



Alignment Healthcare

# REDESIGNING SENIOR HEALTHCARE THROUGH A MODERN MA PLATFORM

September 2021  
NASDAQ: ALHC



# LEGAL DISCLAIMER FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements relating to future developments in our business or expectations for our future financial performance and any statement not involving a historical fact. Forward-looking statements use words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “should,” “seek,” and other words and terms of similar meaning. Forward-looking statements are subject to risks and uncertainties and are based on assumptions that may prove to be inaccurate, which could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including our amended registration statement relating to our initial public offering, filed with the Securities and Exchange Commission (the “SEC”) on March 23, 2021 and our quarterly report on Form 10-Q for the quarter ended June 30, 2021, filed with the SEC on August 9, 2021. All information provided in this presentation and in the attachments is as of the date hereof, and we undertake no duty to update or revise this information unless required by law.

This presentation includes certain market and industry data and statistics, which are based on publicly available information, industry publications and surveys, reports from government agencies, reports by market research firms and our own estimates based on our management’s knowledge of, and experience in, the industry and market in which we compete. Third-party industry publications and forecasts generally state that the information contained therein has been obtained from sources generally believed to be reliable. In addition, certain information contained in this presentation represents management estimates. While we believe our internal estimates to be reasonable, they have not been verified by any independent sources. Such data involve risks and uncertainties and are subject to change.

This presentation contains certain “non-GAAP” financial measures within the meaning of Item 10 of Regulation S-K promulgated by the SEC. We believe that non-GAAP financial measures provide an additional way of viewing aspects of our operations that, when viewed with the GAAP results, provide a more complete understanding of our results of operations and the factors and trends affecting our business. These non-GAAP financial measures are also used by our management to evaluate financial results and to plan and forecast future periods. However, non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Non-GAAP financial measures used by us may differ from the non-GAAP measures used by other companies, including our competitors. To supplement our consolidated financial statements presented on a GAAP basis, we disclose the following Non-GAAP measures: Medical Benefits Ratio, Adjusted EBITDA and Adjusted Gross Profit as these are performance measures that our management uses to assess our operating performance. Because these measures facilitate internal comparisons of our historical operating performance on a more consistent basis, we use these measures for business planning purposes and in evaluating acquisition opportunities. For a reconciliation of these non-GAAP measures to the corresponding measures calculated in accordance with GAAP, see the Appendix to this presentation.



# WE STARTED ALIGNMENT TO IMPROVE HEALTHCARE ONE SENIOR AT A TIME

“A few years ago, my mother suffered a heart attack.

I witnessed first-hand how **difficult it was to navigate the health care system** and how that experience can lead to a slower recovery...Particularly post discharge. **It was frightening.**

We had the best hospitals, best doctors and best insurance yet **the entire experience for her was poor** due to misaligned incentives, lack of coordination and poor information.

I founded Alignment **to provide health care as it should be** for our parents and grandparents, to care for the well-being of each and every member as if they were **part of our family.**

Our values are to **put the senior first** in everything we do, **support the doctor, use data and technology** to improve the senior's life, and do it all with a **serving heart.**

**Our mission is to bring our differentiated, advocacy-driven healthcare experience to millions of senior consumers in the United States and to become the most trusted senior healthcare brand in the country.”**

- John Kao, CEO, Alignment Healthcare





# LESSONS LEARNED OVER DECADES ARE AT THE FOUNDATION OF OUR APPROACH



**John Kao**

Chief Executive Officer

**FHP International**

*Vertical Integration,  
One of the First MA  
Contracts*

**PacifiCare®**

*Provider  
Partnerships, 1M  
MA Seniors*

**TRIZETTO®**

*Core Systems,  
Technology and  
Supply Chain  
Operations*

**CAREMORE**  
It's what we do™

*Chronic Care  
Management*



**Thomas Freeman**

Chief Financial Officer

**GENERAL  
ATLANTIC**

**Morgan Stanley**

**Executive Team Has  
Extensive Experience in  
Consumer, Technology,  
and Healthcare Services**

**Humana.**

**UNITEDHEALTH GROUP**

**SecureHorizons®**  
by UnitedHealthcare

**HealthCare Partners.**

**MOLINA  
HEALTHCARE**

**Anthem**

**blue  
california**

**Care1st  
HEALTH PLAN**

**CENTENE®**  
Corporation

**Davita**

**BIG  
FISH**

**OPTUMRx**

**Welltok®**



**CAMBIA**  
SOLUTIONS



# OUR RESULTS DEMONSTRATE THAT OUR APPROACH IS WORKING



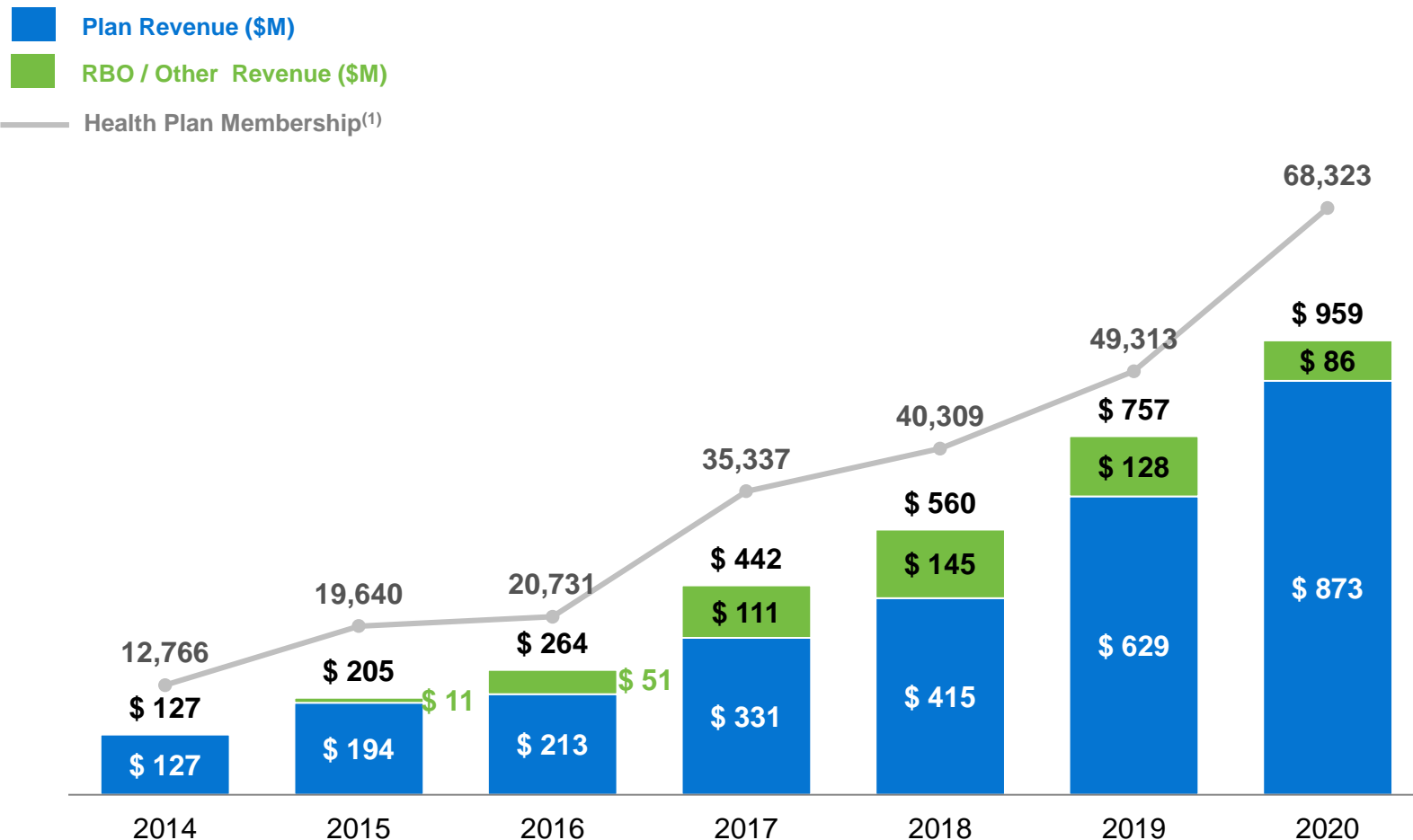
22 Markets  
Across CA, NC, NV



~84,700 Health Plan  
Seniors as of June 2021



~775 Employees  
>200 Clinical + Tech  
Employees



CAGR Since  
Inception

32%

Health Plan  
Membership

40%

Revenue

**Notes:**

1. Health plan membership excludes members in RBO.



# SUPERIOR VALUE PROPOSITION FOR SENIOR CONSUMERS IS CORE TO OUR MODEL – AND WE HAVE THE PROOF POINTS

2014-2020  
HEALTH PLAN  
MEMBERSHIP  
CAGR

**32%<sup>(1)</sup>**

Vs. National Medicare Advantage  
CAGR of 7%<sup>(1)</sup>

NET  
PROMOTER  
SCORE

**>60** Overall  
**>75** Care  
Anywhere

Industry average of 30 – 40<sup>(2)</sup>

PRODUCT  
RICHNESS

**TOP 3**

In 18 of AHC's 22 Markets <sup>(3)</sup>

STARS QUALITY  
SCORE



~100% Health Plan membership in  
a 4 Star or better contract for the  
previous four years

INPATIENT  
ADMITS/K

**163**

38% Better Than Medicare  
FFS Utilization <sup>(4)</sup>

2020 Consolidated  
Medical Benefits  
Ratio <sup>(5)</sup>

**~83%**

~\$12m Adjusted EBITDA in 2020<sup>(6)</sup>

#### Notes:

1. Based on 2014-2020 enrollment and 2014-2020 CMS data.
2. Based on Deft Research's 2019-2020 Medicare Member Experience Study.
3. Per Medicare Plan Finder measured by OOPC.
4. 2019 CA Average; based on 2018 Medicare FFS inpatient utilization representative of Alignment's population mix by county.
5. Defined as total medical expenses excluding depreciation divided by total revenues.
6. Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) before interest expense, income taxes, depreciation and amortization expense, reorganization and transaction-related expenses and equity-based compensation expense.



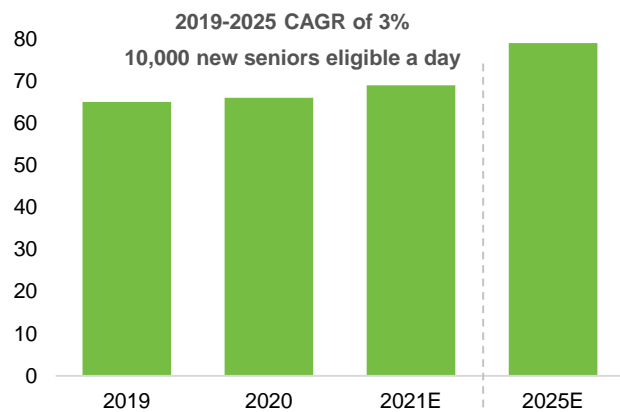
The AHC model is designed to consistently deliver a superior value proposition to the senior consumer: **higher quality care, at a lower cost, with a vastly improved consumer experience**



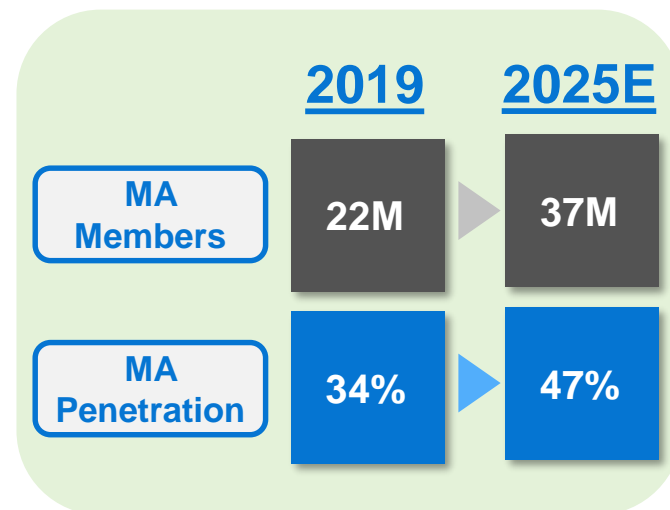
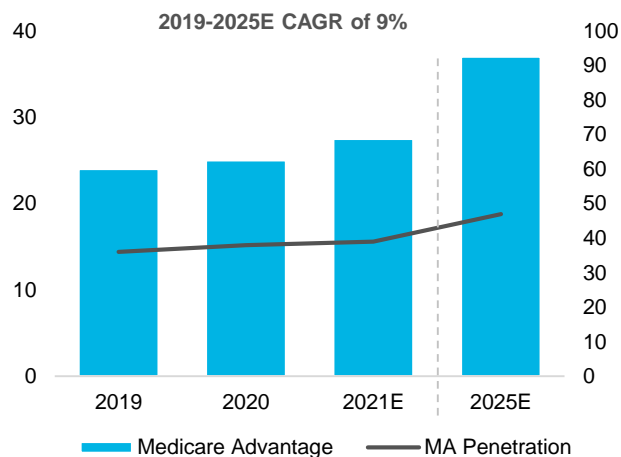
# MASSIVE & RAPIDLY GROWING ADDRESSABLE SENIOR MARKET

## SENIOR GROWTH INCREASING

**Total Medicare Enrollment Growth**  
Enrollment (M)



**Medicare Advantage Enrollment Trend**  
Enrollment (M)



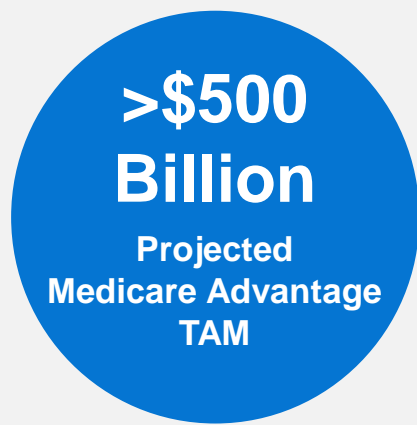
Sources: CMS, KFF, Mark Farrah Associates, NAIC, L.E.K. analysis

## Massive Medicare Advantage Market Growing +11% Annually

2019-2025  
CAGR of 11%



2019



2025

Sources: L.E.K. analysis

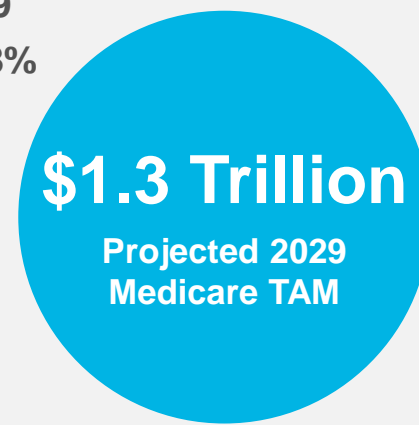
## Massive Medicare Market Growing +8% Annually

2019-2029  
CAGR of 8%



2019

Sources: CBO Report



2029



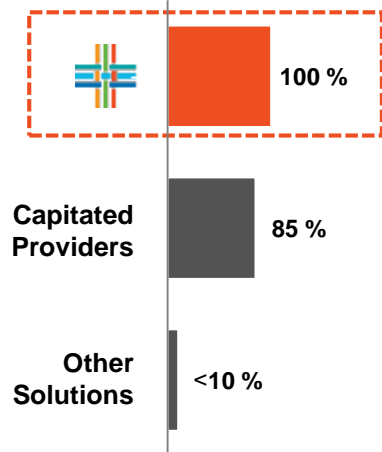


# PAYVIDOR BUSINESS MODEL POSITIONS US TO DRIVE OPTIMAL ALIGNMENT, EXPERIENCE AND OUTCOMES FOR THE SENIOR



**Full control of premium dollar and unit economics**

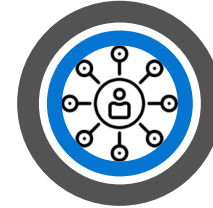
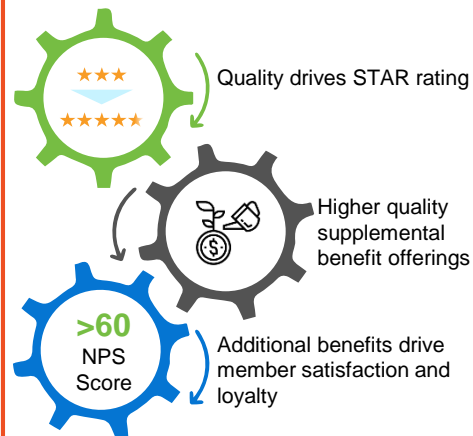
Premium Dollar Capture



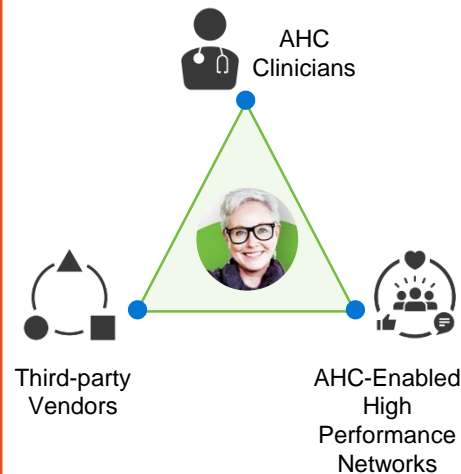
**Full Control Eliminates Waste**



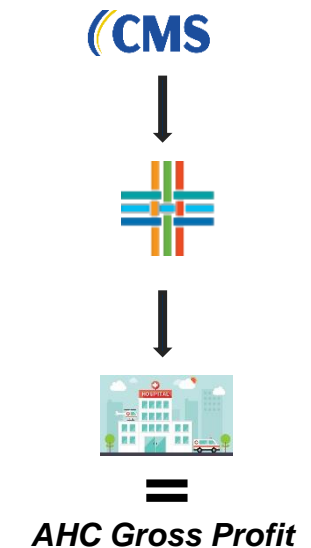
**Ownership and design of direct-to-consumer product**



**Management of the ecosystem and unique access to data**



**Complete alignment with membership**



**The plan "makes money" when members are happy and healthy**

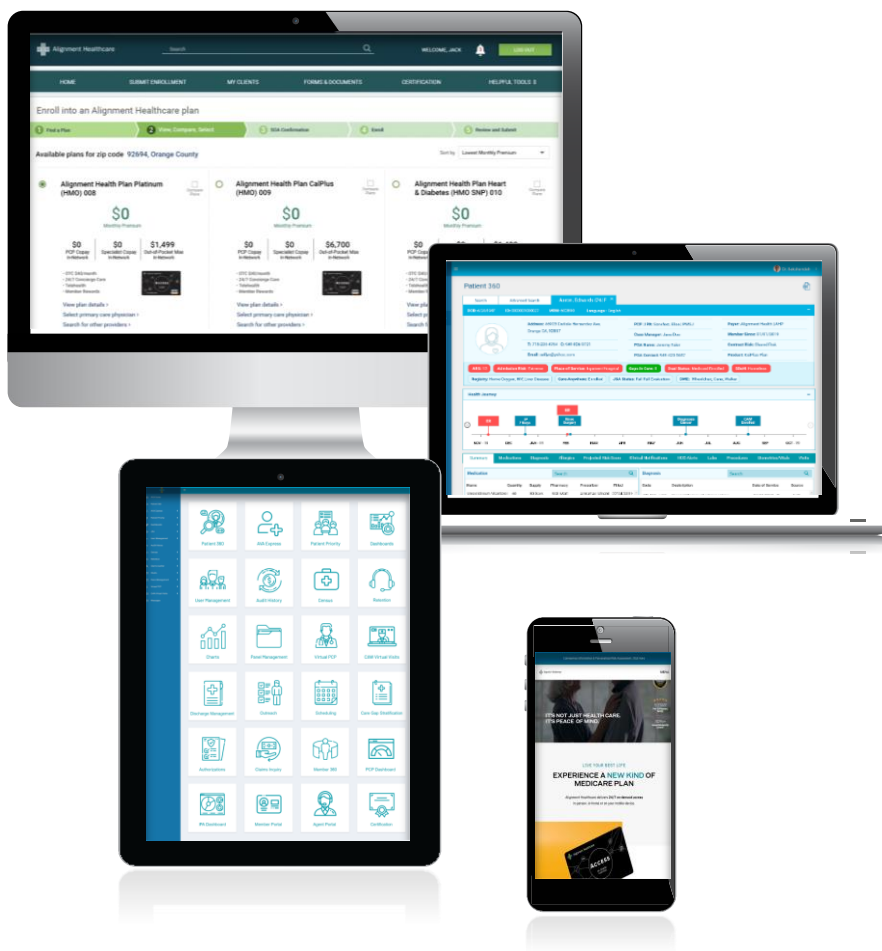




# ALIGNMENT'S VIRTUAL APPLICATION (AVA) UNIFIED TECHNOLOGY PLATFORM POWERS OUR OPERATIONS AND GROWTH

A customizable suite of applications that allows the user to take command of Care Delivery and other functions to drive outstanding member experience and enable effective value-based care delivery

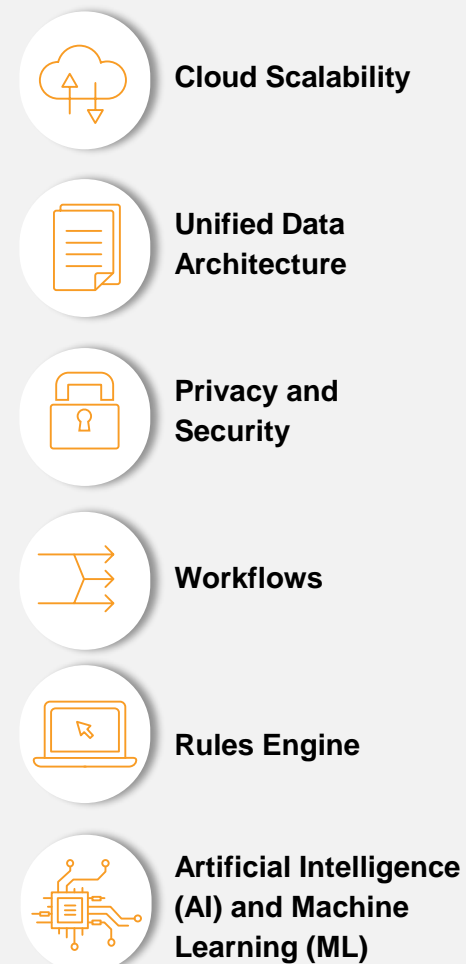
## AVA Technology Snapshot



## Key Constituents



## State of the Art Technology Tools

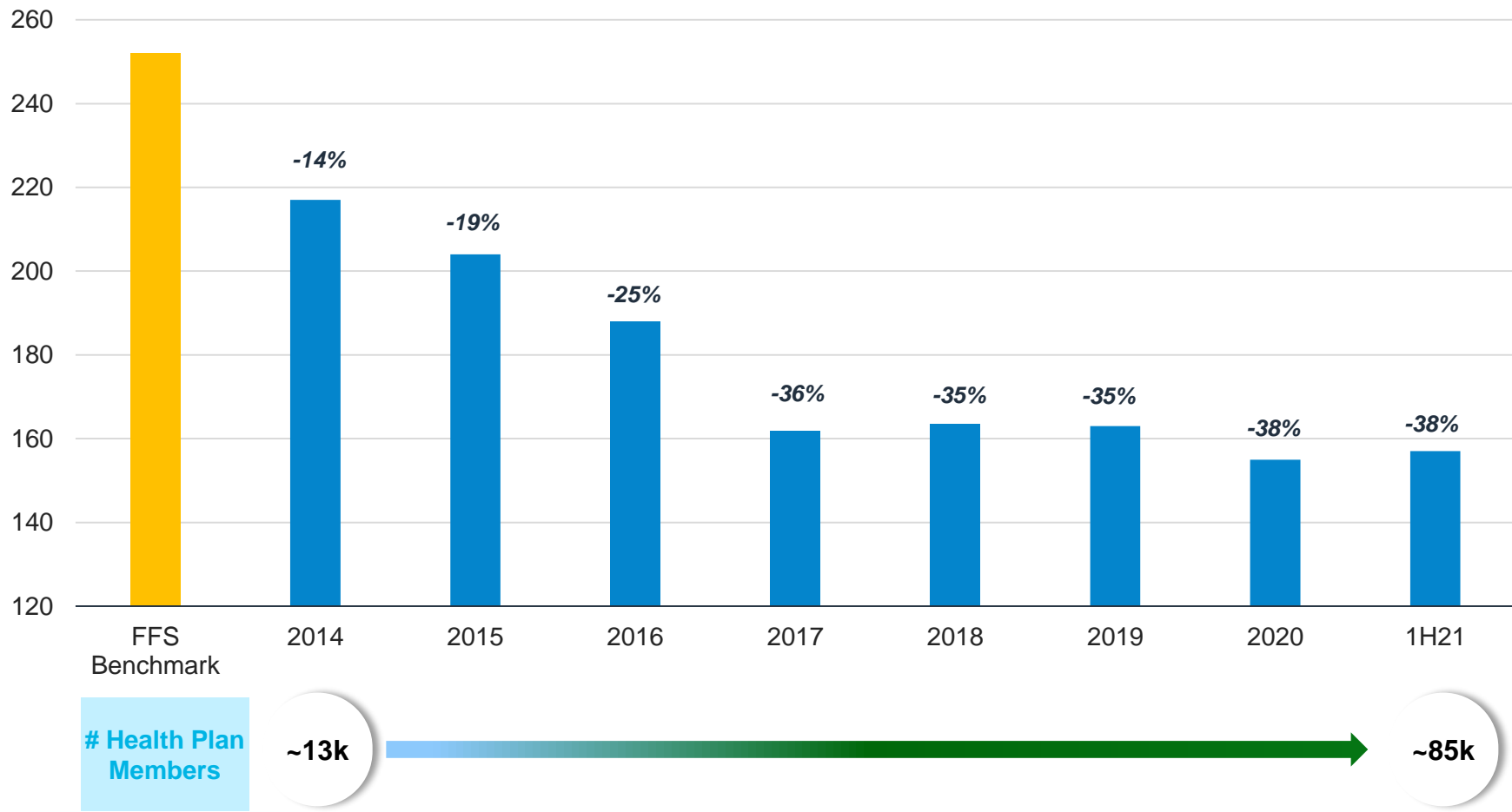




# AVA + CARE ANYWHERE: ENABLING HIGH QUALITY, CONSISTENT OUTCOMES OVER TIME

AVA and Care Anywhere have enabled consistent outcomes across diverse geographies while our Health Plan Membership has grown from ~13k members to ~85k

At-Risk Member Inpatient Admits per Thousand Trends vs. Health Plan Membership Growth <sup>(1)</sup>



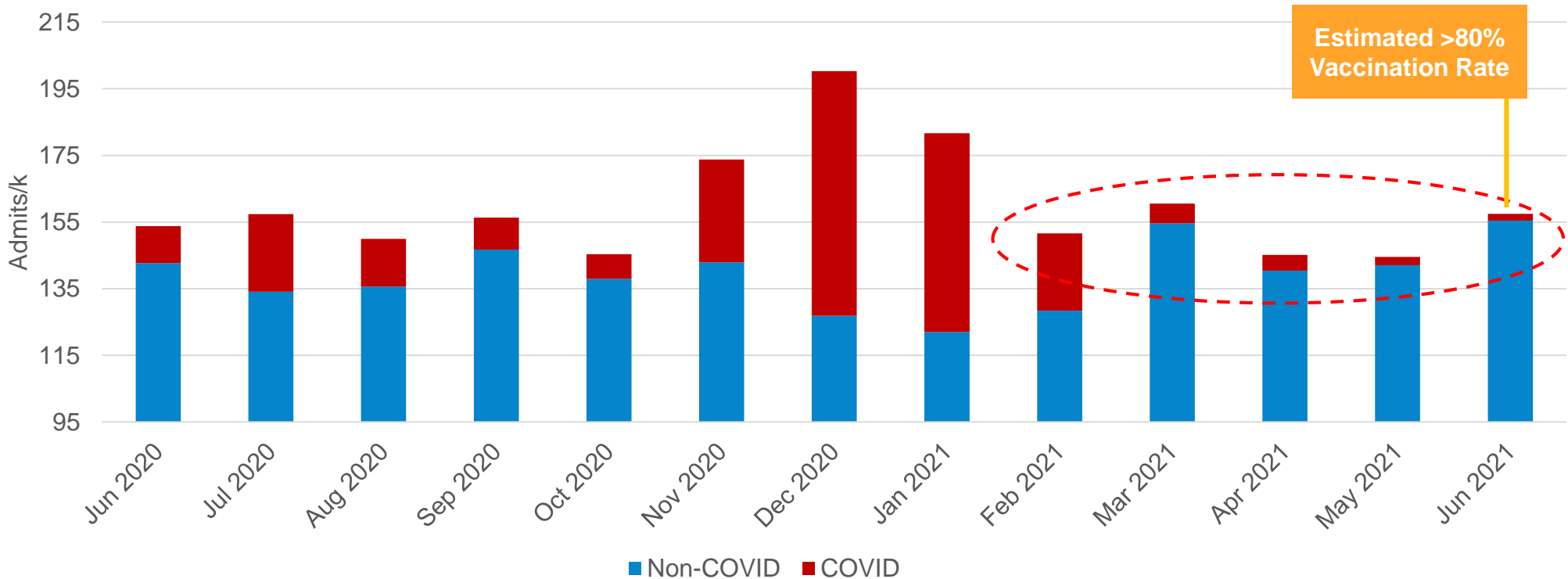
**Notes:**  
1. Updated FFS benchmark based on 2021 enrollment mix by market. 2021 inpatient admits/k metric represents June 2021 YTD. Historical periods include estimated utilization where appropriate to account for billing settlements



# COVID TRENDS IMPROVED AS VACCINATION EFFORTS HELPED PREVENT AVOIDABLE HOSPITALIZATIONS

- ALHC clinical and member experience teams deployed in 1H to help drive est. vaccination rates >80%. Ongoing efforts targeting outreach and education to non-vaccinated individuals
- Clinical teams prepared to provide ongoing support / care plans for possible COVID boosters, prioritized by highest risk cohorts
- Virtual Care Teams combined with field-based clinicians provide same/next day virtual and home-based visits to avoid unnecessary ER/IP utilization

At-Risk Health Plan Member Inpatient Admits per Thousand





# DIRECT-TO-CONSUMER: PRODUCTIZING AVA AND OUR CARE MODEL

## Better Coverage

AHC is Top 3 in 18 of 22 Markets



REQUIRED  
MEDICARE  
COVERAGE



DENTAL



OTC &  
GROCERY  
ALLOWANCE



FITNESS



VISION



PET  
CARE

## Better Care

163 Inpatient Admits/k



AVA  
ALIGNMENT  
VIRTUAL  
APPLICATION



RIDES TO /  
FROM  
DOCTOR  
APPTS



AHC EMPLOYS  
>100  
CLINICIANS



24/7 VIRTUAL  
CARE



MEALS  
DELIVERED TO  
HOME

## Better Experience

Industry Leading >60 NPS



ACCESS  
ON-DEMAND  
CONCIERGE CARE



ACCESS BLACK  
CARD



COMPANION ON-  
DEMAND  
PERSONAL CARE



MEMBER RATING  
OF OVERALL  
PLAN

AHC Offers Products and Experiences for Each Addressable Consumer Segment



Healthy



HEALTHY  
UTILIZER



PRE-CHRONIC

Chronic



CHRONIC





# POISED FOR A SUCCESSFUL 2022 AEP

*\*2022 New Markets & Products Pending Regulatory Approval*

## New Markets

*New Market Entries Through New State Additions & Contiguous Market Expansions*

	2021	2022E
Total Markets	22	38
Market Eligibles	5.5M	7.0M
# States	3	4
North Carolina Markets	3	15
Nevada Markets	1	3

## New Products

*Driving Market Share With New Products Developed for a Diverse Set of Consumers*

	2021	2022E
Total # Products	36	42

### 2022 New Products, Features & Enhancement Highlights:

- Significantly expanded PPO, D-SNP and C-SNP products
- El Único product launch
- Virtual concierge provider
- Rite aid collaboration in select markets
- 24/7 virtual care team
- Health tech support

## New Partnerships

*New Partnerships Targeted to Improve Access and Quality for our Seniors*



**+6-7 Additional Partnerships to be Announced Before AEP**




# DIFFERENTIATED, PURPOSE-BUILT PLATFORM TO ALIGN HEALTHCARE DELIVERY FOR SENIORS



Risk Enablement / IPA

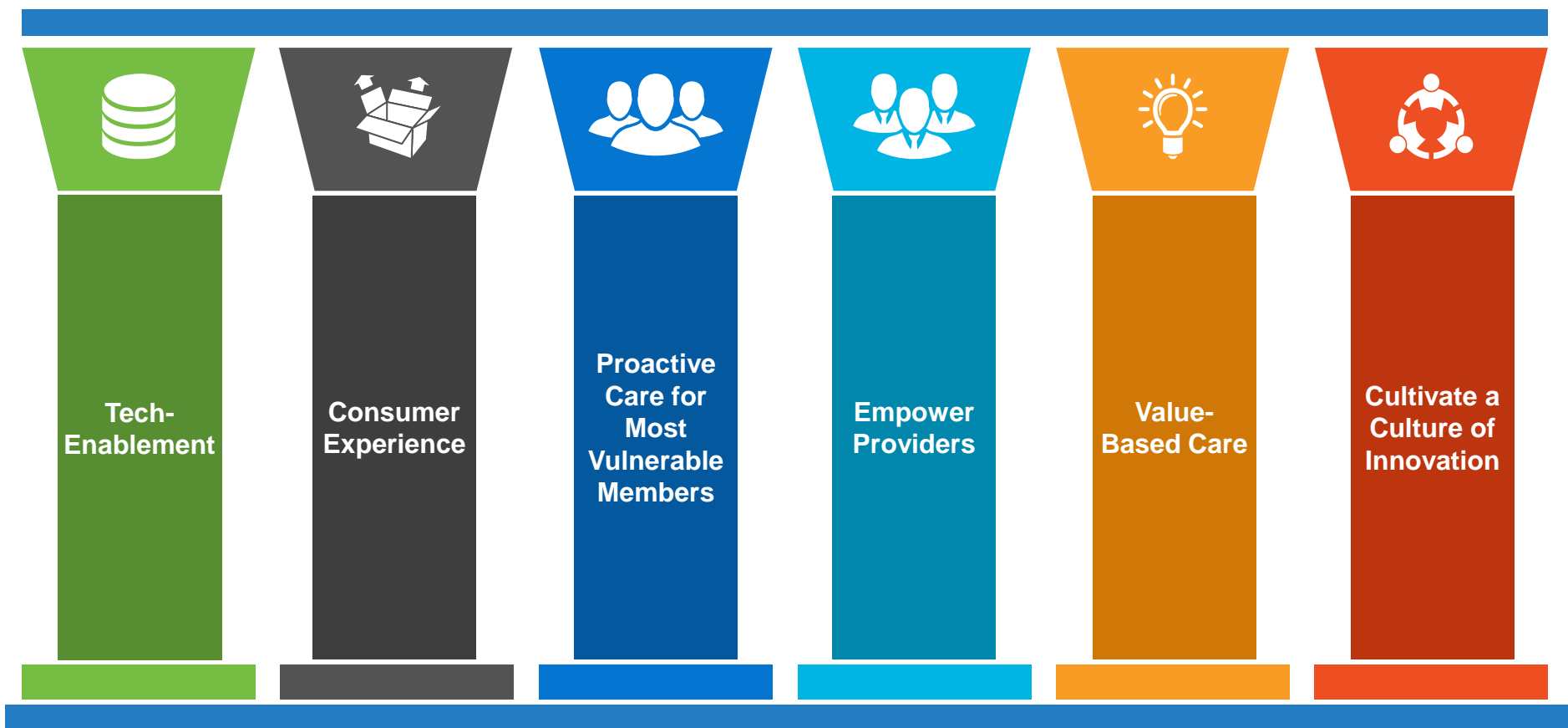
Employed Clinic Model

Tech-enabled Health Plan / MA Plan

Business Model Characteristics		Plan Design Capabilities	✓				✓
		Care Delivery	✓		✓	✓	
		Provider Aligned	✓		✓	✓	✓
		Consumer Centricity	✓				✓
Technology Application		Health Plan	✓				✓
		Provider	✓		✓	✓	✓
		Consumer	✓				✓
Financial Profile		Rapid Topline Growth	✓		✓	✓	✓
		Proven Profitability	✓				
		Asset-lite	✓		✓		✓



# WE HAVE BUILT OUR PLATFORM AROUND CORE PILLARS ESSENTIAL TO SUCCESS IN MODERN HEALTHCARE



***Our platform was developed to align with the six core pillars that we believe will be required to successfully deliver healthcare in the 21st century and that represent our key competitive strengths***

A woman with dark hair tied back, wearing a white lab coat, is smiling warmly at an elderly man with white hair. She is holding his hand, which is resting on a surface. The man is wearing a light blue polo shirt and looking towards her. The background is bright and out of focus, suggesting an indoor setting with large windows. A semi-transparent dark blue banner is overlaid on the lower left, containing the text 'FINANCIAL OVERVIEW' in white.

## FINANCIAL OVERVIEW





# KEY FINANCIAL HIGHLIGHTS

1

**Significant Momentum in Membership and Revenue Growth**

2

**Durable Predictability, Repeatability and Scalability**

3

**Focus on Quality Supports Increased Value and Lower MBR**

4

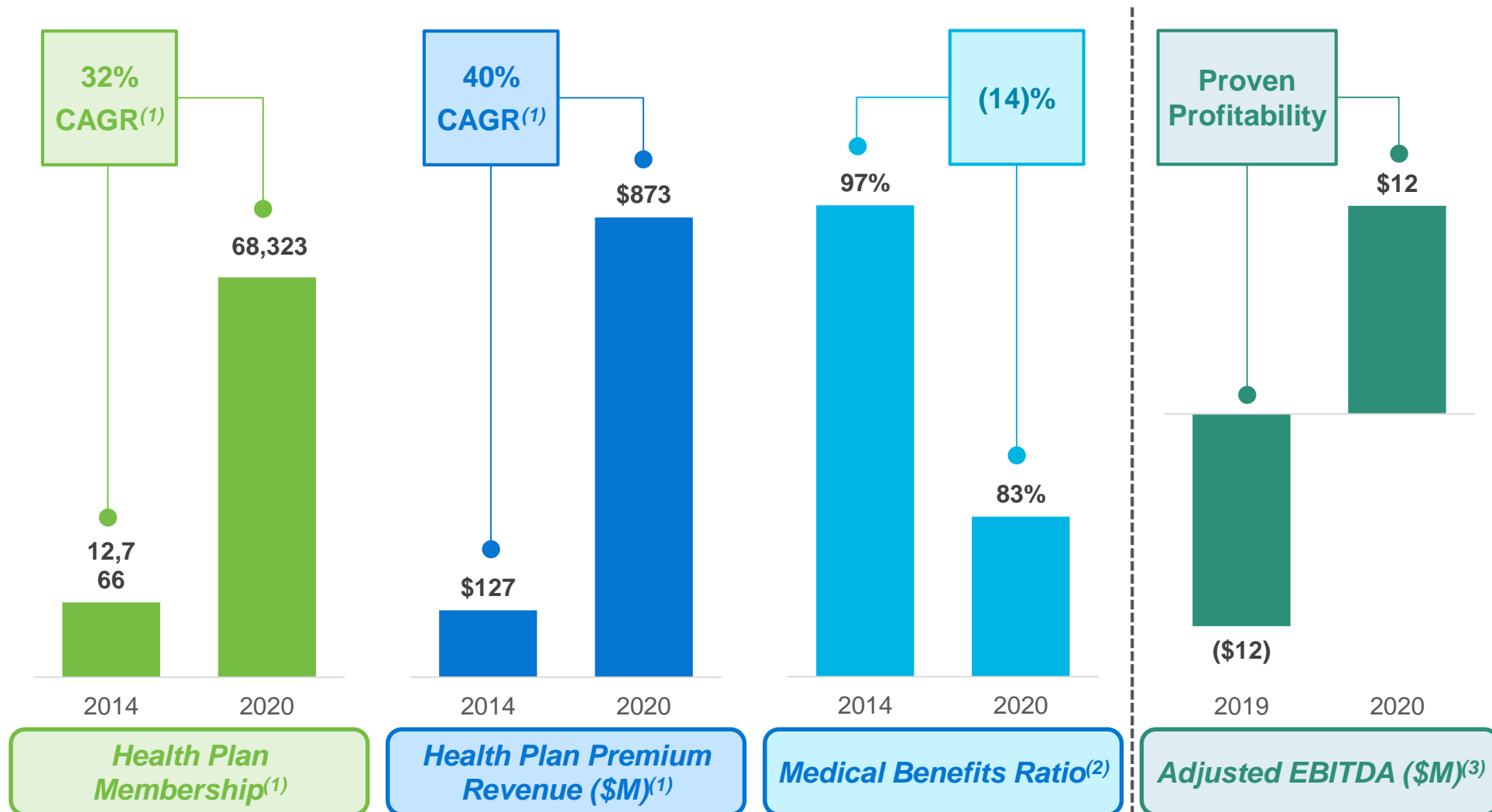
**High Conviction on Financial Targets**





# OUR VIRTUOUS CYCLE HAS TRANSLATED TO STRONG RESULTS...AND WE ARE ONLY GETTING STARTED

*Growth in Medicare Advantage: High Quality, Low Cost, and Better Consumer Experience*



**Notes:**

1. Data includes Health Plan Membership and excludes third party payor members with respect to which we are at-risk for managing their healthcare expenditures which represented 7,674 members in 2020.
2. We calculate our MBR by dividing total medical expenses excluding depreciation and equity-based compensation by total revenues in a given period.
3. Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) before interest expense, income taxes, depreciation and amortization expense, reorganization and transaction-related expenses and equity-based compensation expense.



# 2021 OUTLOOK

*Outlook provided on August 9, 2021*

	3Q21E	2021E
Health Plan Membership <sup>(1)</sup>	84,800 - 85,200	85,000 – 85,800
Revenue	\$270 - \$275	\$1,105 - \$1,120
Adj. Gross Profit <sup>(2)</sup>	\$30 - \$32	\$117 - \$123
Adj. EBITDA <sup>(3)</sup>	(\$19) – (\$17)	(\$55) – (\$50)

**Notes:**

1. Health Plan Membership excludes third party payor members with respect to which we are at-risk for managing their healthcare expenditures
2. Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less medical expenses before depreciation and amortization and equity-based compensation expense.
3. Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) before interest expense, income taxes, depreciation and amortization expense, reorganization and transaction-related expenses and equity-based compensation expense.



# INVESTMENT HIGHLIGHTS

1

**Payvidor uniquely positioned to provide value-based care at scale while delivering a consumer-centric senior experience**

2

**Leading care model leveraging internally employed clinicians for high-risk, chronic members**

3

**Proprietary technology platform purpose built to support community physicians, enable Alignment's internal clinical model and improve outcomes at scale**

4

**Proven ability to grow membership and drive profitability across diverse array of markets; predictable, repeatable and scalable**

5

**Serving the large and growing Medicare Advantage Market**

6

**Founder-led company with a senior management team with decades of industry experience**

7

**32% Health Plan Membership CAGR and 40% Total Revenue CAGR since 2014**





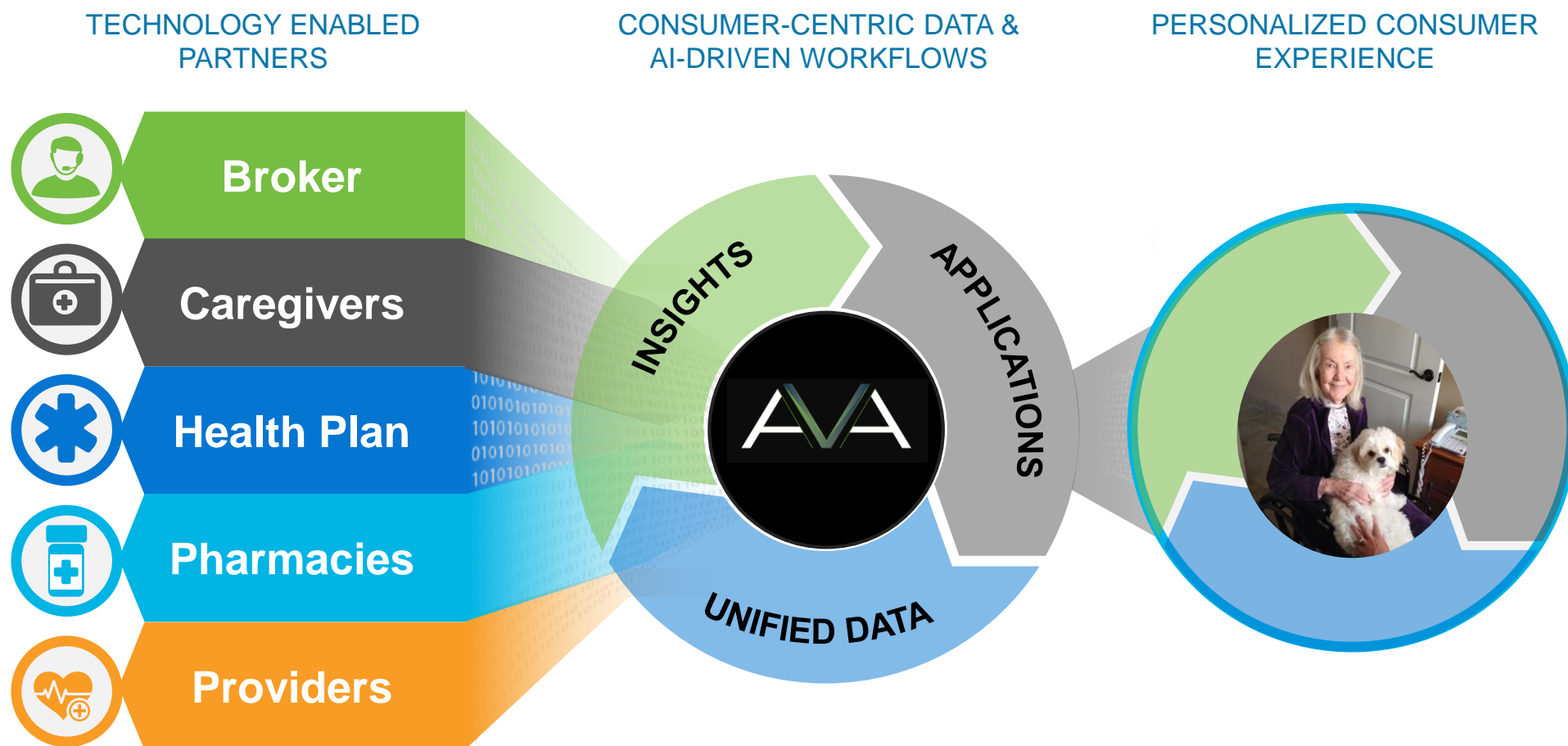
A photograph of a woman in a white lab coat, likely a healthcare professional, smiling warmly at an elderly man. She is holding his hand, suggesting a supportive or caring interaction. The man is wearing a blue polo shirt and looking towards her. The background is bright and out of focus, showing what appears to be a window with blinds. A semi-transparent dark blue banner is overlaid on the lower left portion of the image, containing the text 'OUR BUSINESS' in white, bold, sans-serif capital letters.

## OUR BUSINESS



# THE VIRTUOUS CYCLE STARTS WITH AVA

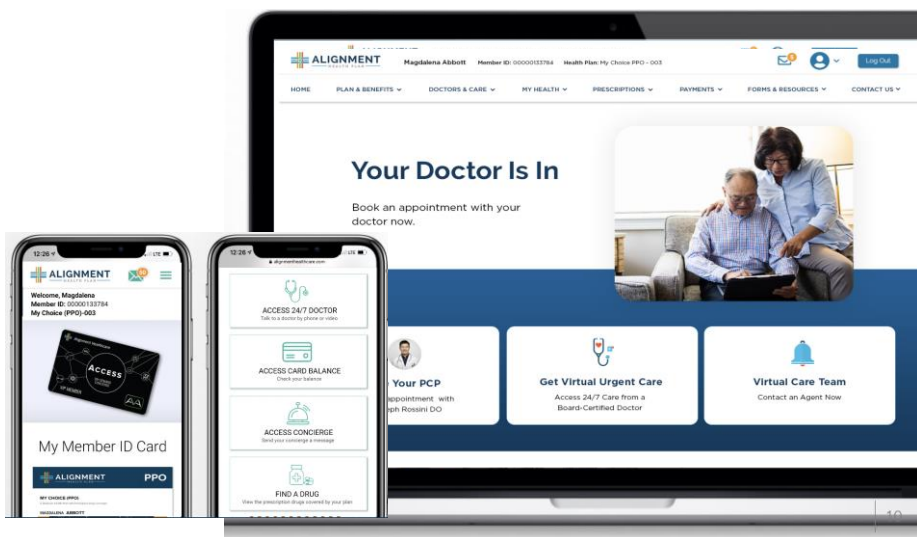
AVA IS THE CORE TECHNOLOGY PLATFORM FOR SENIOR CARE, PROVIDING COORDINATION ACROSS THE HEALTHCARE ECOSYSTEM



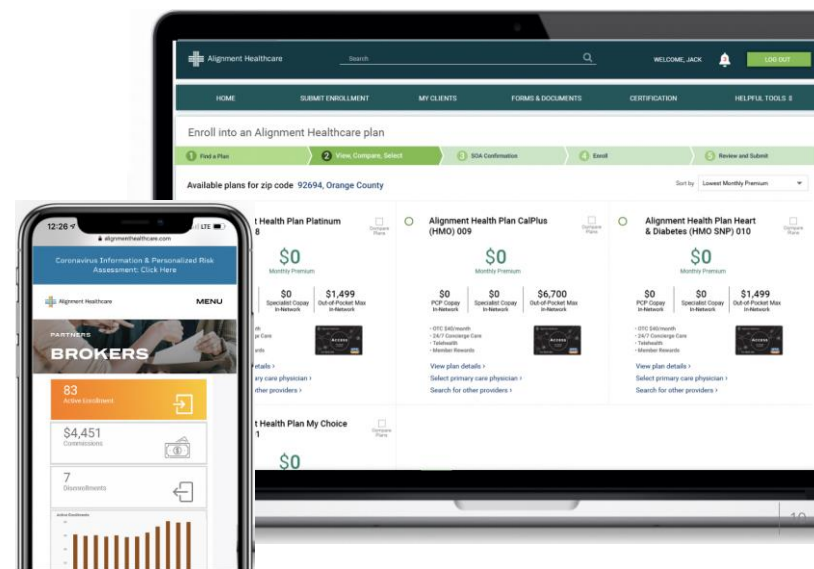


# AVA MODULAR APPLICATION SUITES

## Consumer



## Growth



**Modular Design**

**Personalized/Curated**

**Timely/Relevant/Accurate Data**

**Easy-to-Use**

**AI-driven**

**Optimized Workflows**

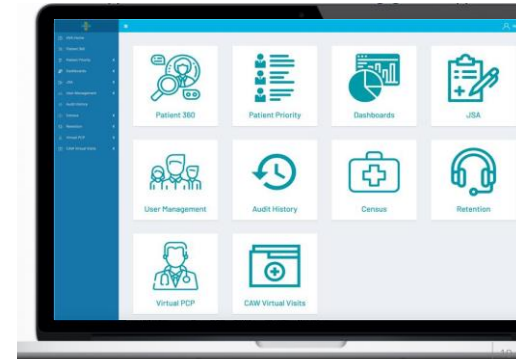
## Internal Care Delivery



## External Provider Partners



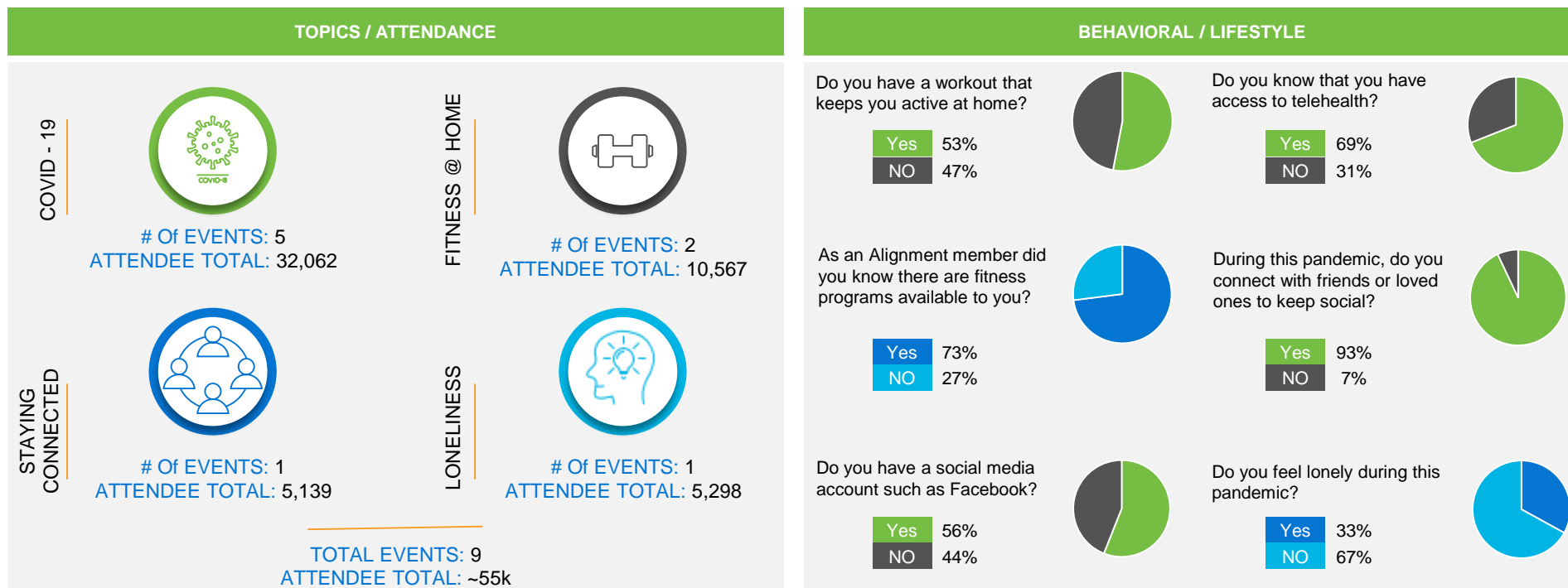
## Health Plan Operations





# CONSUMER ENGAGEMENT AND PRODUCT DESIGN STARTS WITH LISTENING

## Member Townhall Engagement Has Led to Enhanced Member Satisfaction



## Examples of Our Approach



**100%**  
Virtual Care Visits  
(~74% in the 12 mos.  
following COVID)



**~55k**  
Members joined  
Town Halls (~76%)



**~100k**  
Face Masks  
Delivered



**~30k**  
Meals  
Delivered





# WE BELIEVE DELIGHTING OUR MEMBERS IS THE KEY TO CONTINUED SUCCESS

## Alignment's Dedication to its Members' Experience, Coverage and Care is Unrivaled



### **Solving Our Members' Needs**

*"I can't tell how much I appreciate Joseph, my CAW Nurse! He has great listening skills and takes the time to review my labs and answer my questions"*



### **Richest Benefits**

*"Both my husband and I are new to the plan this year. Loving it so far, especially the OTC benefits. Really appreciate the allowance for food items as well"*



### **Personalized Care**

*"Thank you for accepting me to your group. My Husband & I are new to Alignment. So far my favorite thing about Alignment Health Plan, is the personal care for each patient ... It has made my heart grow fonder for Alignment"*



### **Better Experience**

*"The masks I ordered came in three days. Alignment is amazing. They have also called to check on us four times since this virus has quarantined us. AMAZING"*



### **Concierge Service**

*"Been with Alignment for 2 years when it came to San Diego county. Today they sent me a mask! I love Customer Service, they are so pleasant to talk to and know how to help with a problem. This is the third Insurance I tried and Alignment is the absolute best"*



### **Superior Clinical Outcomes**

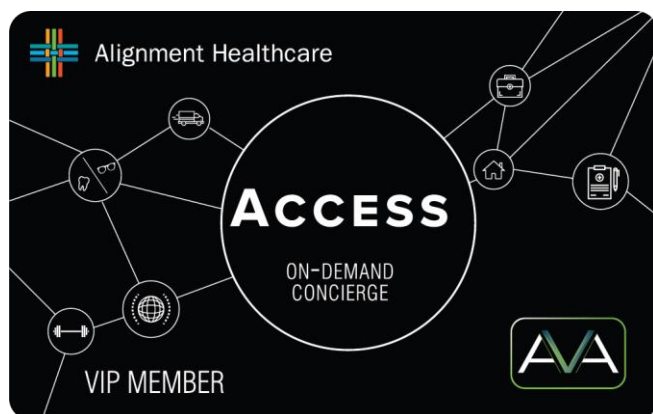
*"I am writing on behalf of my mother. I have to share what a support Alignment has been during this COVID19 Pandemic to my 87 year old mother. The Nurse Practitioners that have overseen my mom's care have been better than her own Oncologist and Primary Care Physician. Alignment truly calls and comes through for their members"*



# WHERE HEALTHCARE AND CONSUMER LIFESTYLE CONVERGE

## Innovative Products Designed to Support the Evolving Senior Consumer

### Introduction of the Access “Black Card”



### Introduction of the AVA Virtual Product





# CARE ANYWHERE HIGH-RISK MANAGEMENT: MUST HAVE COMPETENCY

## Key Features of Care Anywhere (“CAW”) Program

### CARE ANYWHERE PROGRAM

Members typically have **institutional claims PMPM** in excess of **>\$2,500** prior to their first CAW visit



Advance Practice  
Clinician (APC)  
Driven Model



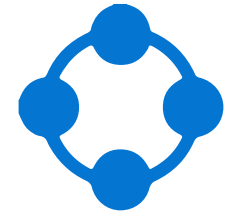
24/7 on-Demand  
Care (Virtual  
Home-based, &  
Clinic)



Proactive  
Member  
Outreach /  
Engagement



AHC Cross-  
Disciplinary  
Teams



Personalized  
Care Plans &  
Holistic Mgmt of  
Care Needs

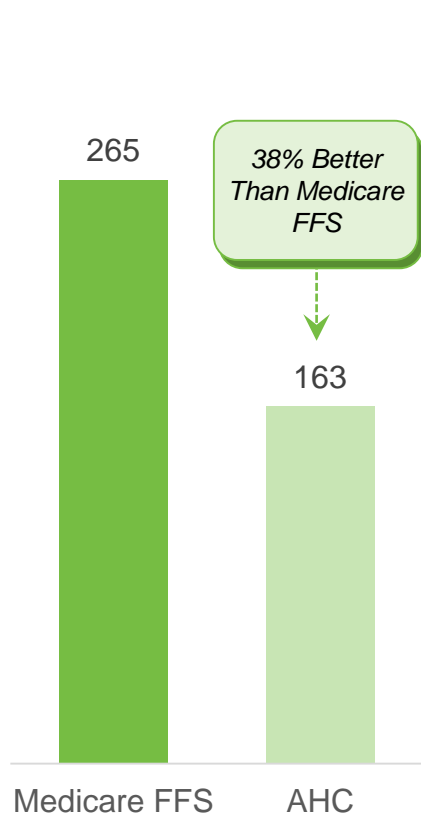
NPS of the CAW  
Program: >75



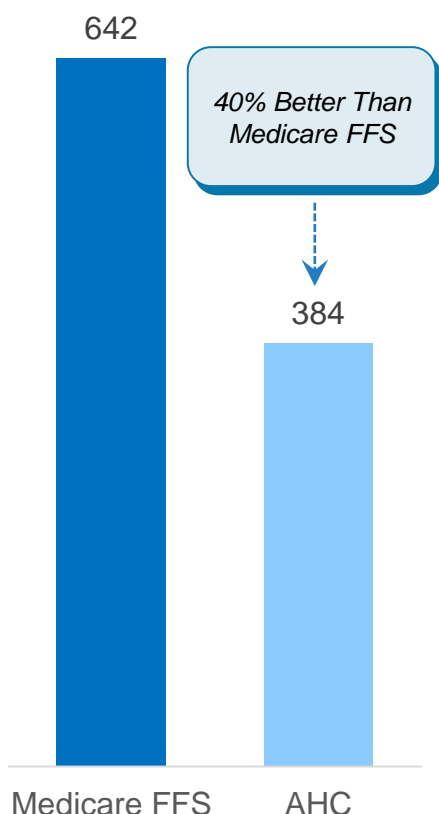
# ENGINEERED TO DELIVER VALUE: HIGHEST QUALITY AT LOWEST COST

Consistently Reducing Inappropriate Admissions While Improving the Quality of Members' Care and Experience

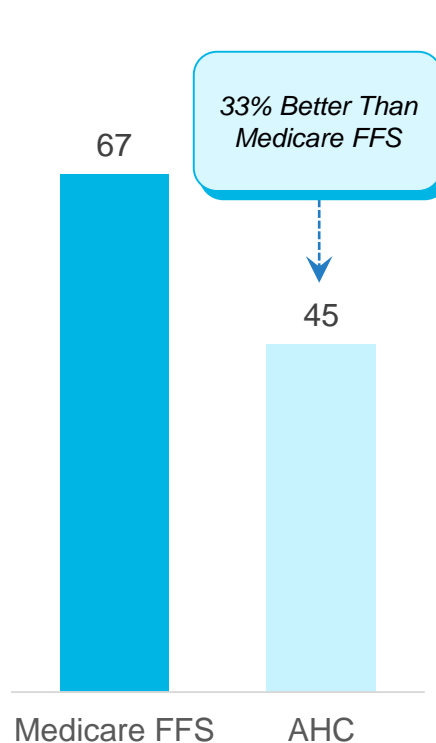
## Inpatient Admits/K <sup>(1)</sup>



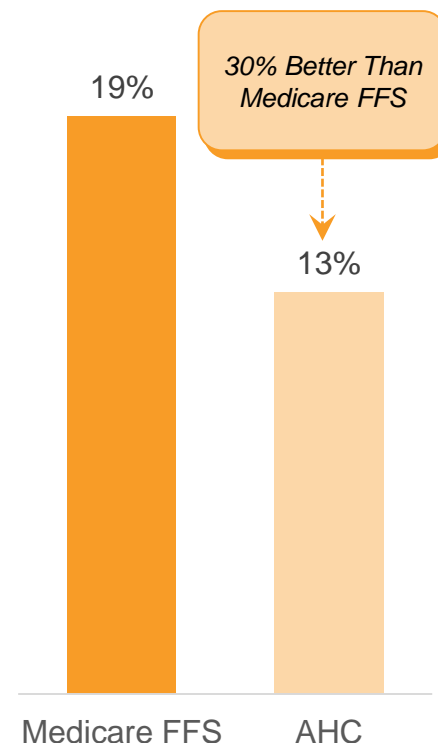
## ER Admits/K <sup>(1)</sup>



## Skilled Nursing/K <sup>(1)</sup>



## Readmit Rate<sup>(1)</sup>



**Note:**

1. AHC data based on California at-risk membership for 2019 DOS. Medicare FFS benchmarks based on 2018 Medicare FFS inpatient utilization representative of Alignment's population mix by county.



A male doctor with glasses and a white lab coat, and a female nurse in teal scrubs, are both smiling and looking at a tablet computer. They are in a modern hospital setting with large windows in the background. The doctor is holding a pen and pointing at the tablet. The nurse is holding the tablet. A semi-transparent dark blue box is overlaid on the lower left of the image, containing the text "OUR GROWTH OPPORTUNITIES" in white, bold, sans-serif capital letters. The bottom of the image has a solid orange bar.

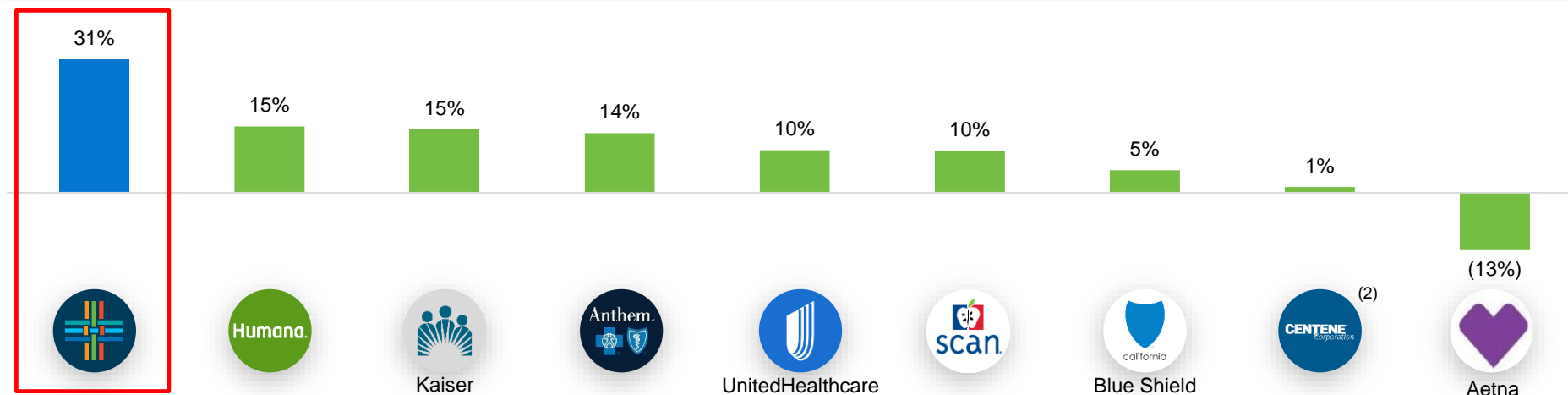
**OUR GROWTH OPPORTUNITIES**





# SUPERIOR VALUE PROPOSITION DRIVING GROWTH OUTPERFORMANCE

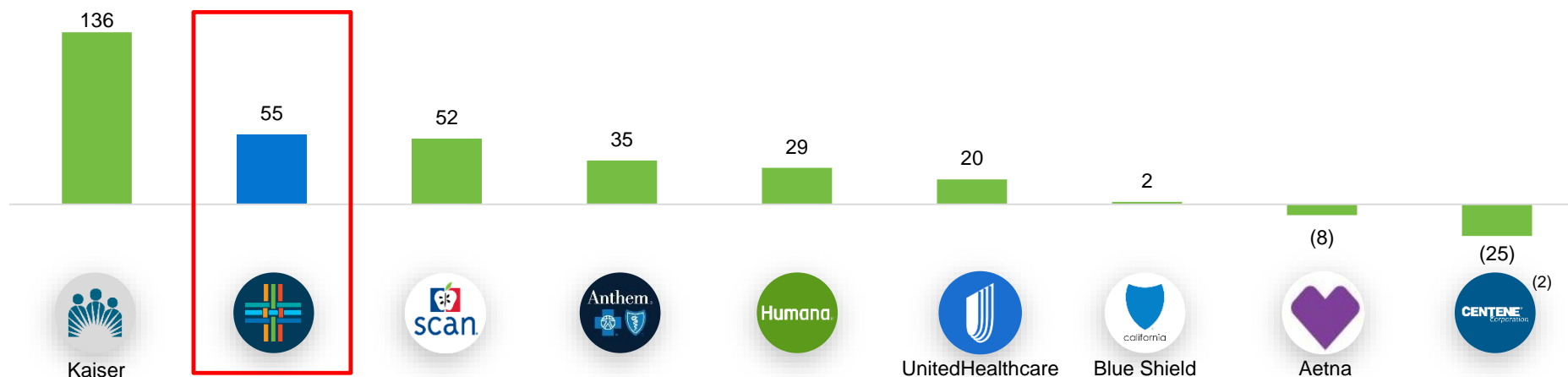
## 2016 – 2021 California HMO Membership CAGR <sup>(1)</sup>



Source: CMS

## 2016 – 2021 California HMO Net Membership Growth <sup>(1)</sup>

000's



Source: CMS

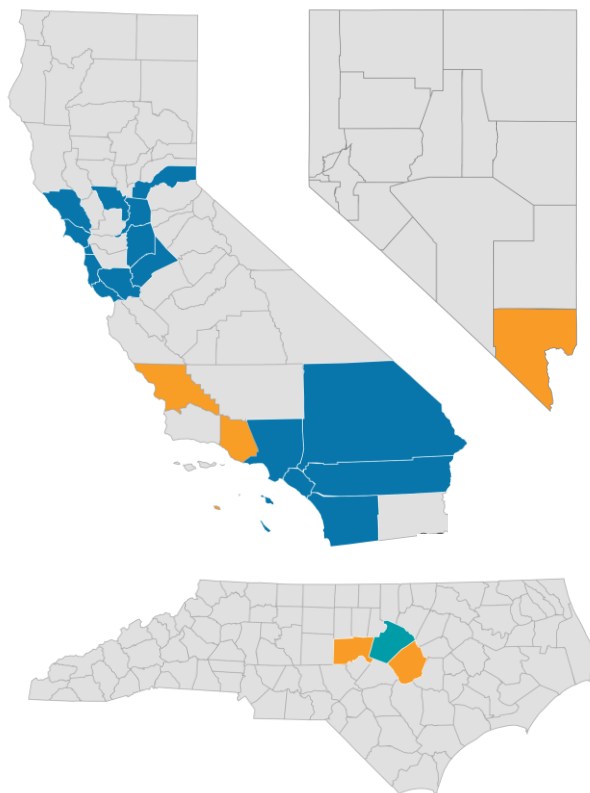
### Notes:

1. 2016 – 2021 net membership CAGR and growth represent net increase / (decrease) in HMO membership from January 2016 to January 2021.
2. All metrics adjusted for WellCare acquisition announced on 27-Mar-2019.



# WE'RE JUST GETTING STARTED

## 22 Markets with Runway for Growth



**AHC Members (June 2021)**

**~84.7k**

**Total Medicare Eligibles in  
AHC Counties**

**~5.5M**

**Total Medicare Advantage  
Enrollees in  
AHC Counties**

**~2.8M  
(46% Penetration)**

**AHC Market Share Today  
in All AHC Markets**

**~3%**

Sources: CMS, KFF

**Existing AHC Markets Represent a ~\$71 Bn TAM<sup>(1)</sup>**

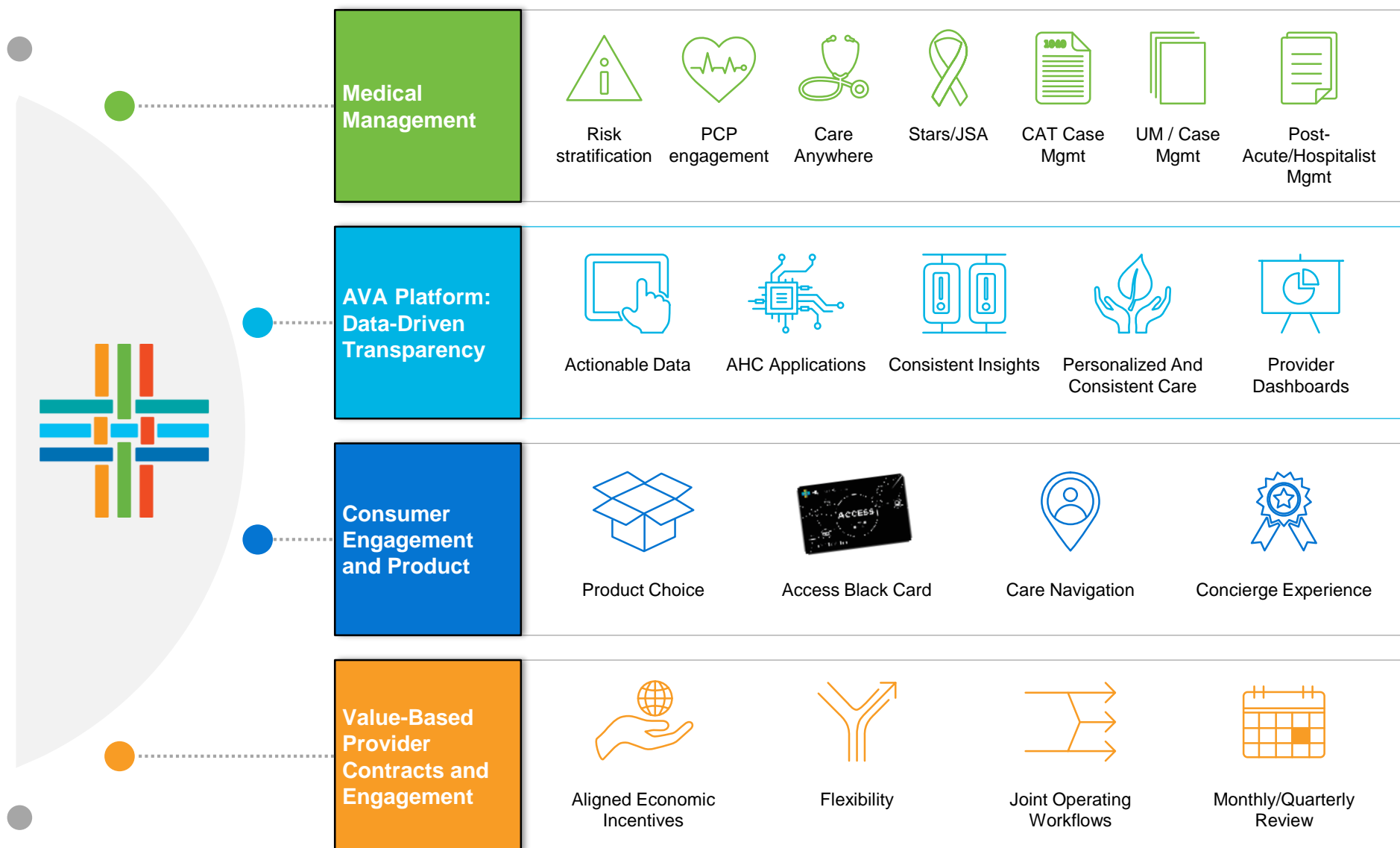
**Note:**

1. TAM represents total Medicare opportunity (includes Medicare Advantage and FFS).


























# REPEATABLE AND SCALABLE MARKET MANAGEMENT

## The Alignment Operating Model: Mass Customization Leveraging Consistent Value Driver Modules





# CONSISTENT, SUPERIOR OUTCOMES ACROSS DIVERSE MARKETS

	Urban/Suburban Markets	Rural Markets	Ethnically Diverse Markets	Socioeconomically Diverse Markets
City	San Diego	Stanislaus	Santa Clara	Los Angeles
At-Risk Membership	~7.6k	~9.9K	~9.6k	~8.3k
Ethnicity	53% Anglo, 21% Hispanic	77% Anglo, 9% Hispanic	42% Asian, 28% Anglo	44% Anglo, 35% Hispanic
Rural vs Urban	Urban	Rural	Urban	Urban
Hospitals Contracted	8	2	6	48
Dually Eligible	27%	19%	34%	48%
1Q20 At-Risk Returning Member MBR	79.5%	81.0%	85.4%	74.8%
SAMPLE TOOLKIT USED:	 Product Choice	 Actionable Data	 PCP Engagement	 Care Navigation
	 Personalized and Consistent Care	 Care Anywhere	 Provider Dashboards	 AHC Applications
	 PCP Engagement	 Care Anywhere	 Risk Stratification	 Joint Operating Workflows
	 Care Anywhere	 PCP Engagement	 Concierge Experience	 AHC Applications
	 PCP Engagement	 Care Navigation	 Product Choice	 Stars/JSA
	 Personalized and Consistent Care	 UM / Case Mgmt	 Consistent Insights	

**Notes:** At-Risk Membership is as of December 2020 and includes members with respect to which Alignment is at-risk for at least a majority of claims expenditures. Ethnicity, Hospitals Contracted and Dually-Eligible metrics are year-to-date 2020 averages. 1Q20 At-Risk Returning Member MBR reflects the MBR of the At-Risk Members who were enrolled in the prior calendar year (and are therefore designated to be a returning member) for the first quarter of 2020; the first quarter of 2020 is presented to reflect MBR prior to a significant impact from COVID-19. Our At-Risk Returning Member MBR from January 1, 2020 through September 30, 2020 was as follows: 78.1%, 79.9%, 84.0% and 76.6% for San Diego, Stanislaus, Santa Clara and Los Angeles, respectively.



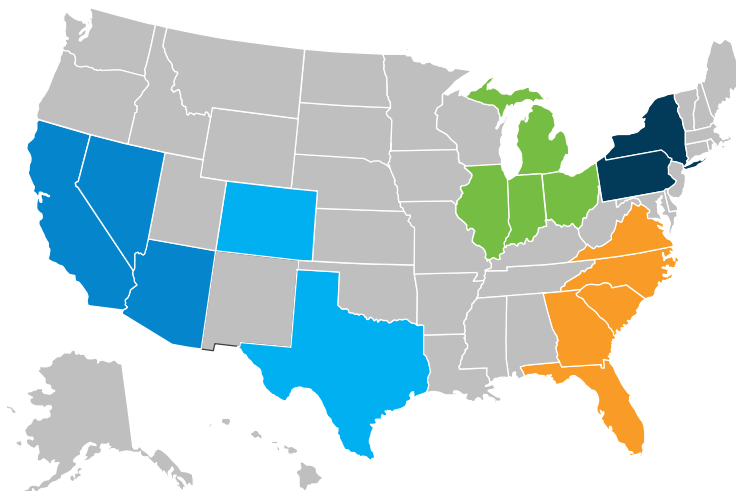
# LAND AND EXPAND LEVERAGING AHC'S REPLICABLE MODEL

**39M Seniors (63% of Senior Population) Resides in 16 States**

**5 Regions**

**16 States ("Beachheads")**

**5-20 Markets Per MSA**



**Alignment at Every Street Corner**



**Contracting Flexibility with Partners**



**Tailored Deployment of AVA Toolkit**





# APPENDIX



# RECONCILIATIONS

## Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<i>(dollars in thousands)</i>				
Net income (loss)	(\$44,762)	\$8,365	(\$101,636)	(\$1,707)
Add back:				
Interest expense	\$4,329	\$4,192	\$8,577	\$8,352
Depreciation and amortization	\$3,962	\$3,614	\$7,751	\$7,284
EBITDA	(\$36,471)	\$16,171	(\$85,308)	\$13,929
Equity-based compensation	\$30,887	\$350	\$62,674	\$676
Reorganization and transaction-related expenses	\$593	—	\$3,601	—
Acquisition expenses <sup>(3)</sup>	\$301	—	\$301	—
Adjusted EBITDA	(\$4,690)	\$16,521	(\$18,732)	\$14,605



**THANK YOU**