic surgery, sports medicine, and rehabilitation.

RWJBH orthopedic surgeons care for professional and collegiate athletes, including the New Jersey Devils, Rutgers Athletics, and Gotham FC and, through joint venture partners, the Somerset Patriots and Jersey Shore BlueClaws. RWJBH has the largest group of orthopedic trauma specialists in New Jersey, with access to advanced technologies including the Mako Robotic-Arm Assisted platform for total joint replacement and Globus Medical’s Excelsius GPS for spine surgery.

Robert Wood Johnson University Hospital (RWJUH) New Brunswick and RWJUH Somerset were named “High Performing” in Orthopedics by U.S. News & World Report in its 2025–2026 Best Hospitals edition. Hospitals recognized as High Performing in adult specialty care are delivering care in the top ten percent of all rated hospitals.

The pediatric orthopedic specialists with the Children’s Health Network of RWJBH care for infants, children and adolescents with a variety of musculoskeletal problems. These issues include scoliosis, hip disorders, sports injuries, fractures, hereditary disorders, bone infections, hand injuries, spina bifida, foot and ankle disorders and limb length discrepancies. The Bristol-Myers Squibb Children’s Hospital (BMSCH) at RWJUH New Brunswick incorporates the latest diagnostic and surgical technologies to treat patients and perform numerous robot-assisted surgical procedures.

Ambulatory Care Network

Partnerships

RWJBH is expanding ambulatory services through joint venture acquisitions (the Ambulatory Care Network) to support a comprehensive care continuum and build healthier communities. The Ambulatory

MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.

Period ended March 31, 2026

Care Network includes nearly 3,300 providers across 630 locations. Since 2019, the Corporation has prioritized partnerships with physician practices that expand preventive and specialty care across New Jersey. The network spans more than 20 service lines, including primary care, pediatrics, urgent care, behavioral health, women's health, anesthesia, gastroenterology, orthopedics, general and bariatric surgery, vascular, cardiology, infectious disease, ophthalmology, oncology, and hematology, across 19 New Jersey counties and certain out-of-state locations.

Ambulatory Centers

In addition to the Ambulatory Care Network partnerships and the cancer centers described above, RWJBH continues to expand outpatient and ambulatory facilities to provide accessible, coordinated care closer to patients' homes. The Corporation is investing in multi-specialty ambulatory hubs that integrate physician offices, ambulatory sites, and hospitals across the continuum of care and are designed to improve convenience and affordability for local residents.

In March 2025, RWJBH opened a 15-story Ambulatory Medical Pavilion in New Brunswick on the RWJUH New Brunswick campus, housing Rutgers Health specialists. The facility incorporates modern medical space design to support patient comfort and operational efficiency. Services include audiology; ear, nose, and throat care; cardiology and cardiac and vascular surgery; colorectal care; gastroenterology; neurology, neurophysiology, and stroke services; plastic and reconstructive surgery; and speech pathology.

In September 2025, RWJBH opened a new 72,000-square-foot, three-story multi-specialty ambulatory facility in Old Bridge, staffed by providers from RWJBarnabas Health Medical Group, Rutgers Health, and Family First Urgent Care. Services include urgent care, heart and vascular care, GI/digestive health, general surgery, endocrinology, neurosciences, and primary care.

RWJBH is developing a new 67,000-square-foot, three-story multi-specialty facility in Howell, expected to open in late 2026 or early 2027. Developed in partnership with The New Jersey Imaging Network, LLC (NJIN), Seaview Orthopaedic, LLC, and Family First Urgent Care, the facility will provide outpatient surgery, imaging, cardiology, and urgent care to support accessible, coordinated care.

Further Ambulatory densification is planned in Morristown in 2026.

Staffing and labor action

Like many healthcare providers, the Corporation is experiencing shortages in certain clinical specialties, resulting in higher labor costs and increased investment in retention. RWJBH continues to strengthen recruitment and retention strategies, particularly for nursing, including enhanced tuition assistance and professional development, flexible scheduling, and retention and sign-on incentives. The Corporation has also improved benefits, including increased employer retirement contributions, standardized paid time off, and expanded parental leave. These enhancements support the Corporation's Total Wellbeing Promise and are intended to maintain a competitive total rewards package across the communities served.

In December 2023, the United Steel Workers Local 4-200 at RWJUH New Brunswick ratified a new, three-year collective bargaining contract, expiring June 30, 2026. During 2024, the Corporation also concluded successful negotiations with the registered nurses at CBMC, represented by the New Jersey Nurses Union CWA Local 1091, without work stoppages. The current contract expires in November 2026. The RWJUH New Brunswick and CBMC contracts are currently being reviewed for renegotiation during 2026.

RWJBarnabas Health School of Nursing

The nursing profession faces significant challenges across the nation and in New Jersey, a shortage of nurses continues to grow, driven by an aging workforce, rising healthcare demands, occupational fatigue and a shortage of qualified nursing faculty.

To meet this challenge, RWJBH renamed the RWJBarnabas Health Trinitas School of Nursing in Elizabeth, New Jersey to RWJBarnabas Health School of Nursing (“School of Nursing”) in support of an expansion to a second location in Oceanport, New Jersey. The nursing program currently offered in Elizabeth, through a partnership with Union College of Union County, will continue at the School of Nursing. The Registered Nurse program will now be offered at both locations while the LPN to RN program will continue to be offered at the Elizabeth location.

The new Oceanport campus, located at Fort Monmouth, opened on October 7, 2025 and is a 40,000-square-foot, state-of-the-art facility offering experienced faculty and hands-on training opportunities while allowing RWJBH to provide greater educational opportunities to more students – particularly those in the Corporation’s southern region. Currently there are over 700 nurses enrolled in the program. This expansion reflects RWJBH’s continuing commitment to excellence in nursing education and to educating and empowering the next generation of skilled nurses throughout New Jersey. The expansion also proactively addresses the growing nursing shortage and will provide a pipeline of skilled nurses to RWJBH and to the State.

Advancing Social Impact

RWJBH has expanded its mission from “health care” to “health” and has developed initiatives focused on the social determinants of health (SDOH). The Corporation addresses priority SDOH needs by implementing programs and infrastructure that expand access to care and improve community health beyond traditional clinical settings. Key priorities include food insecurity, education and health literacy, and access to care and services, supported through evidence-based strategies developed with local, state, and national partners. The Corporation’s community investments include:

- Fighting food insecurity through increased access to healthy food and nutrition education. These initiatives include Harvest: A Farm to Community Center in Newark which is an 8,000-square-foot food hub; Chef’s Brigade in Newark which embeds seven chefs across 71 Newark public schools to nutritionally enhance meals and provide staff training; and Food Farmacies in Middlesex, Hudson, and Essex counties that provide healthy food pantries and nutrition counseling.
- Increased and improved access to health care through the Community Health Worker (CHW) Program in eight counties of New Jersey. CHW’s follow patients for a minimum of 120 days to assist community members and ensure access to care through assistance with appointments, transportation, food, housing resources and more. Other initiatives also include the Corporation’s support of the Essex County Pediatric Mobile Health Clinic, cost-free transportation, Federally Qualified Health Centers, Newark Alliance Intensive Mobile Health Team and University Hospital Partnership in Newark.
- As an anchor institution, RWJBH works with local vendors throughout nine counties to promote economic growth in the communities served. RWJBH creates jobs and career paths inside and outside the Corporation for members of its local communities. RWJBH supports the Newark Asset Building Coalition and the United Way of Greater Newark in their efforts to address poverty in

MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

Newark. The Corporation continues to support Asset Limited, Income Constrained, Employed (ALICE) individuals through employment and training opportunities.

The Corporation also expanded its investments in local nonprofits and organizations to strengthen community wellbeing, economic stability and access to care through the following:

- Developed a strategic partnership with Saint James Health (SJH), the leading Federally Qualified Health Center with three care locations in Newark. RWJBH partnered with SJH to increase access to care to the underserved communities of Newark by providing up to date Electronic Health Record systems.
- Launched The Bridge Project providing financial assistance to low-income mothers over their child's first three years to promote healthy development and stability.
- Partnered with United Way of Greater Newark to advance poverty-reduction efforts and improve long-term community stability.
- Supported Planet Harvest to enable the weekly distribution of food boxes to at-need families of Trinitas Women's Health Center
- Backed the North Ward Center in expanding its Center for Autism Adult Day Care program to increase support for adults with autism and their caregivers.
- Funded El Barrio Wellness at Las Casa de Don Pedro to bring bilingual trauma-informed mental health services for local children, adults and families.

Acquisitions, Mergers, Divestitures, Affiliations, and Alliances

RWJBH continuously evaluates potential acquisitions, mergers and affiliations as part of the overall strategic and development process, as well as decisions to divest and/or sell existing entities, services or products that currently comprise the Corporation. As part of this process, the Corporation is frequently in discussions with the State, health care systems both in New Jersey and in other states, and other stakeholders. These discussions can include any of the matters described in the preceding sentences or other participation by the Corporation, financial or otherwise, across the health care delivery spectrum. As a result, the group of affiliated health care entities currently comprising the Corporation and the properties and facilities operated by them may change over time including the following:

On January 5, 2026, the Corporation and Englewood Health (Englewood) signed a definitive agreement whereby Englewood will become part of the Corporation. Englewood Hospital, an affiliate of Englewood, is a 283 licensed-bed hospital with total revenues of approximately \$1.3 billion. The relationship is designed to enhance healthcare services for residents of Bergen, Hudson and Passaic counties and the surrounding communities. The terms of the definitive agreement call for RWJBH to make capital investments in Englewood and to expand the network of outpatient services and community health programs. The consummation of the transaction, contemplated by the definitive agreement, requires approvals from regulatory authorities. It is anticipated that this transaction will be completed in the first quarter of 2027.

Awards and Distinctions

RWJBH has been regularly recognized as a top employer by regional and national publications such as *Modern Healthcare*, *Becker's Hospital Review*, and *Newsweek*. The Corporation's hospitals, programs

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

and services have earned distinctions in their respective fields, including multiple Magnet® designations for excellence in nursing and patient care, national recognition from *Healthgrades* as America’s Best Hospitals, and inclusion among Best Regional Hospitals in the 2025–2026 *U.S. News & World Report* Best Hospitals edition. Additionally, the Corporation’s hospitals receive strong quality and safety ratings from nationally respected organizations, including *The Leapfrog Group*, and have earned many Joint Commission certifications across specialty programs. Select awards and distinctions are highlighted below:

	<p>RWJBH children’s hospitals were named among the nation’s Best Children’s Hospitals for 2025-2026 by U.S. News & World Report for urology for the third consecutive year. The Urology ranking recognizes a four-hospital practice that is based at BMSCH but that also provides care at three other RWJBH hospitals – with Children’s Hospital of New Jersey at NBIMC, McMullen Children’s Center at CBMC, and Unterberg Children’s Hospital at MMC. Additionally, BMSCH was ranked #2 in NJ and #15 in the Mid-Atlantic Region. BMSCH also ranked #47 nationally for orthopedics in 2024-2025.</p>
	<p>CBMC and RWJUH Somerset were named to Healthgrades annual list of America’s Best Hospitals for 2026. CBMC earned a spot on the America’s 100 Best Hospitals list for the first time, placing it in the top 2% of hospitals in the nation for overall clinical performance, while RWJUH Somerset was included on America’s 250 Best Hospitals list, which represents those in the top 5th percentile, for the third year in a row. Both hospitals received high marks for specialized care including cardiac care, pulmonary care, stroke care, critical care, gastrointestinal surgery and neuroscience. CBMC was also recognized for its treatment of GI Bleeds.</p>
	<p>Six RWJBH facilities have achieved Magnet recognition for excellence in nursing. RWJUH New Brunswick received this recognition six consecutive times – making it one of only seven institutions globally to achieve this distinction. In March 2026, RWJUH Somerset was redesignated as a Magnet® hospital for nursing excellence by the American Nurses Credentialing Center (ANCC) for the fourth consecutive time, a prestigious designation held by fewer than 10% of hospitals nationwide. In 2024, MMC became the first hospital in New Jersey and the 11th in the country to earn Magnet with Distinction.</p>

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

 	<p>In Spring 2026, six RWJBH facilities were awarded “A” for a Hospital Safety Score including Community Medical Center (CMC), JCMC, MMC, Monmouth Medical Center Southern Campus (MMCSC), RWJUH Somerset, and Trinitas Regional Medical Center (TRMC). Clara Maas Medical Center, CBMC, Newark Beth Israel Medical Center (NBIMC), RWJUH New Brunswick, RWJUH Hamilton and RWJUH Rahway each received a “B” grade. This was the seventh consecutive “A” rating for both CMC and MMCSC. JCMC raised its score from a “B” to an “A.” In December 2025, MMC was named a Top Teaching Hospital by The Leapfrog Group for a fourth time. Performance across many areas of hospital care is considered in establishing the qualifications for the award, including infection rates, maternity care, and the hospital’s capacity to prevent medication errors.</p>
  	<p>In the U.S. News & World Report 2025-2026 Best Hospitals edition, RWJUH New Brunswick and CBMC were both recognized as Best Regional Hospitals ranking in the top ten in NJ and in the top 25 in the Mid-Atlantic Region. RWJUH New Brunswick was ranked #4 in NJ and #17 in the region while CBMC was ranked #8 in NJ and #23 in the region. RWJUH New Brunswick and RWJUH Somerset each received High Performing Specialty awards. RWJUH New Brunswick achieved two new High Performing Specialty awards for Orthopedics and Urology, and, in partnership with RCI, earned another High Performing Specialty rating for Cancer. RWJUH Somerset also achieved a High Performing Specialty rating for Orthopedics.</p> <p>Seven RWJBH hospitals including CBMC, Community Medical Center (CMC), JCMC, MMC, NBIMC, RWJUH New Brunswick and RWJUH Somerset were each recognized as High Performing for Common Adult Procedures and Conditions</p> <p>Seven RWJBH facilities have been recognized among the 2026 Best Hospitals for Maternity Care, including JCMC, CMC, MMC, NBIMC, RWJUH, RWJUH Somerset and TRMC. The prestigious list identifies hospitals that provide high-quality maternity care for uncomplicated pregnancies.</p>

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

	<p>CSH has been recognized on Newsweek’s 2026 list of World’s Best Specialized Hospitals for the fifth consecutive year. MMC, NBI and RWJUH have also been included in Newsweek’s list of America’s Best-In-State Hospitals for 2026. MMC and NBI were recognized as leaders in infection prevention. RWJUH and MMC were named to Newsweek’s Best-in-State Hospitals list, with RWJUH ranked #3 in New Jersey. In 2025, MMC was named by Newsweek as one of the World’s Best Hospitals for the fourth consecutive year.</p>
	<p>In 2025, RWJBH was recognized by Newsweek as America's Greatest Workplaces. RWJBH was also recognized by Newsweek as one of:</p> <ul style="list-style-type: none"> • America’s Greatest Workplaces for Diversity for the second consecutive year • America’s Greatest Workplaces for Women • America’s Greatest Workplaces for Mental Wellbeing • America’s Greatest Workplaces for Patients and Families

2026 Plan of Finance

On May 7, 2026, the Corporation completed the RWJ Barnabas Health Obligated Group Issue, Series 2026A, in a principal amount of \$1,122,395 and received total proceeds of \$1,255,647, consisting of a \$137,762 premium less a \$4,510 underwriter’s discount. The Corporation used \$803,295 of the proceeds to defease the Series 2016A, 2019B-2, and 2019B-3 bonds, \$450,935 to reimburse prior capital costs, and \$1,417 to pay additional costs of issuance. The Series 2026A bonds mature from 2027 through 2043 and bear interest at rates ranging from 5.00% to 5.50%.

On May 7, 2026, the Corporation also completed the RWJ Barnabas Health Obligated Group Issue, Series 2026B-1, 2026B-2, 2026B-3, and 2026B-4, in an aggregate principal amount of \$400,000 (\$100,000 per Series) and received total proceeds of \$399,565 after underwriter’s discount. The Corporation used \$399,065 of the proceeds to reimburse prior capital costs and \$500 to pay additional costs of issuance. The Series 2026B bonds are variable rate demand bonds with interest rates that reset daily. Series 2026B-1, 2026B-2, and 2026B-3 are supported by letters of credit issued by TD Bank, N.A. Series 2026B-4 consist of unsecured variable rate demand bonds that, although subject to long-term amortization, may be put to the Corporation by bondholders for remarketing.

In conjunction with the financing, S&P and Moody’s performed a credit analysis. S&P affirmed the ‘AA-’ long-term rating with a stable outlook, reflecting strong market position, improved financial performance, and solid cash flow. S&P also affirmed its A-1+ rating related to the commercial paper and short-term liquidity program. Moody’s affirmed the A1 long-term rating and the P-1 commercial paper and short-term liquidity rating. The outlook has been revised to positive from stable. The revision reflects

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

the Corporation’s financial and operational strength and rising cash reserves - amid substantial capital investments - demonstrating highly effective financial strategy and risk management.

Management’s Discussion and Analysis of Recent Financial Performance

Management’s Discussion and Analysis of Recent Financial Performance is based upon the consolidated financial results of the Corporation since the members of the Corporation’s Obligated Group represent 92% of the total consolidated assets and 80% of the total consolidated operating revenues as of and for the three months ended March 31, 2026. Accordingly, the discussion below includes the financial results of entities that are not members of the Obligated Group.

Financial Highlights

The following table summarizes key operating performance results for the three months ended March 31, 2026 and 2025 as compared to the S&P benchmark:

	Three months ended March 31,		S&P AA-
	2026	2025	
Operating revenue	\$ 2,951,193	2,582,444	2,757,881
Operating income	180,596	124,091	175,906
Operating margin	6.1%	4.8%	6.3%
Operating cash flow	312,993	248,671	N/A
Operating cash flow margin	10.6%	9.6%	10.9%
Excess of revenue margin	3.1%	5.0%	8.2%

The following table summarizes overall performance ratios as of March 31, 2026 and December 31, 2025 as compared to the S&P benchmark:

	March 31,	December 31,	S&P AA-
	2026	2025	
Unrestricted Cash and Investments	\$ 5,162,839	5,289,241	5,189,901
Days cash on hand	184.1	194.4	190.8
Total outstanding long-term debt	3,367,447	3,372,786	3,244,453
Unrestricted cash to debt	153.3%	156.8%	160.0%
Debt to capitalization	30.6%	30.9%	30.1%
Debt service coverage ratio	8.1x	7.5x	6.0x

For the three months ended March 31, 2026, the Corporation’s total operating income and operating margin were \$180,596 and 6.1%, respectively, compared to the operating income and operating margin of \$124,091 and 4.8% for the three months ended March 31, 2025. Total operating revenues grew by \$368,749 or 14.3% compared to the three months ended March 31, 2025, while operating expenses increased by \$312,244 or 12.7% during the same period.

Overall, patient service revenue of \$2,759,397 exceeded 2025 by \$381,799 or 16.1%. The increase was due to growth in acute care inpatient (including the Medicaid County Option Program) and outpatient revenue and professional billing revenue. Other operating revenue decreased by \$13,050 or 6.4%,

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

primarily due to grant revenue related to Federal Emergency Management Agency (FEMA) Covid-19 awards recognized in 2025. Additionally, earnings in unconsolidated joint ventures were below prior year. This was partially offset by 340B contract pharmacy revenue which exceeded prior year. For additional information, refer to the *Operating Revenue and Volume* discussion.

The increase in operating expenses of \$312,244 or 12.7% was driven by salaries and employee benefits due to annual salary increases and additional full time equivalent employees. Physician fees and salaries, supplies, other expenses, interest and depreciation also exceeded prior year. For additional information, refer to the *Operating Expenses* discussion.

The Corporation’s excess of revenues over expenses (EROE) and EROE margin for the three months ended March 31, 2026 were \$88,029 and 3.1%, respectively, compared to \$130,711 and 5.0% for the three months ended March 31, 2025. The decrease in EROE was driven by investment income which was unfavorable to prior year by \$100,245. This was offset by income from operations which was favorable to prior year by \$56,505. For additional information, refer to the *Nonoperating Gains and Losses* discussion.

Operating Revenue and Volume

The following table presents consolidated operating revenue and select volume statistics for the three months ended March 31, 2026 and 2025:

	Three months ended March 31,	
	2026	2025
Operating Revenue:		
Inpatient patient service revenue	\$ 1,435,144	1,179,607
Outpatient patient service revenue	918,034	850,771
Professional billing revenue	385,635	320,669
State of NJ subsidy revenue	20,584	26,551
Total patient service revenue	2,759,397	2,377,598
Other operating revenue	191,796	204,846
Total operating revenue	<u>\$ 2,951,193</u>	<u>2,582,444</u>
Volume & utilization statistics:		
Acute care licensed beds	5,501	5,441
Average acute care beds in service	4,412	4,323
Acute care occupancy based on beds in service	78.1%	79.2%
Acute care length of stay	5.44	5.53
Acute care admissions	56,487	55,847
Adult and pediatric admissions	39,521	39,113
Newborn and NICU admissions	6,032	6,069
Maternity and obstetric cases	6,209	6,272
Patient days	310,063	308,326
Same day surgery cases	18,942	18,287
Emergency room visits (excl. admits)	167,441	177,377
Observations	29,836	38,005
Psychiatric hospital inpatient admissions	273	255

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

Acute Care payor mix, based on patient days, for the periods ended March 31, 2026 and December 31, 2025 is presented below:

Payor Mix	Patient Days	
	2026	2025
Medicare	24.9%	24.8%
Medicaid	4.8%	6.0%
Managed Medicare	24.7%	24.4%
Managed Medicaid	17.6%	17.9%
Managed Care	10.8%	10.4%
NJ Blue Cross & Commercial	9.1%	9.6%
Self-pay and Other	8.1%	6.9%
	<u>100.0%</u>	<u>100.0%</u>

Total Operating Revenue

Patient Service Revenue

Inpatient service revenue, excluding subsidy revenue, of \$1,435,144 was favorable to prior year by \$255,537 or 21.7%. Revenue from the Medicaid County Option program increased from prior year by \$148,386 as additional counties have been included and rates have increased. Additionally, inpatient volumes were 1.1% higher than prior year and pay for performance bonuses also exceeded prior year by \$16,276.

Outpatient service revenue of \$918,034 was favorable to prior year by \$67,263 or 7.9%. The acute care hospitals accounted for \$57,289 of the increase. Acute care outpatient volume exceeded prior year by 5.0%. Same day surgical cases were favorable compared to prior year by 3.6%. This was partially offset by observations and emergency room visits which were unfavorable to prior year by 21.5% and 5.6%, respectively.

Subsidy revenue decreased from prior year by \$5,967 primarily due to decreased charity care funding.

Professional billing revenue of \$385,635 was favorable to prior year by \$64,966 or 20.3%. Community-based medical group practices contributed \$27,293 to the growth driven by an increase in wRVU’s over prior year of 12.5% as well as the addition of new practices. Emergency Medicine, Hospitalist, Anesthesia, and Radiology service lines were collectively favorable to prior year by \$17,556 due to expansion of hospital-based services. The academic group and RCI were also favorable to prior year by \$7,397 due to increase in wRVU’s of 2.3% as well as new practices. Additionally, ambulatory services and other entities collectively contributed \$12,206.

Other Revenue

Other revenue of \$191,796 was unfavorable to prior year by \$13,050 or 6.4%. Other revenue includes income from grants including the FEMA, pharmacy sales (some offset in expense), earnings from joint venture arrangements, contributions, net assets released from restriction, cafeteria, and parking. Grants were unfavorable to prior year by \$26,209, primarily due to FEMA revenue recognized in 2025. Joint venture earnings were also unfavorable to prior year by \$4,277 driven by inclement weather which

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

affected volumes as well as the reclassification of two businesses from equity method accounting to consolidated reporting during 2025 due to the buyout of the joint venture partner. This was partially offset by 340B contract pharmacy revenue and accountable care revenue which exceeded prior year by \$9,228 and \$3,677, respectively.

Certain joint ventures are reported using the equity method of accounting and are not fully consolidated in the Corporation’s financial statements. Additional financial information for these joint ventures is included in the table below:

	Three months ended March 31,					
	2026			2025		
	Operating Revenue	Net Income	Net Income Attributable to RWJBH	Operating Revenue	Net Income	Net Income Attributable to RWJBH
Ambulatory Surgery	\$ 106,612	42,252	11,867	\$ 108,634	48,654	13,467
Home Care & Hospice	39,004	1,075	546	39,670	2,185	1,107
Diagnostic Imaging	42,896	5,746	2,928	42,967	6,112	3,114
Medical Practice Joint Ventures	263,443	31,169	14,904	264,161	38,084	17,446
Other	14,050	2,911	1,043	12,773	1,237	431
	<u>\$ 466,005</u>	<u>83,153</u>	<u>31,288</u>	<u>\$ 468,205</u>	<u>96,272</u>	<u>35,565</u>

Ambulatory surgery ventures were unfavorable to prior year by \$1,600 primarily driven by lower volumes due to inclement weather.

Home care and hospice ventures were unfavorable to prior year by \$561 due to volumes which decreased by 1.5%. The decrease in volume compared to prior year is attributed to lower homecare visits and hospice patient days by 2.0% and 0.5%, respectively.

Diagnostic imaging ventures were unfavorable to prior year by \$186 due to volumes which decreased by 1.0%. The volume decrease was driven by CT, PET, and MRI procedures which were lower than prior year by 1.2%, 1.1% and 1.4%, respectively. Expenses associated with imaging procedures were favorable by 1.6% from the prior year.

Medical Practice joint ventures were unfavorable to prior year by \$2,542 related to the reclassification of two businesses from equity method accounting to consolidated reporting during 2025 because of the buyout of the joint venture partner.

Other ventures were favorable to prior year by \$612. Volume and expenses were both favorable to prior year by 5.0% and 1.2%, respectively.

Operating Expenses

Total operating expenses for the three months ended March 31, 2026 of \$2,770,597 were unfavorable to prior year by \$312,244 or 12.7%.

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

Summarized below are the consolidated operating expenses for the three months ended March 31, 2026 and 2025:

	Three months ended March 31,	
	2025	2024
Salaries and employee benefits	\$ 1,254,398	1,140,300
Physician fees and salaries	372,559	329,128
Supplies and other expenses	1,011,243	864,345
Interest	27,520	24,401
Depreciation and amortization	104,877	100,179
Total operating expenses	<u>\$ 2,770,597</u>	<u>2,458,353</u>

Salaries and employee benefits increased by \$114,098 or 10.0% compared to the three months ended March 31, 2025. The increase is primarily driven by higher labor costs associated with additional full-time equivalents as well as the annual merit increase. Employee benefit expenses also increased due to higher employer payroll taxes and increased participation in health benefit plans as well as cost of care, which resulted in higher medical and pharmacy claims as compared to the prior year.

Physician fees and salaries increased by \$43,431 or 13.2% compared to the three months ended March 31, 2025. Physician related expenses increased due to higher patient volumes and additional physician FTEs as well as annual merit increases, quality and productivity bonus adjustments across the community and academic practices. Conversion from independent practitioners to employed physicians to staff program expansions in anesthesia and radiology service lines also negatively impacted physician salaries.

Supplies and other expenses increased by \$146,898 or 17.0% compared to prior year. Supplies were unfavorable to prior year by \$48,690 due in part to the opening of the Jack and Sheryl Morris Cancer Center in mid-2025. Additionally, the Corporation is experiencing higher drug costs primarily in antineoplastic agents. Adjusted admissions and adjusted patient days also exceeded prior year by 2.8% and 2.3%, respectively. Other expenses were unfavorable to prior year by \$98,208. Tax assessments associated with the Medicaid County Option Program exceeded prior year by \$50,472 (offset in patient revenue). Additionally, purchased services, rentals, maintenance contracts and repairs, utilities and insurance increased over prior year.

Interest expense increased by \$3,119 or 12.8% compared to the three months ended March 31, 2025. The increase was due to lower capitalized interest related to completion of certain capital projects as well as additional interest from short-term borrowings due to higher utilization of the commercial paper program.

Depreciation and amortization increased by \$4,698 or 4.7% compared to the three months ended March 31, 2025. The increase is primarily driven by the opening of the Jack and Sheryl Morris Cancer Center in 2025 and investments in strategic capital projects which were completed in mid-2025. During 2025, the CMC parking garage, the final phases of the NBIMC Master Facility Plan and cogeneration plants at several facilities were completed.

MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

Nonoperating Gains and Losses

The following table presents a summary of nonoperating revenue and expenses of the Corporation for the three months ended March 31, 2026 and 2025.

	Three months ended March 31,	
	2026	2025
Investment income, net	\$ 13,881	18,644
Realized gains on investments, net	58,575	18,361
Unrealized losses on investments, net	(162,884)	(27,188)
Net periodic benefit cost	(3,107)	(3,197)
Other	968	-
Total nonoperating revenue, net	<u>\$ (92,567)</u>	<u>6,620</u>

Net investment income and net realized investment gains were \$72,456 and \$37,005 for the three months ended March 31, 2026 and 2025, respectively. For the three months ended March 31, 2026 and 2025, net unrealized losses on investments were \$162,884 and \$27,188, respectively. Refer to the *Unrestricted Cash and Investments* discussion for further information on the Corporation's investment strategy.

Fundraising

The Foundations support the programs and services of their affiliated tax-exempt organization and support the capital campaign and other fundraising activities of the Corporation.

The following table presents contributions received by the foundations and fundraising expenses as well as capital and operating support the foundations provided to the hospitals. Conditional gifts are not included until the conditions have been met.

	Three months ended March 31,	
	2026	2025
Contributions without donor restrictions	\$ 592	592
Contributions with donor restrictions	7,072	6,750
Total contributions	<u>\$ 7,664</u>	<u>7,342</u>
Fundraising Expenses	\$ 3,980	4,023
Support to affiliates	\$ 14,821	12,194

The foundations made distributions of \$14,821 to the Corporation's hospitals and received contributions from donors of \$7,644.

Unrestricted Cash and Investments

The Corporation's financial position remains strong with \$15.2 billion in total assets and \$7.9 billion in net assets. Total unrestricted cash and investments amounted to \$5.2 billion (or 184.1 days) at March 31, 2026, a decrease of \$126,402 over the balance at December 31, 2025. During the period, an investment loss of

MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

\$90,428 negatively impacted cash and investments. Offsetting the investment loss were net cash proceeds from sale of investments of \$153,488. Capital investments of \$171,869 and debt service payments including interest of \$63,941 further reduced cash. Investments in the ambulatory services division of \$14,390 were also executed through March to expand the medical group joint venture practices. This was partially offset by cash from operating activities of \$80,830. Additionally, a joint venture partner borrowed \$10,000 from their revolver during this period, which is reflected in short-term borrowings.

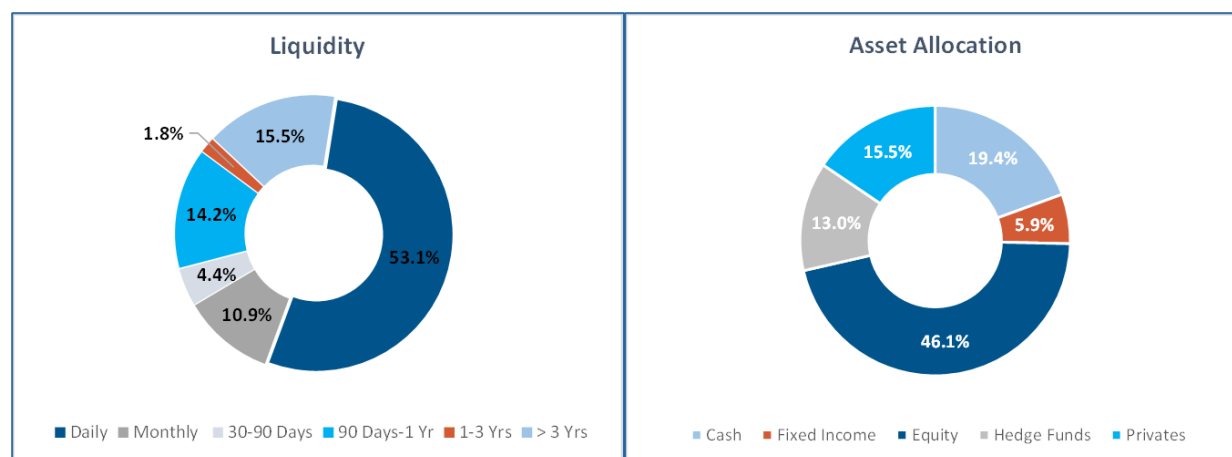
Total unrestricted cash and investments for the Corporation as of March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 286,024	217,606
Current investments	124,894	423,060
Noncurrent investments	4,751,921	4,648,575
Total unrestricted cash and investments	\$ 5,162,839	5,289,241

The Corporation manages two distinct investment portfolios within the Unrestricted Cash and Investment (UCI) Portfolio: the Capital Reserve Fund (CRF) and the Long-Term Investment Portfolio (LTIP). The CRF is invested in high quality, low duration fixed income securities to support operating cash flow needs. The LTIP is invested with a longer-term horizon targeting higher risk adjusted returns through a diversified asset allocation to support strategic capital needs.

The Corporations LTIP employs a diversified approach to asset allocation, incorporating a range of asset classes and geographies in order to provide balanced results across market cycles. Within the LTIP, market volatility provides managers with the opportunity to capitalize on disruptions. In accordance with the Corporation’s Investment Policy Statement, at least 40% of the asset value of the total UCI portfolio must be classified as “monthly” liquidity. As of March 31, 2026, 64.0% of the total UCI portfolio was classified as monthly or daily liquidity.

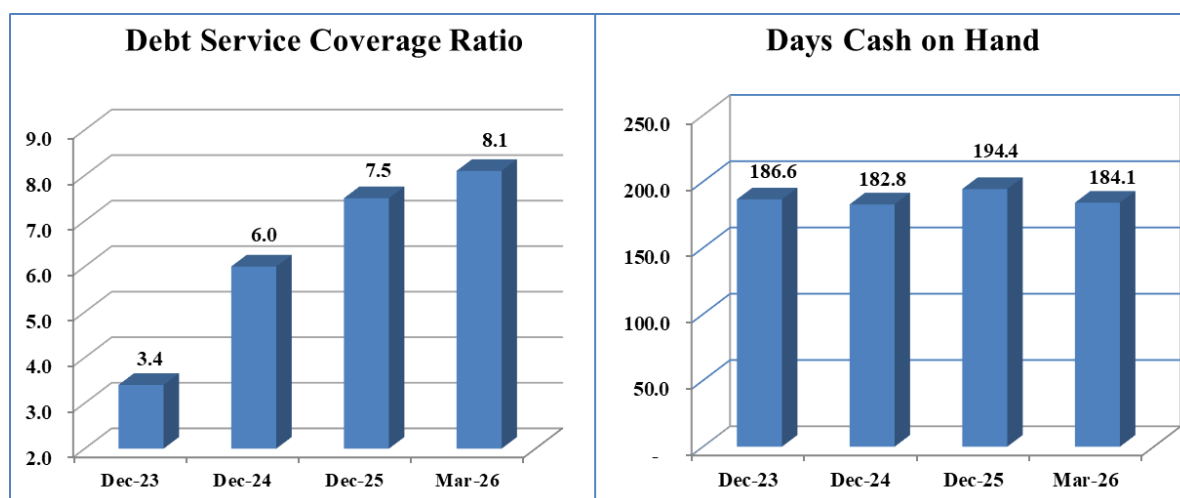
The following charts present the allocation of unrestricted cash and investments by asset type and the portfolio’s liquidity as of March 31, 2026:



MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.
Period ended March 31, 2026

Financial Condition

The following charts present the debt service coverage ratio and total cash on hand for the selected dates below:



The increase in debt service coverage ratio (DSCR) from 2023 to 2024 is attributable to an increase in income from operations, excluding work stoppage costs, over prior year. DSCR has increased in 2026 due to higher excess of revenue over expenses for the twelve months ended March 31, 2026 as compared to the prior year. Days cash on hand as of March 31, 2026 trailed behind last year due to a decrease in unrestricted cash and investments. See investment activity section for further details.

In March 2026, the Corporation renewed its secured revolving promissory note with JPMorgan increasing the principal available to \$150,000. The note will be used for routine capital needs. There was no cash borrowed against the revolver as of March 31, 2026.

The following table presents key financial indicators as of March 31, 2026 and December 31, 2025 and 2024 as compared to S&Ps “AA”, “AA-” and “A+” medians.

	March 31, 2026	December 31, 2025	December 31, 2024	AA	AA-	A+
Debt service coverage	8.1x	7.5x	6.0x	7.2x	5.6x	4.1x
Debt-to-capitalization	30.6%	30.9%	36.8%	18.3%	23.3%	26.8%
Cash-to-debt	153.3%	156.8%	130.1%	351.1%	242.7%	195.0%
Days cash on hand	184.1	194.4	182.8	314.9	246.7	206.9

The following table presents other select ratios as of March 31, 2026, and December 31, 2025 and 2024:

	March 31, 2026	December 31, 2025	December 31, 2024
Days in patient accounts receivable	36.7	37.0	39.8
Days in accounts payable	55.1	58.8	65.3
Reinvestment ratio*	1.95	1.96	2.46

* Based on rolling 12-months.

RWJ BARNABAS HEALTH, INC.

Consolidated Balance Sheets

March 31, 2026 and December 31, 2025

(In thousands)

Assets	<u>March 31, 2026</u> (unaudited)	<u>December 31, 2025</u> (audited)
Current assets:		
Cash and cash equivalents	\$ 286,024	217,606
Short-term Investments	124,894	423,060
Assets limited or restricted as to use	29,155	91,075
Patient accounts receivable	1,125,684	1,037,503
Estimated amounts due from third party payors	787,541	580,623
Other current assets	412,816	375,697
Total current assets	2,766,114	2,725,564
Assets limited or restricted as to use, non-current portion	484,043	497,010
Investments	4,751,921	4,648,575
Property, plant and equipment, net	5,248,900	5,282,181
Right of use asset	331,965	338,585
Other assets, net	1,617,233	1,593,350
Total assets	\$ 15,200,176	15,085,265
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 679,541	658,919
Accrued expenses and other current liabilities	1,608,551	1,602,048
Estimated amounts due to third party payors	37,823	35,190
Short-term borrowings	109,353	99,340
Long-term debt	128,510	128,333
Lease obligation	52,618	52,107
Self-insurance liabilities	149,718	149,627
Total current liabilities	2,766,114	2,725,564
Estimated amounts due to third party payors, net of current portion	146,533	156,323
Self insurance liabilities, net of current portion	435,690	435,226
Long-term debt, net of current portion	3,238,937	3,244,453
Lease obligation, net of current portion	310,044	316,425
Accrued pension liability	56,725	56,035
Other liabilities	297,561	301,453
Total liabilities	7,251,604	7,235,479
Net assets:		
Without donor restrictions		
Controlling interest	7,615,630	7,509,403
Noncontrolling interest	31,042	30,615
Total net assets without donor restrictions	7,646,672	7,540,018
With donor restrictions	301,900	309,768
Total net assets	7,948,572	7,849,786
Total liabilities and net assets	\$ 15,200,176	15,085,265

See accompanying notes to consolidated financial statements.

RWJ BARNABAS HEALTH, INC.
Consolidated Statements of Operations
Three months ended March 31, 2026 and 2025

(In thousands)
(unaudited)

	2026	2025
Revenue:		
Patient service revenue	\$ 2,759,397	2,377,598
Other revenue, net	191,796	204,846
Total revenue	2,951,193	2,582,444
Expenses:		
Salaries and wages	1,004,830	925,232
Physician fees and salaries	372,559	329,128
Employee benefits	249,568	215,068
Supplies	470,897	422,207
Other	540,346	442,138
Interest	27,520	24,401
Depreciation and amortization	104,877	100,179
Total expenses	2,770,597	2,458,353
Income from operations	180,596	124,091
Nonoperating (expenses) revenue:		
Investment (loss) income, net	(90,428)	9,817
Other, net	(2,139)	(3,197)
Total nonoperating (expenses) revenue, net	(92,567)	6,620
Excess of revenue over expenses	88,029	130,711
Other changes:		
Pension changes other than net periodic benefit cost	2,417	2,384
Net assets released from restriction for purchases of property and equipment	5,294	2,708
Other, net	10,914	3,711
Increase in net assets without donor restrictions	\$ 106,654	139,514

See accompanying notes to consolidated financial statements.

RWJ BARNABAS HEALTH, INC.
Consolidated Statements of Changes in Net Assets
Three months ended March 31, 2026 and 2025
(In thousands)
(unaudited)

	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total net assets</u>
Net assets at December 31, 2024	\$ 5,865,002	28,945	5,893,947	403,726	6,297,673
Changes in net assets:					
Excess of revenues over expenses	130,343	368	130,711	-	130,711
Pension related changes other than net periodic benefit cost	2,384	-	2,384	-	2,384
Net assets released from restriction	2,708	-	2,708	(12,155)	(9,447)
Restricted contributions	-	-	-	6,752	6,752
Investment income on restricted investments, net	-	-	-	86	86
Other	3,710	-	3,710	250	3,960
Changes in net assets	<u>139,145</u>	<u>368</u>	<u>139,513</u>	<u>(5,067)</u>	<u>134,446</u>
Net assets at March 31, 2025	<u>6,004,147</u>	<u>29,313</u>	<u>6,033,460</u>	<u>398,659</u>	<u>6,432,119</u>
Net assets at December 31, 2025	7,509,403	30,615	7,540,018	309,768	7,849,786
Changes in net assets:					
Excess of revenues over expenses	87,602	427	88,029	-	88,029
Pension changes other than net periodic benefit cost	2,417	-	2,417	-	2,417
Change in interest in net assets of unconsolidated foundations	(15)	-	(15)	-	(15)
Net assets released from restriction	5,294	-	5,294	(15,055)	(9,761)
Restricted contributions	-	-	-	7,073	7,073
Investment income on restricted investments, net	-	-	-	114	114
Other	10,929	-	10,929	-	10,929
Changes in net assets	<u>106,227</u>	<u>427</u>	<u>106,654</u>	<u>(7,868)</u>	<u>98,786</u>
Net assets at March 31, 2026	<u>\$ 7,615,630</u>	<u>31,042</u>	<u>7,646,672</u>	<u>301,900</u>	<u>7,948,572</u>

See accompanying note to consolidated financial statements.

RWJ BARNABAS HEALTH, INC.
Consolidated Statements of Cash Flows
Three months ended March 31, 2026 and 2025
(In thousands)
(unaudited)

	2026	2025
Cash flows from operating activities:		
Change in net assets	\$ 98,786	134,446
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension changes other than net periodic benefit cost	(2,417)	(2,384)
Depreciation and amortization expense	104,877	100,179
Amortization of bond financing costs, premiums and discounts	(3,754)	(3,789)
Net change in unrealized losses on investments	162,884	27,188
Realized gains on investments	(58,575)	(18,361)
Equity-based compensation	900	750
Equity in income of joint venture	(31,288)	(35,565)
Distributions received from investments in joint ventures	24,084	22,287
Loss on sale of assets	11	209
Changes in operating assets and liabilities:		
Patient accounts receivable	(88,181)	(31,614)
Reduction in the carrying amount in the right-of-use assets	16,686	13,254
Other assets	(39,408)	(61,160)
Accounts payable, accrued expenses, and other current liabilities	127,366	107,040
Estimated amounts due from and to third-party payors, net	(214,075)	64,509
Accrued pension liability	3,107	3,198
Lease obligation, self-insurance and other long-term liabilities	(20,173)	(14,154)
Net cash provided by operating activities	80,830	306,033
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(171,869)	(157,911)
Purchases of investments	(781,740)	(1,364,620)
Proceeds from the sale of investments	935,228	1,322,129
Investment in equity method and cost method joint ventures	(14,390)	(50,266)
Cash paid in acquisition of subsidiaries, net	-	(44,617)
Proceeds from sale of assets	21	16
Net cash used in investing activities	(32,750)	(295,269)
Cash flows from financing activities:		
Repayments of long-term debt	(1,543)	(1,708)
Borrowings under commercial paper program and letter of credit	109,369	52,622
Repayments under commercial paper program and letter of credit	(99,356)	-
Payments for deferred financing costs	(42)	-
Net cash provided by financing activities	8,428	50,914
Net increase in cash, cash equivalents, and restricted cash	56,508	61,678
Cash, cash equivalents, and restricted cash at beginning of year	298,594	380,261
Cash, cash equivalents, and restricted cash at end of period	\$ 355,102	441,939
Cash and cash equivalents	\$ 286,024	359,574
Restricted cash included in assets limited or restricted as to use	69,078	82,365
Total cash, cash equivalents, and restricted cash	\$ 355,102	441,939
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 62,398	59,821
Finance lease obligations incurred	-	379
Supplemental disclosure of noncash investing and financing activity:		
Change in noncash acquisitions of property, plant and equipment	(100,241)	(74,370)

See accompanying notes to the consolidated financial statements.

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

(1) Organization

RWJ Barnabas Health, Inc. (the Corporation) is a not-for-profit, tax-exempt corporation located in West Orange, New Jersey. RWJ Barnabas Health, Inc. is the sole corporate member or sole shareholder of the Corporation's affiliated organizations. The Corporation was organized to develop and operate a multihospital healthcare system providing a comprehensive spectrum of healthcare services, principally to the residents of New Jersey and surrounding areas.

The services and facilities of the Corporation include 12 acute care hospitals, (including an academic medical center), 3 acute care children's hospitals, a pediatric rehabilitation hospital with a network of outpatient centers, a freestanding 100-bed behavioral health center, two trauma centers, a satellite emergency department, ambulatory care centers, geriatric centers, the state's largest behavioral health network, comprehensive home care and hospice programs, fitness and wellness centers, physical therapy services, retail pharmacy services, medical groups, multi-site imaging centers, an accountable care organization, a burn treatment facility, comprehensive cancer services, including a free standing cancer hospital, breast centers, and comprehensive cardiac surgery services, including a heart transplant center, a lung transplant center, and kidney transplant centers.

(2) Significant Accounting Policies

(a) Basis of Accounting of Financial Statement Presentation

The accompanying unaudited consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial reporting. Footnotes and other disclosures that would substantially duplicate the disclosures contained in an audited financial statement have been omitted. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements of the Corporation. Eliminations and reporting adjustments have been made to present the information in accordance with GAAP. The data should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025 and related notes. Information as of and for the three months ended March 31, 2026 are not based on audited information but, in the opinion of management, is presented on a basis consistent with the audited consolidated financial statements and includes adjustments necessary for a fair presentation therein. Adjustments to these financial statements may occur as a result of a more comprehensive review undertaken as part of the audit process for the year ending December 31, 2026.

The consolidated financial statements include all affiliates and other entities for which operating control is exercised by the Corporation. Investments in entities where the Corporation does not have operating control are recorded under the equity or cost method of accounting. The Corporation has included its equity share of income or losses from investments in unconsolidated affiliates in other operating revenue. Intercompany balances and transactions have been eliminated.

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

and reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

(c) Accounting Pronouncements

No new accounting pronouncements were released or adopted that would have a material effect on the Corporation's consolidated financial statements.

(3) Revenue

(a) Patient Service Revenue

The Corporation's patient service revenue is recognized at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing patient care. These amounts are due from patients and third-party payors and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Corporation bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from a facility.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Corporation measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Corporation has elected to apply the optional exemption to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at year-end, which primarily relate to in-house acute care patients. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of year-end.

The majority of the Corporation's services are rendered to patients with third-party payor insurance coverage. Reimbursement under these programs is based on a combination of prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Agreements with third-party payors typically provide for payments at amounts less than established charges. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Corporation estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Implicit price concessions are determined based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

recorded as adjustments to patient service revenue in the period of the change and are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments arising from a change in the transaction price were not significant for the three months ended March 31, 2026 or 2025. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. There was no bad debt expense for the three months ended March 31, 2026 or 2025.

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay. The Corporation has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (e.g., co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Corporation expects to collect based on its collection history with those patients. Patients who meet the Corporation's criteria for charity care are provided care without charge or at amounts less than established charges. The Corporation has determined that it has provided sufficient implicit price concessions for these accounts. Price concessions, including charity care, are not reported as revenue.

The Corporation has elected the financing component practical expedient and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Corporation's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Corporation does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Amounts received under Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents and the contracts the Corporation has with commercial payors also provide for retroactive audit and review of claims. The effect of cost report settlements and other adjustments increased patient service revenue by \$7,508 and \$7,724 for the three months ended March 31, 2026 and 2025, respectively.

In November 2018, New Jersey P.L.2018, c.136 established the County Option Hospital Fee Program (County Option Program) to increase financial resources provided to hospitals through the State's Medicaid Program. The State's regulatory framework for the program operates under the New Jersey Department of Human Services. Federal approval from the Centers for Medicare and Medicaid Services (CMS) is required for each state fiscal year through an annual submission of preprints (specifically 42 CFR 438.6(c) proposal preprints) to ensure that the provider payment arrangements meet Federal regulations. The State has received federal approval and has been executing the County Option Program from inception on July 1, 2022 to June 30, 2025. The preprint for the current period of July 1, 2025 to June 30, 2026 was submitted to CMS in April 2025. Four of the counties that the Corporation participates in have been approved by CMS while three remain pending. The Corporation has recorded an estimated net benefit of \$161,724 for the three months ended March 31, 2026, which represents approved amounts and the preprint amount pending with CMS. For the three months ended March 31, 2025, the Corporation recorded a net benefit of \$63,811.

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

(b) Other Revenue

Other revenue, net includes income from grants, equity in the income of joint ventures, unrestricted contributions, net assets released from restriction for operations, cafeteria sales, and parking. Grant revenue and contributions of the Corporation are nonexchange transactions in which no commensurate value is exchanged. In such cases, contribution accounting is applied under Accounting Standards Codification (ASC) Topic 958-605, *Not-for-Profit Entities, Revenue Recognition*. Equity in the income of joint ventures is evaluated under ASC Topic 323, *Investments – Equity Method and Joint Ventures*.

Additionally, pharmacy sales and other contracts related to healthcare services are included in other revenue and consist of contracts, which vary in duration and in performance. Revenue is recognized when the performance obligations identified within the individual contracts are satisfied and collections are probable.

(4) Fair Value Measurements

ASC 820, *Fair Value Measurement* establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include cash and cash equivalents and debt and equity securities that are traded in an active exchange market.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities and corporate bonds.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The Corporation currently holds no Level 3 investments.

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Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

The following tables present the Corporation's fair value hierarchy for those assets measured at fair value on a recurring basis, and exclude pledges receivable, net, other investments, and accrued interest receivable, as of March 31, 2026 and December 31, 2025:

	March 31, 2026				
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Investment categories:					
Cash and cash equivalents and money market funds	\$ 200,895	200,895	—	—	—
Equity securities	3,232	3,232	—	—	—
Equity mutual funds	402,469	402,469	—	—	—
Equity funds	1,309,647	1,309,647	—	—	—
Public equity funds	644,175	—	—	—	644,175
Public fixed income funds	148,472	148,472	—	—	—
Unit investment trusts	1,455	1,455	—	—	—
Commercial mortgage-backed securities	79,879	—	79,879	—	—
Corporate bonds	335,519	—	335,519	—	—
Asset-backed securities	162,465	—	162,465	—	—
Government bonds	243,394	—	243,394	—	—
Government mortgage-backed securities	92,974	—	92,974	—	—
Municipal bonds	17,326	—	17,326	—	—
Alternative investments	1,547,515	—	—	—	1,547,515
Total	<u>\$ 5,189,417</u>	<u>2,066,170</u>	<u>931,557</u>	<u>—</u>	<u>2,191,690</u>

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

	December 31, 2025				
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Investment categories:					
Cash and cash equivalents and money market funds	\$ 359,782	359,782	—	—	—
Equity securities	2,810	2,810	—	—	—
Equity mutual funds	565,164	565,164	—	—	—
Equity funds	1,212,401	1,212,401	—	—	—
Public equity funds	762,050	—	—	—	762,050
Public fixed income funds	145,654	145,654	—	—	—
Unit investment trusts	1,361	1,361	—	—	—
Commercial mortgage-backed securities	70,699	—	70,699	—	—
Corporate bonds	454,523	—	454,523	—	—
Asset-backed securities	168,891	—	168,891	—	—
Government bonds	254,910	—	254,910	—	—
Government mortgage-backed securities	102,813	—	102,813	—	—
Municipal bonds	20,824	—	20,824	—	—
Alternative investments	1,325,621	—	—	—	1,325,621
Total	<u>\$ 5,447,503</u>	<u>2,287,172</u>	<u>1,072,660</u>	<u>—</u>	<u>2,087,671</u>

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

(5) Long-term Debt

Long-term debt consists of the following:

	March 31, 2026	December 31, 2025
Revenue and refunding bonds	\$ 2,599,018	2,599,018
Senior secured notes	300,000	300,000
Finance lease obligations	277,179	278,722
Total long-term debt	<u>3,176,197</u>	<u>3,177,740</u>
Plus unamortized bond premium	206,752	210,799
Less:		
Deferred financing costs, net	15,502	15,753
Current portion	128,510	128,333
Long-term portion	<u>\$ 3,238,937</u>	<u>3,244,453</u>

Under the terms of the Master Trust Indenture (MTI), Children's Specialized Hospital, Clara Maass Medical Center, Community Medical Center, Cooperman Barnabas Medical Center, Jersey City Medical Center, Monmouth Medical Center, Newark Beth Israel Medical Center, RWJ Barnabas Health, Inc., RWJBH Corporate Services, Inc., Robert Wood Johnson University Hospital, Robert Wood Johnson University Hospital at Hamilton, and Robert Wood Johnson University Hospital Rahway, are members of an Obligated Group. Substantially all of the Corporation's debt is subject to the provisions of the MTI.

To secure its payment obligations, the Obligated Group has granted to the Trustee a first lien and security interest in the gross revenue of each member of the Obligated Group.

Obligated Group members are jointly and severally liable under the MTI. The Corporation does have the right to name designated affiliates. Though designated affiliates are not obligated to make debt service payments on the obligations under the MTI, the Corporation may cause each designated affiliate to transfer such amounts as necessary to enable the Obligated Group members to comply with the terms of the MTI, including payment of the outstanding obligations.

The Corporation's Obligated Group is required to maintain certain financial covenants in connection with the NJHCFFA and credit arrangements with a consortium of banks, including JPMorgan Chase Bank, N.A. (JPMorgan) and U.S. Bank.

On July 1, 2025, the Series 2019B-2 bonds were subject to a mandatory tender. At that time, the bonds were converted via a direct placement with JPMorgan at the same par value. The new long-term interest rate was set at 3.625% with a new mandatory purchase date of June 30, 2026.

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

On May 7, 2026, the Corporation completed the RWJ Barnabas Health Obligated Group Issue, Series 2026A, in a principal amount of \$1,122,395 and received total proceeds of \$1,255,647, consisting of a \$137,762 premium less a \$4,510 underwriter's discount. The Corporation used \$803,295 of the proceeds to defease the Series 2016A, 2019B-2, and 2019B-3 bonds, \$450,935 to reimburse prior capital costs, and \$1,417 to pay additional costs of issuance. The Series 2026A bonds mature from 2027 through 2043 and bear interest at rates ranging from 5.00% to 5.50%.

On May 7, 2026, the Corporation also completed the RWJ Barnabas Health Obligated Group Issue, Series 2026B-1, 2026B-2, 2026B-3, and 2026B-4, in an aggregate principal amount of \$400,000 (\$100,000 per Series) and received total proceeds of \$399,565 after underwriter's discount. The Corporation used \$399,065 of the proceeds to reimburse prior capital costs and \$500 to pay additional costs of issuance. The Series 2026B bonds are variable rate demand bonds with interest rates that reset daily. Series 2026B-1, 2026B-2, and 2026B-3 are supported by letters of credit issued by TD Bank, N.A. Series 2026B-4 consist of unsecured variable rate demand bonds that, although subject to long-term amortization, may be put to the System by bondholders for remarketing.

The Corporation had entered into a secured revolving promissory note (the Note) for the principal amount of \$100,000 with JPMorgan for routine working capital needs in 2025. The Note had a \$50,000 accordion feature. The terms of the Note included a commitment fee of 0.08%. The interest rate was based on Secured Overnight Financing Rate (SOFR) and an adjusted term SOFR fixed rate of 0.10% for the interest period plus 0.50% per annum. The Note expired on March 27, 2026 and was replaced with a \$150,000 secured revolving promissory note (New Note) with JPMorgan expiring on March 26, 2027. The terms of the New Note have not changed from the prior Note, with the exception of removing the \$50,000 accordion feature. As of March 31, 2026, \$7,017 of the New Note was used in the form of standby letters of credit (LOC) that provides liquidity support for the Corporation's self-insured workers' compensation and other programs. There was no cash drawn from the Note or the New Note during the term.

(6) Employee Benefit Plans

The Corporation maintains several benefit plans for its employees. The following are brief descriptions of those plans and related expenses for the three months ended March 31, 2026 and 2025:

- The Corporation provides pension benefits to its employees through defined contribution plans. Contributions to these plans are based on percentages of annual salaries. It is the policy of the Corporation to fund accrued costs under these plans on a current basis. Expense related to these defined contribution plans was approximately \$45,638 and \$28,951 for the three months ended March 31, 2026 and 2025, respectively.
- Certain affiliates of the Corporation contribute to various multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover union-represented employees. Contributions to these plans were \$2,262 and \$2,028 for the three months ended March 31, 2026 and 2025, respectively.
- Certain employees of the Corporation participate in deferred compensation plans. Eligible employees may defer compensation under a salary reduction agreement, subject to certain dollar limitations. Payments, upon retirement or termination of employment, are based on amounts credited to individual accounts. In connection with these plans, certain affiliates deposit amounts

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

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(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

with trustees on behalf of participating employees. Under the terms of these plans, the Corporation is not responsible for investment gains or losses incurred. The assets are restricted for payments under the plans. The plans are funded based upon the benefit formula as outlined in the plan documents.

The RWJ Barnabas Health Retirement Income Plan (the RWJBH Plan) covers substantially all employees of the Corporation. The RWJBH Plan is currently frozen and no participants accrue credited service or contribute to the RWJBH Plan.

The assets of the RWJBH Plan are managed under a liability-driven investment (LDI) strategy. Under the LDI strategy, the expected rate of return on plan assets is based upon the assumption that plan assets will be invested primarily in fixed income and other related securities based upon their ability to perform similarly to the characteristics of the plan liabilities over time. The policy of the Corporation is to evaluate the annual funding liability on a calendar year basis. Based on this evaluation, no contributions were made to the RWJBH Plan during the three months ended March 31, 2026 and 2025, respectively.

(7) Partnership with Rutgers, the State University of New Jersey

The Corporation, Rutgers, the State University of New Jersey (Rutgers), and Rutgers Health Group (RHG) entered into a Master Affiliation Agreement (MAA) with the goal of integrating medical education, advanced research and healthcare delivery. The Corporation, Rutgers, the State University of New Jersey (Rutgers), and Rutgers Health Group (RHG) entered into a Master Affiliation Agreement (MAA) in 2018 with the goal of integrating medical education, advanced research and healthcare delivery.

The MAA requires reciprocal commitments and the alignment of each party's respective strategic, operational, and financial interests, and activities as part of a coordinated and mutually supportive academic health system. The Corporation and Rutgers have executed on strategies contemplated in the MAA including integrating the clinical operations of the Faculty of Robert Wood Johnson Medical School (RWJMS) and the Rutgers Cancer Institute (RCI) through Integrated Practice Agreements (IPA). Under the terms of these agreements, Rutgers will continue to employ providers and certain support staff, but the Corporation is responsible for the operations of the clinical practices and related financial results. This included establishing a unified medical records system across the Corporation's entire medical group (including RWJMS and RCI) and creating a unified and integrated patient experience.

As of March 31, 2026 and 2025, the Corporation owed Rutgers \$134,276 and \$130,560, net, respectively, under the MAA and IPA agreements. These amounts are included in accrued expenses and other current liabilities in the consolidated balance sheets.

(8) Potential Affiliations

On January 5, 2026, the Corporation and Englewood Health (Englewood) signed a definitive agreement whereby Englewood will become part of the Corporation. The relationship is designed to enhance healthcare services for residents of Bergen, Hudson and Passaic counties and the surrounding communities. The terms of the definitive agreement call for the Corporation to make capital investments

RWJ BARNABAS HEALTH, INC.

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

(Information pertaining to the three months ended March 31, 2026 and 2025 is unaudited)

in Englewood and to expand the network of outpatient services and community health programs. The consummation of the transaction contemplated by the definitive agreement requires approvals from state regulatory authorities. It is anticipated that this transaction will be completed in the first quarter of 2027.

(9) Subsequent Events

Management evaluated all events occurring subsequent to March 31, 2026 and through May 15, 2026, the date the consolidated financial statements were available to be issued. The Corporation did not have any recognizable subsequent events during the period, except as previously disclosed.

RWJ BARNABAS HEALTH, INC.

Note to Consolidated Financial Statements - Obligated Group

The following financial information as of March 31, 2026 (unaudited) and December 31, 2025 (audited) and for the three months ended March 31, 2026 and 2025 (unaudited) on pages 36 and 37 of the Corporation's Obligated Group was prepared for purposes of accommodating a certain group of bond and note holders. The financial information reflects the financial position and results of operations and changes in net assets of the Obligated Group and not of the entire Corporation and is not intended to be presented in conformity with U.S. generally accepted accounting principles.

RWJ BARNABAS HEALTH, INC.
Consolidated Balance Sheets - Obligated Group
(In thousands)

Assets	March 31, 2026 <u>(unaudited)</u>	December 31, 2025 <u>(audited)</u>
Current assets:		
Cash and cash equivalents	\$ 257,252	187,803
Assets limited or restricted as to use	2,359	64,360
Patient accounts receivable	907,628	839,681
Due from affiliates	944,550	817,293
Estimated amounts due from third party payors	754,595	561,674
Other current assets	366,775	351,397
Total current assets	<u>3,233,159</u>	<u>2,822,208</u>
Assets limited or restricted as to use, non-current portion	206,772	203,819
Investments	4,863,633	5,057,861
Property, plant and equipment, net	4,804,014	4,836,480
Right-of-use asset	178,990	180,265
Due from affiliates	60,556	60,989
Other assets, net	694,164	694,959
Total assets	<u><u>14,041,288</u></u>	<u><u>13,856,581</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	598,127	569,448
Accrued expenses and other current liabilities	1,142,013	1,121,157
Estimated amounts due to third party payors	35,758	30,369
Short-term borrowings	99,353	99,340
Long-term debt	112,720	112,555
Lease obligation	20,854	20,414
Due to affiliates	761,268	755,534
Self-insurance liabilities	73,805	73,715
Total current liabilities	<u>2,843,898</u>	<u>2,782,532</u>
Estimated amounts due to third party payors, net of current portion	135,130	142,956
Self insurance liabilities, net of current portion	144,030	145,975
Long-term debt, net of current portion	3,184,858	3,190,035
Lease obligation, net of current portion	168,396	169,906
Accrued pension liability	56,725	56,035
Other liabilities	203,814	202,084
Due to affiliates	14,813	14,813
Total liabilities	<u>6,751,664</u>	<u>6,704,336</u>
Net assets	<u>7,289,624</u>	<u>7,152,245</u>
Total liabilities and net assets	<u><u>\$ 14,041,288</u></u>	<u><u>13,856,581</u></u>

See accompanying note to consolidated financial statements - obligated group.

RWJ BARNABAS HEALTH, INC.

Consolidated Statements of Operations and Changes in Net Assets - Obligated Group

Three months ended March 31, 2026 and 2025

(In thousands)

(unaudited)

	<u>2026</u>	<u>2025</u>
Revenue:		
Net patient service revenue	\$ 2,153,547	1,877,031
Other revenue, net	207,281	201,676
Total revenue	<u>2,360,828</u>	<u>2,078,707</u>
Expenses:		
Salaries and wages	767,038	708,489
Physician fees and salaries	214,299	188,541
Employee benefits	195,129	167,824
Supplies	419,982	372,947
Other	432,723	345,636
Interest	26,167	23,057
Depreciation and amortization	92,616	88,598
Total expenses	<u>2,147,954</u>	<u>1,895,092</u>
Income from operations	<u>212,874</u>	<u>183,615</u>
Nonoperating (expenses) revenue:		
Investment (loss) income, net	(89,904)	9,743
Other, net	(3,051)	(3,140)
Total nonoperating (expenses) revenue, net	<u>(92,955)</u>	<u>6,603</u>
Excess of revenue over expenses	<u>119,919</u>	<u>190,218</u>
Pension changes other than net periodic benefit cost	2,417	2,384
Net assets released from restriction for purchases of property and equipment	5,294	2,708
Other, net	9,749	(86,706)
Total other changes in net assets	<u>17,460</u>	<u>(81,614)</u>
Increase in net assets	<u>\$ 137,379</u>	<u>108,604</u>

See accompanying note to consolidated financial statements - obligated group.