Management's Discussion and Analysis of Financial Condition and Results of Operations for Ascension

As of and for the nine months ended March 31, 2025 and 2024

Ascension

The following information should be read in conjunction with Ascension's consolidated financial statements and related notes to the consolidated financial statements.

Introduction to Management's Discussion and Analysis

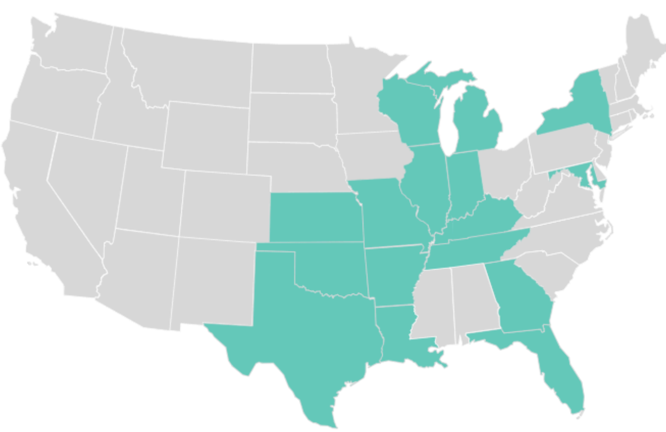
The purpose of Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is to provide a narrative explanation of the financial position and operational performance of Ascension (the System).

The MD&A includes the following sections:

- Organization and Mission
- Executive Overview
- Organizational Changes & Updates
- Select Financial Information
- Community Impact

Organization and Mission

Ascension is one of the nation's leading nonprofit Catholic health systems, with a Mission to deliver compassionate, personalized care to all, with special attention to persons living in poverty and those most vulnerable. As of March 31, 2025, Ascension had approximately 99,000 associates and 23,000 aligned providers supporting care sites across 16 states and the District of Columbia. The System operates 94 wholly owned or consolidated hospitals and holds ownership interests in 27 additional hospitals through partnerships. Ascension also operates 30 senior living facilities and a variety of other care sites offering a range of healthcare services.



Executive Overview

Similar to other U.S. healthcare providers, Ascension's operations and volumes continue to stabilize amidst broader inflationary and recessionary pressures within the U.S. economy. Additionally, Ascension has continued its recovery from the May 2024 cybersecurity incident. While operations have improved significantly from May and June 2024, recovery efforts have continued and the System continued to prioritize progress towards significant operational advancements during the nine months ended March 31, 2025 (Q3 FY25 YTD) as noted below. To enable improvement from prior year operational performance, Ascension continues to focus on community health, increasing lives served, fair rate improvements and efficiency measures to strengthen its ability to provide high-quality care and serve its Mission.

Organizational Changes & Updates

Organizational Changes

Ascension has implemented changes to strengthen its operational leadership at both the national and market levels to improve hospital operations and ensure sustainability for the future. These changes include the addition of three regional operating leaders that are each aligned to a subset of its Markets or horizontal business strategies, providing operational oversight and strengthened alignment with Ascension's leadership team and in Market leadership. Ascension also continues to make strategic and purposeful decisions to improve the health of individuals and communities served, engage with consumers in where, when and how they need care, and support the shift to expanded ambulatory and telehealth presence. The organization's key changes to its portfolio are as follows:

Subsequent to March 31, 2025, in April 2025, Ascension Healthcare and Ascension Texas, a wholly owned subsidiary of Ascension Healthcare and Community Health Systems (CHS) signed a definitive agreement to acquire CHS's interest in Cedar Park Regional Medical Center (Cedar Park), including certain related facilities and services. The transition is expected to be finalized after all necessary approvals are obtained at which time Ascension Healthcare will become the sole corporate member of Cedar Park.

On March 31, 2025, Ascension Healthcare and Ascension Michigan, a wholly owned subsidiary of Ascension Healthcare, signed a definitive agreement with Beacon Health (Beacon) to transition the membership interest in four southwestern Michigan hospitals and related entities to Beacon. The transition is expected to be finalized after all necessary approvals are obtained.

In March 2025, certain Ascension senior living entities signed asset sale agreements to sell certain assets and primarily all operations to various purchasers. These transactions are expected to be finalized after all necessary approvals are obtained.

On March 1, 2025, Presence Care Transformation Corporation (Presence), a wholly owned subsidiary of Ascension, sold substantially all assets and operations, including related clinical and other businesses, of nine hospitals and four senior living facilities in the greater Chicago, Illinois area to Prime Healthcare Services, Inc.

On November 1, 2024, Ascension Healthcare, a wholly owned subsidiary of Ascension, transitioned Ascension's membership interest in the St. Vincent's Health System in Alabama to UAB Health System Authority.

On October 1, 2024, Ascension Healthcare and Ascension Michigan, a wholly owned subsidiary of Ascension Healthcare, contributed the membership interest in its southeast and mid Michigan hospitals and related ancillary entities into Henry Ford Health System (HFHS) in exchange for acquiring a noncontrolling interest in HFHS.

In September 2024, Ascension Healthcare completed the transition of certain assets and liabilities of six Ascension Healthcare senior care entities to Villa Investment Partners, LLC.

On September 1, 2024, Ascension Via Christi Hospital Pittsburg, Inc. (Ascension Pittsburg) completed the sale of certain assets and all operations of Ascension Pittsburg to Mercy Hospital Pittsburg, Inc.

On August 1, 2024, Ascension Healthcare transitioned its sole corporate membership interest in its northern Michigan hospitals and related ancillary entities to MyMichigan Health.

On February 1, 2024, Ascension Healthcare transitioned its sole corporate membership interest in Our Lady of Lourdes Memorial Hospital, Inc. in Binghamton, New York as well as related clinical and other business to The Guthrie Clinic.

In December 2023, Ascension St. Thomas, a wholly owned subsidiary of Ascension, and Lifepoint Health formed a joint venture to own Highpoint Health System, consisting of three hospitals and multiple affiliated clinics and sites of care, to expand access to high quality care and services in Northern Middle Tennessee.

On November 1, 2023, Ministry Health Care, Inc., a wholly owned subsidiary of Ascension, finalized the sale of its membership interest in Network Health Inc., a holding company that operates insurance companies and other non insurance operations in the state of Wisconsin, to Froedtert Health, Inc.

On October 1, 2023, Gulf Coast Health System, a wholly owned subsidiary of Ascension, completed the sale of substantially all assets, operations, and related clinical and other business associated with Providence Hospital in Mobile, Alabama to University of South Alabama Health Care Authority.

In addition to optimizing our acute care assets focused on patients with more complex needs, we continue to invest in accelerating growth through our ancillary services and ambulatory networks. An example is the growth of Ascension Rx, building upon our existing retail pharmacies through growth of specialty pharmacy and a nationwide mail order distribution center. Additional investments are also being made in our ambulatory surgery centers (ASCs), imaging and outpatient physical therapy sites that enhance Ascension's footprint of service offerings and provide greater access and convenience to consumers.

Cybersecurity Incidents

On May 8, 2024, Ascension experienced a cybersecurity attack, impacting and interrupting access to some of its technology network systems. As a result, there were disruptions to certain clinical operations for varying amounts of time resulting in downtime procedures and protocols to continue providing safe care to our patients.

In mid-June 2024, Ascension completed the restoration of electronic health record (EHR) access across our ministries. Our investigation and analysis into this incident is substantially complete. Notifications have been provided to individuals, government regulators and applicable state agencies.

During Q3 and Q4 FY24, the combination of the May cybersecurity attack and a February 2024 third party clearinghouse incident resulted in various disruptions related to healthcare services provided and/or revenue cycle processes, including claim submissions, payment processing and posting and insurance verification processes. Claims submission to payors for patient treatment during the downtime period is substantially complete while collection efforts remain ongoing. During Q4 FY24, the May cybersecurity attack resulted in lower volumes, reduced revenues from the associated business interruption along with continued costs incurred to remediate the issues and other business related expenses. In FY25, Ascension's volume recovery has continued and certain additional remediation and business related expenses have been incurred.

To partially mitigate the impact to cash flow, Ascension also collaborated closely to secure advance payments from CMS and other commercial payers for services provided. Ascension has also accessed its short-term liquidity facilities to provide additional cash flow relief while revenue cycle processes have been temporarily impacted by the cybersecurity incidents. Further information included within the Fixed Assets and Liquidity Resources section.

Select Financial Information

(dollars in millions, except as denoted)

Consolidated Operations (Pro Forma Presentation)

The following table represents a pro forma view of Ascension's operating performance for Q3 FY25 and the comparable nine months in FY24 (Q3 FY24 YTD), adjusted to provide a more appropriate comparison of ongoing operating performance for the respective periods.

Impacting comparative performance for Q3 FY25 YTD, Ascension reported a retrospective 340B settlement payment in the prior year. Additionally, Ascension reported higher net gains on sale in the prior year and has incurred incremental operating costs relative to the May cybersecurity attack during FY25.

Nine months ended March 31,

	2025	2024
Net Patient Service Revenue	$ 17,487	$ 20,097*
Other Operating Revenue	1,941*	1,941*
Operating Expenses	19,847*	22,464*
Self-insurance Trust Fund Investment Return	50	93
Income (Loss) from Recurring Operations	**$ (369)**	**$ (333)**
Recurring Operating Margin	**(1.9%)**	**(1.5%)**
Recurring Operating EBIDA Margin	**2.8%**	**3.1%**

* *Net patient service revenue, other operating revenue and operating expenses have been adjusted to remove the impact of one-time gains & losses on sale in both comparative periods, a 340B retrospective settlement reported in the prior year and certain current year expenses related to the cybersecurity attack.*

Non-GAAP Financial Measures - Ascension has presented its consolidated financial statements and supplementary information for nine months ended March 31, 2025 and 2024 in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain financial measures presented herein as part of the operating results have been presented on a non-GAAP basis (e.g., normalized operating performance metrics). Any non-GAAP financial measures are in addition to, not a substitute for, measures of financial performance prepared in accordance with GAAP. Ascension believes the presentation of non-GAAP financial measures provides useful supplementary information to enhance the overall understanding of financial performance.

For the nine months ended March 31, 2025, Ascension reported a loss from recurring operations of $369 million or a -1.9% recurring operating margin compared to a loss of $333 million or a -1.5% recurring operating margin for the comparable prior year period, adjusted to remove certain one-time items (gains & losses on sale, 340B retrospective settlement payment and cyber-related costs) from the applicable periods.

For the three months ended March 31, 2025 (Q3 FY25), Ascension's recurring operating loss, as adjusted for the aforementioned one-time items, was approximately $21 million greater than the same period in the prior year.

Consolidated Operations

The following table reflects selected financial information on a consolidated basis for the nine months ended March 31, 2025 and 2024.

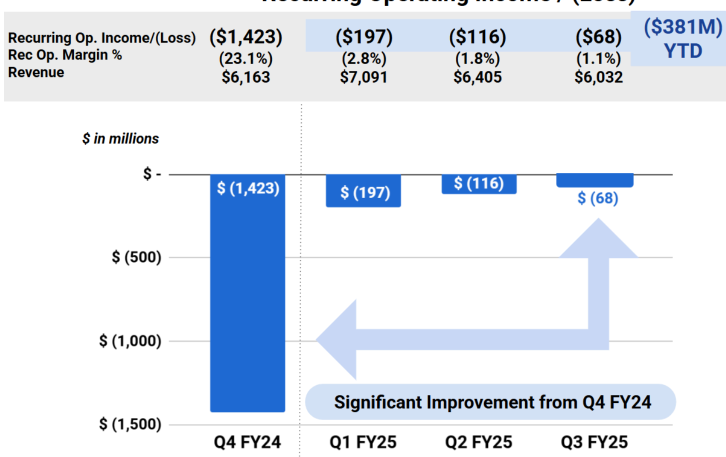
Nine months ended March 31,

	2025	2024
Net Patient Service Revenue	$ 17,487	$ 20,256
Other Operating Revenue	2,041	2,132
Operating Expenses	19,960	22,467
Self-insurance Trust Fund Investment Return	50	93
Income (Loss) from Recurring Operations	**$ (381)**	**$ 15**
Impairment and Nonrecurring Gains (Losses), net	$ (85)	$ (253)
Income (Loss) from Operations	**$ (466)**	**$ (238)**
Net Income (Loss), excl. Noncontrolling interests	$ 195	$ 343
Recurring Operating Margin	**(2.0%)**	**0.1%**
Recurring Operating EBIDA Margin	**2.9%**	**4.7%**

Ascension reported a loss from recurring operations of $381 million or a -2.0% recurring operating income margin for the nine months ended March 31, 2025 as compared to income from recurring operations of $15 million for the comparable prior year period. Ascension also reported recurring operating EBIDA of $566 million for Q3 FY25 YTD and a recurring operating EBIDA margin of 2.9% as compared to a recurring operating EBIDA of 4.7% for the comparable period in the prior year.

Ascension's Q3 FY25 YTD operating results continue to incorporate significant improvement from the last quarter of the prior fiscal year (Q4 FY24) that was impacted by the cybersecurity attack. Each quarter of FY25, Ascension has continued to improve recurring operating performance with a Q3 FY25 recurring operating loss of $68 million, representing an improvement of approximately $1.4 billion from Q4 FY24. Ascension remains extremely focused on stewardship consistent with our Mission through the continued implementation of various improvement plans to enhance operational performance across the System. These plans will position Ascension to drive revenue growth and promote efficiency of operations for FY25 and beyond.

Recurring Operating Income / (Loss)



Inclusive of non-operating performance, Ascension's Q3 FY25 YTD net income, excluding noncontrolling interests, was $195 million, $147 million lower than the comparable period of the prior year.

Impairment and Nonrecurring Gains / Losses, Net

During the nine months ended March 31, 2025, Ascension reported $85 million of impairment and nonrecurring losses as compared to $253 million for the comparable prior year period. In connection with related affiliation and membership substitution agreements, as noted above within Organizational Changes, and resulting transition of certain assets and liabilities to held for sale within Ascension's consolidated balance sheet, Ascension recognized non-cash impairments and write-downs primarily attributable to the Ascension Michigan market along with certain one-time costs for an employee benefit offering in the current year. Prior year impairment and non-recurring losses were attributable to the aforementioned organizational changes related to the Michigan market.

Volume Trends

For the nine months ended March 31, 2025, the System experienced a 0.5% same facility decrease in overall volume, measured by equivalent discharges, compared to the same period in the prior year. Volumes continue to ramp up from the varying levels of disruption to clinical services experienced in May and June 2024 as a result of the May cybersecurity attack, at which time the System experienced volumes averaging 8-12% lower than the comparable months from FY23. Demonstrating the continued strengthening of volumes after the incident, Ascension's same facility volumes for key indicators for Q3 FY25 YTD have generally increased 6-7% on a per day basis as compared to the comparable per day volumes during Q4 FY24 (quarter impacted by the cybersecurity attack). Ascension's same facility volumes for key indicators were also generally within 1.0%-2.0% of the prior year for the comparable nine months except for total surgeries which declined 2.8%.

While slightly below the prior year, volumes for Q3 FY25 YTD are consistent with expectations for the first nine months as the System has worked to reschedule procedural volumes that were delayed as a result of the cybersecurity attack. Additionally, certain procedural volumes continue to shift to outpatient sites of care, including some of the System's ASC partnerships. Ascension remains focused on continuing growth plans, including building service line volumes, strengthening ancillary services and the ambulatory footprint within our Markets to enhance patient access to care. Growing patient trust and satisfaction in Ascension is reflected in an all-time high Net Promoter Score (NPS) reported in March 2025 which remains over 80 with a select group of other world-class experience brands.

The following table reflects certain key patient volume information, on a consolidated basis, for the nine months ended March 31, 2025 and 2024.

	Nine months ended March 31,		
Volume Metrics	**2025**	**2024**	**Total Volume Incr/(Decr)**
Equivalent Discharges	972,323	1,186,455	(18.0%)
Total Discharges	444,621	544,826	(18.4%)
Surgery Visits (IP)	99,583	120,770	(17.5%)
Surgery Visits (OP)	262,318	320,299	(18.1%)
Emergency Room Visits	1,947,784	2,336,097	(16.6%)
AECN Encounters per Provider*	1,876	1,979	(5.2%)

*Ascension Employed Clinician Network

The following table reflects select patient volume trend comparisons for the nine months ended March 31, 2025 and 2024. Due to the organizational changes noted, the most meaningful volume comparisons are on the same facility basis.

Nine months ended March 31, 2025 and 2024

Volume Trends	Same Facility Volume Incr/(Decr)	Total Volume Incr/(Decr)
Equivalent Discharges	(0.5%)	(18.0%)
Total Discharges	(1.1%)	(18.4%)
Surgery Visits (IP)	(2.9%)	(17.5%)
Surgery Visits (OP)	(2.7%)	(18.1%)
Emergency Room Visits	(1.4%)	(16.6%)
AECN Encounters per Provider	(2.0%)	(5.2%)

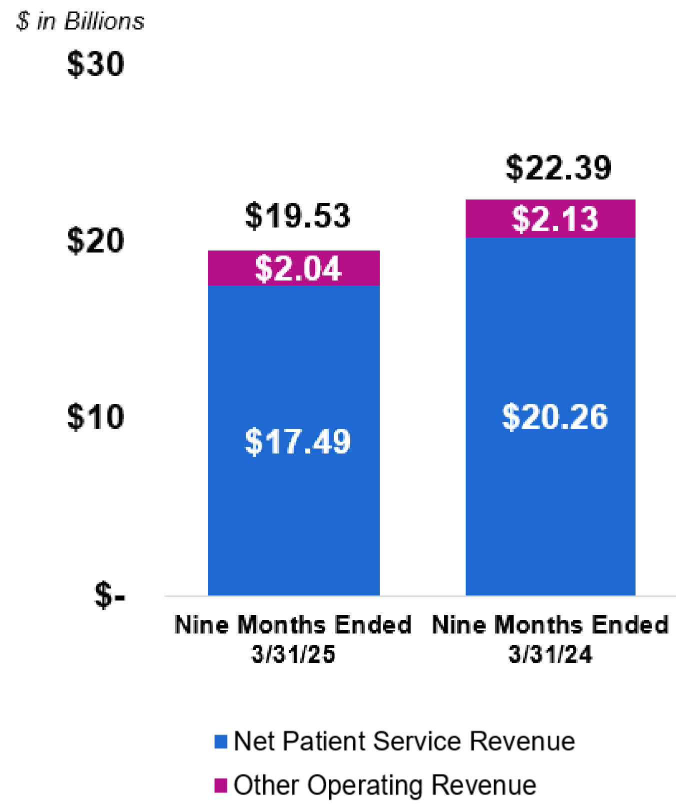
*Ascension Employed Clinician Network

The following table demonstrates select same facility patient volume per day trends for the nine months ended March 31, 2025 as compared to the three months ended June 30, 2024 (Q4 FY24).

Volume Trends	Q3 FY25 YTD per Day Change from Q4 FY24
Equivalent Discharges	5.9%
Total Discharges	7.5%
Surgery Visits (IP)	6.3%
Surgery Visits (OP)	(1.6%)
Emergency Room Visits	6.4%
Encounters	0.8%

Total Operating Revenue

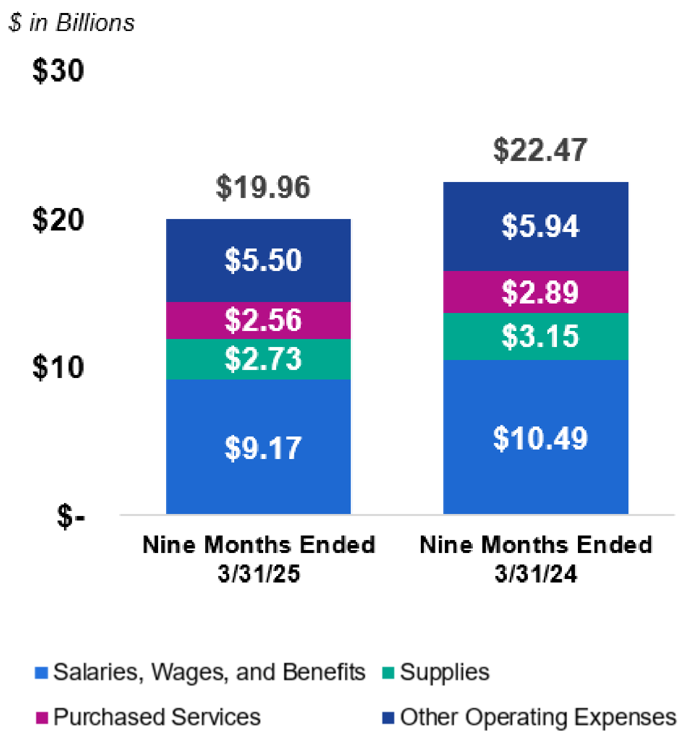
While total operating revenue decreased $2.9 billion or 12.8% for the nine months ended March 31, 2025 from the comparable period of the prior year, Ascension's same facility total operating revenue, adjusted for comparability due to the portfolio changes, increased $371 million or 2.0% for Q3 FY25 YTD compared to Q3 FY24 YTD. Additionally, Ascension's Q3 FY25 operating revenue increased $1.1 billion overall from the last quarter of the prior fiscal year, Q4 FY24, on a same facility basis, demonstrating recovery progress from the May cybersecurity attack.



For Q3 FY25 YTD, the System's same facility net patient service revenue (NPSR) increased $195 million or 1.1% overall from the comparable prior year period. Driven by significant portfolio changes associated with recent divestitures noted in the Organizational Changes & Updates section, Ascension's total net patient service revenue decreased $2.8 billion or 13.7%. NPSR per equivalent discharge increased 5.3% overall or 1.4% on a same facility basis. Aside from the previously mentioned overall volume changes, NPSR was impacted by a reduction in Medicaid payor mix and a slight increase in commercial and self-pay payor mix. The System's acute case mix index for Q3 FY25 YTD increased slightly to 1.86 as compared to 1.84 in the corresponding prior year period while the System expanded capacity and backfilled inpatient service volumes as other procedures continue to shift to outpatient settings. While reimbursement rates have provided limited mitigation to escalating costs over the last two fiscal years, recent managed care negotiations with commercial payors have yielded larger increases, improving NPSR rates. Contributing to the change in net revenue, Ascension also recognized its share of a one-time retrospective 340B settlement in the prior year.

For the nine months ended March 31, 2025, same facility other operating revenue increased $177 million while decreasing $91 million overall. The primary drivers of the year-over-year decrease were lower gains on sale associated with portfolio transitions and lower insurance plan revenue. Partially offsetting these items, Ascension recognized 1) contracted service revenues for shared service support provided to certain entities recently divested from Ascension, 2) additional FEMA funding for prior contract labor spending for select Markets and 3) continued same facility pharmacy services revenue growth.

Total Operating Expenses



Total operating expenses decreased $2.5 billion, or 11.2% during the nine months ended March 31, 2025 but increased $212 million or 1.1% on a same facility basis, as compared to the same period in the prior year. Consistent with the overall healthcare provider industry, sustained inflationary pressures have contributed to expense growth in recent periods; however, our economic improvement plans focused on cost containment have helped mitigate the inflationary impacts.

The System experienced a 1.6% increase in same facility cost per equivalent discharge during the nine months ended March 31, 2025 as compared to the corresponding period in the prior year, primarily due to inflationary pressures impacting several expense categories along with the aforementioned one-time and other business related expenses associated with the cybersecurity incident recovery. To continue countering inflationary pressures, Ascension's economic improvement plans are focused on additional operating efficiencies and reducing the rate of expense growth to further align with total operating revenue.

Total salaries, wages and benefits decreased $1.3 billion, or 12.6%, for the nine months ended March 31, 2025, and decreased $61 million or 0.7% on a same facility basis when adjusting for comparability associated with recent divestitures compared to the prior year. The primary factors contributing to the same facility decrease were Ascension's labor efficiency initiatives focused on stabilization of staffing and the workforce, resulting in reduced turnover rates across the System along with lower health insurance benefit expenses. The labor efficiency plans have also contributed to a reduction of agency staffing rates while managing agency utilization to volume demands within our Markets. Further demonstrating improved efficiency, the System's average length of stay has improved 1.6% over the prior year when measured on a same facility basis. Ascension's 90 day nurse retention rates have improved, reaching a milestone of 88.3%.

Partially offsetting the decreases in salaries, wages and benefits, an average same facility hourly wage rate increase of approximately 1.0% from the comparable nine months in the prior year driven by market and other wage adjustments. Ascension remains committed to: 1) attracting, rewarding and retaining the best talent, 2) providing career growth and development, 3) ensuring a culture of inclusion, flexibility and transparency and 4) supporting the transformation of care delivery models for the future.

Total supply expense decreased $420 million, or 13.3%, during the nine months ended March 31, 2025, as compared to the prior year. On a same facility basis, supplies increased $48 million or 1.8% due primarily to increased high cost implant, surgical, procedural, and hemophilia volumes in select Markets along with inflationary pricing pressures. These price pressures were moderated due to Ascension's economic improvement plan initiatives driving national contract supply savings and efforts from The Resource Group to mitigate supply chain disruptions in the current environment.

Additionally, for the nine months ended March 31, 2025, the System experienced decreases in total purchased services and other operating expenses of $765 million. On a same facility basis, both purchased services and remaining other operating expenses increased $226 million or 2.9%. Same facility purchased services increased $83 million, or 3.4%, as compared to the prior year driven primarily by the higher spending on dietary and environmental services, medical purchased services and clinical engineering services. Other operating expenses (including professional fees, insurance, provider tax, other operating expenses, and depreciation, amortization and interest) increased $143 million, or approximately 2.6%, for Q3 FY25 YTD on a same facility basis as compared to prior year due primarily to an increase in contracted service fees for specialty physicians, professional fees incurred related to the cybersecurity attack and cost of goods sold related to retail and specialty pharmacy services.

Investment Return

Substantially all the System's cash and investments are invested in a broadly diversified portfolio that is managed by Ascension Investment Management (AIM), a wholly owned subsidiary of Ascension.

Ascension's total net investment gains reported within Non-operating gains / (losses) for the nine months ended March 31, 2025 were $910 million, representing a $114 million improvement from Ascension's comparable prior year investment income of $797 million.

Additionally, for Q3 FY25 YTD, Ascension also recognized $50 million of investment gains associated with the Self-insurance trust fund, reported within Income / Loss from Operations as compared to $93 million of investment gains for the same period in the prior year.

Financial Position

While temporarily impacted by the cybersecurity incidents, Ascension's balance sheet and liquidity levels remain strong, improving from the prior fiscal year end with sufficient liquidity to continue to provide care for patients. The following table reflects selected financial information on a consolidated basis.

	3/31/2025	6/30/2024
Current Assets	$6,348	$8,959
Long-Term Investments *	19,103	18,695
Property and Equipment	8,156	8,486
Other Assets	5,762	4,567
Total Assets	**$ 39,369**	**$ 40,706**

	3/31/2025	6/30/2024
Current Liabilities	$6,246	$7,157
Long-Term Liabilities	9,065	9,727
Total Liabilities	15,311	16,883
Net Assets	24,057	23,823
Total Liabilities and Net Assets	**$ 39,369**	**$ 40,706**

*Includes assets limited as to use and the noncontrolling interests of Investment Funds.

Financial Assets and Liquidity Resources

The System's cash and investment position remains strong and includes highly liquid investments. Net unrestricted cash and investments were $15.3 billion at March 31, 2025, which were approximately 39% of the System's total assets. The System's days cash on hand were 218 days at March 31, 2025, an increase of 24 days since June 30, 2024. One of the largest contributors to changes in Ascension's cash and investment position is the collection of accounts receivable which were temporarily elevated by the impacts of the prior year cybersecurity incidents. Offsetting other sources of cash, Ascension's cash position was reduced due to typical payments of accounts payable and accrued liabilities as well as capital spending. Additional information impacting liquidity is further discussed in this section.

With the size and scale of the System, Ascension aims to maintain a combination of short-term liquidity facilities up to $3 billion to provide enhanced liquidity resources as needed. As part of this strategy, Ascension continues to maintain a syndicated line of credit for general working capital purposes, totalling $1.0 billion, which is committed through November 18, 2027. While there were borrowings under the line of credit in FY25 to support the System's liquidity needs, the line was undrawn at March 31, 2025.

Additionally, in August 2024, Ascension set up an additional $500 million line of credit, which has a one-year term and was undrawn at March 31, 2025.

The System also has access to up to a $1.0 billion taxable commercial paper program and during Q2 FY25, Ascension received $992 million from the issuance of commercial paper. The proceeds of the commercial paper issuance were used to repay outstanding balances on the lines of credit and a bank loan. Ascension has continued to pay off almost $650 million of the commercial paper during Q3 FY25, leaving outstanding commercial paper of approximately $345 million within Ascension's short-term liquidity facilities at March 31, 2025.

Beginning in Q3 FY24 through Q1 FY25, Ascension received a total of approximately $1.0 billion of advance payments from 1) Medicare and 2) other advance payment programs provided by certain commercial payers related to the disruptions from the cybersecurity incidents. The advance payments helped to mitigate the unfavorable cash flow impacts associated with the aforementioned cyber incidents as revenue cycle processes continue to ramp towards recovery. In accordance with the terms and conditions of the programs, recoupments began in FY24 with all payments being fully recouped prior to December 31, 2024.

Balance Sheet Ratios

	3/31/2025	6/30/2024
Days Cash on Hand	218	194
Net Days in Account Receivable ^	57.5	78.4
Cash-to-Debt	238.4%	220.6%
Total Debt to Capitalization	23.7%	25.5%

^ Net days in accounts receivable has been calculated to include certain accounts receivable balances that have been classified as assets held for sale within the Consolidated Balance Sheet.

Net days in accounts receivable were 57.5 at March 31, 2025, representing an almost 21 day decrease from the end of FY24. While trending downward, net days in accounts receivable remain slightly elevated compared to approximately 47 days prior to the cybersecurity incidents that occurred in the second half of FY24. The increase in net days in accounts receivable late in the prior fiscal year is attributable to the cyber attacks noted above as Ascension has experienced temporary delays in billing for services provided along with receipt and posting of payments. Ascension continues to make meaningful progress on collections for the backlog of claims that developed due to the downtime from the cybersecurity incidents.

Community Impact

Delivering on its Mission, Ascension is investing in targeted initiatives to address health disparities, food insecurity, and transportation barriers, partnering with local organizations to provide critical resources for underserved populations. In Texas, Ascension Seton Medical Center launched the Compassion Closet, offering essential items to support mothers, newborns, and their families. In Indiana, the Ascension St. Vincent Anderson patient shuttle ensures that patients can access their medical appointments by providing reliable transportation — removing a key obstacle to continuity of care.

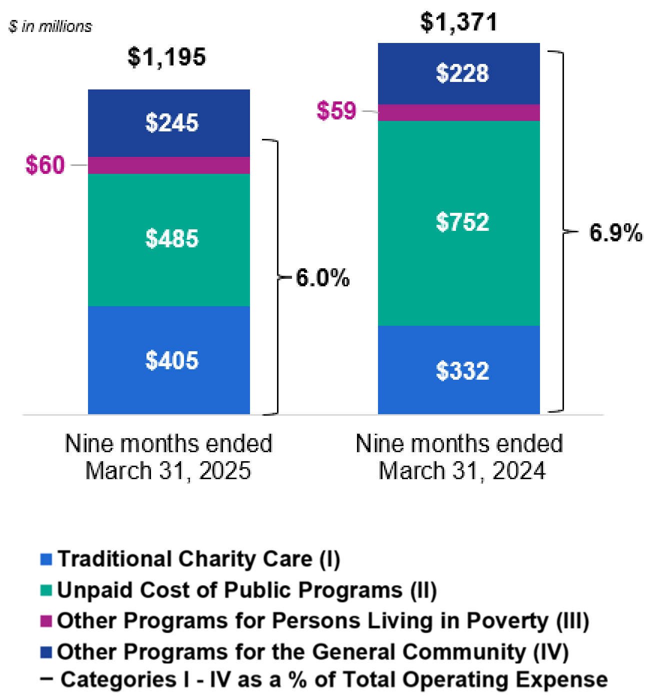
Ascension continues to expand access and specialized care with new investments across its communities. The Women and Infants Hospital at Ascension St. Vincent in Indianapolis, opened on January 18, 2025, provides high-risk maternal and fetal care, including 24/7 emergency services and a Level IV NICU at Peyton Manning Children's Hospital — one of only two Level IV perinatal centers in Indiana. Opening later this calendar year, the Lucas Family Brain and Spine Hospital at

Ascension St. Vincent will enhance neurological care with 38 ICU rooms, eight surgical suites, and two neuroradiology labs, offering advanced treatment for stroke, brain aneurysms, and complex neurovascular conditions. Additionally, the Dispensary of Hope in Manhattan, Kansas, a partnership between Via Christi Hospital in Manhattan, the Manhattan Community Health Foundation, and local providers, offers free prescription medications to low-income, uninsured individuals, ensuring those in need can access lifesaving treatments without a referral. These all serve as examples of Ascension's purpose to bring health, healing and hope to all.

Another measure of Ascension's impact in the community is the support of community benefit programs as further outlined below.

Care of Persons Living in Poverty and Community Benefit

(Same Facility Comparisons)



Ascension provided over $1.2 billion in total Care of Persons Living in Poverty and Other Community Benefit Programs for the nine months ended March 31, 2025 or almost $1.2 billion on a same facility basis. Through programs, donations, health education, trauma programs, free care and more, the organization's uncompensated care and other community benefits fulfill unmet needs in the communities we serve.

The System experienced a decrease in the same facility unpaid cost of public programs (Category II) as a result of increased supplemental funding tied to changes to state programs in a few Markets and lower Medicaid gross charges in certain Markets.