Risk Factors Comparison 2024-02-27 to 2023-02-28 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10- K, including our consolidated financial statements and the related notes thereto, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks occur, our business, financial condition, operating results and prospectus could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose all or part of your investment. Risk Factors Summary The following are the principal risks that are applicable to our business and the shares of our common stock. Such risks are discussed in more detail below, and you should read this Risk Factors section in its entirety before deciding whether to invest in our common stock. • We have a history of net losses and may be unable to achieve or maintain profitability. • Our relatively limited operating history makes it difficult to evaluate our current business and future prospects. • Our growth strategy may not prove viable and we may not realize expected results. • If we are unable to attract new members, our revenue growth will be adversely affected. • If we do not design and price our products properly and competitively, cannot develop new products and implement clinical initiatives, lower costs, and appropriately document members' risk profile, or if our benefits expense estimates are inadequate, our profitability may be materially adversely affected. • We may not be successful in maintaining or improving our Star ratings in future years, which may have a direct and substantial adverse impact on our revenue ~~. • A pandemic or outbreak of an infectious disease, including COVID- 19, could adversely affect our business~~ . • If we fail to develop and maintain satisfactory relationships with care providers, our business may be adversely affected. • As a government contractor, we risk the potential loss of CMS contracts, suspension from the Medicare Advantage program, changes to premiums paid to Medicare Advantage plans, changes to provisions for risk sharing under Medicare Part D and governmental audits and investigations, among others. • If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service and member satisfaction or adequately address competitive challenges. • The loss or renegotiation of certain key contracts with large independent physician associations (" IPAs "), hospitals or other provider networks, to serve our membership base could negatively impact our results. • We have limited experience serving as a direct contracting entity with CMS under the ACO REACH program and may not be able to realize the expected benefits thereof. • Security breaches, loss of data and other disruptions could compromise sensitive business or member information, or prevent access to critical information and expose us to liability. • Disruptions in our disaster recovery systems or management continuity planning could limit our ability to operate our business effectively and adequately care for our members. • Our business depends on our ability to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology platform. • We may be subject to legal proceedings and litigation, including intellectual property and privacy disputes. • Our business may be impacted if the healthcare services industry becomes more cyclical. • If we are not able to maintain, enhance and protect our reputation and brand recognition, including through the maintenance and protection of trademarks, our business and results of operations will be harmed. • If we are unable to obtain, maintain, protect and enforce sufficiently broad intellectual property protection, including for our trade secrets, know- how and other proprietary and internally developed information, the value of our technology could be adversely affected. • Third parties may initiate legal proceedings alleging intellectual property rights violations, the outcome of which would be uncertain and could have a material adverse effect on our business. • Any restrictions on our use of, or ability to license, data, or our failure to license data and integrate third- party technologies, could have a material adverse effect on our business. • We depend on our senior management team and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could harm our business. • Our plans are concentrated in a limited number of U. S. states and we may not be able to establish new geographic presences. • Competition for physicians and nurses, shortages of qualified personnel or other factors could increase our labor costs and adversely affect our revenue, profitability and cash flows. • Our records may contain inaccurate or unsupportable information regarding risk adjustment scores of members, which could cause misstatements of revenue and subject us to penalties. • Inaccurate estimates of incurred but not reported medical expense could adversely affect our results. • Negative publicity regarding our industry generally could adversely affect our results of operations or business. • Medicare Advantage funding reductions could adversely affect our results of operations. • The healthcare industry is highly competitive, and this competition may have a material adverse effect on our business operations and financial position. • If we are unable to offer new and innovative products and services or fail to keep pace with industry advances, technology and needs, our members may terminate memberships. • We are a holding company with no operations of our own, and we depend on our subsidiaries for cash. • We may be required to maintain higher statutory capital levels for our existing operations or may become subject to additional capital reserve requirements as we pursue new business opportunities. • New laws or changes in laws or their application could increase our cost of doing business. • We must adapt to changes in the healthcare industry and related regulations or our business may be harmed. • Losing the services of the physicians who own our associated physician practices could jeopardize our contractual arrangements. • Our existing indebtedness could adversely affect our business and growth prospects, particularly in an environment of rising interest rates. • The terms and conditions of our term loan restrict our current and future operations. • Our failure to raise additional capital or generate cash flows could reduce our ability to compete successfully. • Our lead sponsors control us, and their interests may conflict with ours or yours in the future. • The requirements

of being a public company may strain our resources and distract our management. • Provisions of our corporate governance documents could make an acquisition of us more difficult. • The exclusive forum provision in our certificate of incorporation may have the effect of discouraging lawsuits against our directors and officers. • An active, liquid trading market for our common stock may not be sustained. • Our operating results and stock price may be volatile, including as a result of economic or industry- wide factors that are beyond our control. • A significant portion of our total outstanding shares may be sold into the market in the near future. • Future sales of substantial amounts of common stock, or the possibility of such sales, could adversely affect stock price. Risks Related to Our Business We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability. We have incurred net losses on an annual basis since our inception, including a net loss of $ **148. 2 million and $** 149. 6 ~~million and $ 195. 3~~ million for the years ended December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** . As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~732~~ **880** . ~~2~~ **3** million. We expect our aggregate costs will increase substantially in the foreseeable future as we expect to invest heavily in increasing our member base, growing our provider networks, expanding our operations geographically, engaging in expanded marketing and outreach efforts, enhancing our technology, hiring additional employees, operating as a public company and acquiring companies or assets complementary to our business. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. In addition, even if we are successful in increasing our membership and consequently increasing our total revenues from premiums earned, we may not successfully and effectively predict, price and manage the medical costs of our members. To date, we have financed our operations principally from the sale of our equity, revenue from the CMS and the incurrence of indebtedness. We may not generate positive cash flow from operations or profitability in the future. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including increasing expenses as we continue to grow our business. In addition to the expected costs to grow our business, we also expect to incur additional legal, accounting and other expenses as we continue to operate as a public company. Moreover, the investments we intend to make into growing our company may be more costly than we expect, and if we do not achieve the benefits anticipated from these investments, or if the realization of these benefits is delayed, they may not result in increased revenue or growth in our business. If our growth rate were to decline significantly or become negative, it could adversely affect our financial condition and results of operations. Furthermore, even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. If we are not able to maintain positive cash flow in the long term, we may require additional financing, which may not be available on favorable terms or at all and / or which would be dilutive to our stockholders. If we are unable to successfully address these risks and challenges as we encounter them, our business, results of operations and financial condition would be adversely affected. Our failure to achieve or maintain profitability could negatively impact the value of our common stock. Our relatively limited operating history makes it difficult to evaluate our current business and future prospects and increases the risk of your investment. Our relatively limited operating history makes it difficult to evaluate our current business and prospectus and plan for our future growth. We were founded in 2013, with most of our growth occurring in recent years. We have encountered and will continue to encounter significant risks and uncertainties frequently experienced by new and growing companies in heavily regulated and rapidly changing industries, such as determining appropriate investments for our limited resources, scaling our model and technology platform, attracting and retaining members, efficiently navigating and complying with evolving regulations, hiring, integrating, training and retaining skilled personnel, identifying and reaching agreements with reliable healthcare service providers, competing against more established competitors, unforeseen expenses and challenges in forecasting accuracy. Although we have successfully expanded our footprint outside of California and intend to continue to expand into new markets, new plans we provide or new markets we enter may not prove successful. If we are unable to increase our member enrollment, scale our platform, maintain a low cost structure, identify, reach and successfully maintain agreements with reliable healthcare service providers, successfully manage our third- party medical costs or successfully expand the range of services and benefits we offer to members, our revenue and our ability to achieve and sustain profitability would be impaired. Additional risks include our ability to effectively manage growth, process, store, protect and use personal data in compliance with governmental regulation, contractual obligations and other legal obligations related to privacy and security and manage our obligations as a healthcare plan. If our assumptions regarding these and other similar risks and uncertainties, which we use to plan our business, are incorrect or change as we gain more experience operating our business or due to changes in our industry, or if we do not address these challenges successfully, our operating and financial results could differ materially from our expectations and our business could suffer. Our business strategy is to grow rapidly by expanding our service offerings through an array of non- traditional benefits and continuing to build out and attract network relationships in our existing markets. We also intend to expand into new markets, leveraging our AVA technology platform, which has been designed to scale and allow us to provide a predictable and replicable member experience across new markets. Our strategy hinges on our ability to satisfy our members in our existing markets, achieve and maintain high Star ratings for our plans, submit successful bids to CMS in new markets, attract new members, form alliances with primary care providers, and hire physicians, nurses and other medical support staff for our in- house care delivery programs **, among other factors** . We also seek growth opportunities through strategic acquisitions and vertical integration **, as well as through joint ventures or other strategic arrangements** . We cannot guarantee that we will be successful in pursuing our growth strategy. If we fail to evaluate and execute new business opportunities properly, we may not achieve anticipated benefits and may incur increased costs. Our growth strategy involves a number of risks and uncertainties, including that: • we may not be able to successfully enter into contracts with local providers in existing or new markets on terms favorable to us or at all. In addition, we compete for provider relationships with many other ~~healthcare~~ ---- **health care** plans, some of whom may have greater resources than we do. This competition may intensify due to the ongoing consolidation in the healthcare industry, which may increase our costs to pursue such opportunities; • we may not be able to maintain and improve the satisfaction levels of our members, which could lead to decreased ratings for some of our

plans in the Five Star Quality Rating System and consequently to loss of the economic incentives associated with high Star ratings, which could negatively impact our revenues; • we may not be able to enroll or retain a sufficient number of new members to execute our growth strategy, and we may incur substantial costs to enroll new members but may be unable to enroll a sufficient number of new members to offset those costs; • we may not be able to realize the value of our AVA technology platform; • we may not be able to hire or otherwise engage sufficient numbers of physicians and other staff and may fail to integrate our employees, particularly our medical personnel, into our in- house care model; • we may not be successful in maintaining our reputation and brand in our existing markets or in establishing our reputation and brand with new members or into new ~~geographies~~ **markets; • we may be unsuccessful in identifying or in executing key strategic joint ventures or other arrangements to facilitate our entry into new markets** ; • when expanding our business into new states, we may be required to comply with laws and regulations that may differ from states in which we currently operate; • when expanding into new markets, we may face competition with greater knowledge of such local markets; • expansion into new offerings or new ~~geographies~~ **markets** , or the acquisition of complementary businesses or assets, may require us to raise additional capital, which may not be available on desirable terms or at all; and • depending upon the nature of the local market, we may not be able to implement our business model in every local market that we enter, which could negatively impact our revenues and financial condition. Pursuing our growth strategy requires significant capital expenditures, the allocation of valuable management resources, and the hiring of additional personnel, and may strain our operations, and our financial and management controls and reporting systems and procedures. For a variety of reasons, we may not succeed in achieving scale, improving our operating efficiency or gaining operating leverage. Moreover, we have experienced and may in the future continue to experience attrition, which may further exacerbate these challenges. If we are unable to effectively execute our growth strategy and manage our growth, our results of operations and financial condition could be materially and adversely affected. We currently derive substantially all of our revenue from CMS contracts related to our Medicare Advantage health plans. To increase our revenue, **we must** ~~our business strategy is to~~ grow ~~organically~~ by expanding the number of members under our plans in the markets in which we currently operate and in the new markets that we intend to enter. In order to support such growth, we must continue to enroll and retain a sufficient number of new members. We have experienced significant member growth since we commenced operations ; however, we may not be able to maintain this growth, and our member base could decrease rapidly or shrink over time. Even if we are successful in achieving and maintaining growth, doing so may be more costly than we anticipate, and if we are not able to manage our costs, our results could be materially adversely affected. We are focused on the Medicare- eligible population and face competition from other plans in the enrollment of Medicare- eligible potential members. If we are unable to obtain CMS contracts in new markets and convince the Medicare- eligible population of the benefits of our plans, or if potential or existing members prefer a plan offered by one of our competitors, we may not be able to effectively implement our growth strategy. Our ability to attract new members will depend on a variety of factors, including the following: • our ability to create new plans and / or ancillary benefits; • our ability to achieve and maintain high Star ratings for each of our plans; • our ability to effectively promote our plans in our existing markets and the new markets we intend to enter; • our allocation of management and financial resources toward efforts to grow our membership in certain markets; • the extent to which eligible beneficiaries shop for MA plans in the markets we enter; • our ability to establish relationships with provider groups **and other key market constituencies** ; • our competitor' s products and pricing strategies; • our ability to establish and grow our reputation and brand in new and existing markets; • the extent to which the overall pool of MA- eligible beneficiaries continues to grow and the extent to which the historical trend of increased MA market penetration continues; • if our strategic partners terminate or fail to renew our current contracts or we fail to enter into contracts with new strategic partners ; and • regulatory changes affecting the overall pool of MA- eligible beneficiaries and our ability to navigate the applicable regulatory requirements. In addition, our growth strategy is partially dependent on beneficiaries electing to move from fee- for- service to one of our Medicare Advantage plans, or electing to move from their current Medicare Advantage plan and selecting us as their Medicare Advantage plan. In ~~some~~ **certain** instances, original Medicare or other insurers' MA plans may be more attractive to a consumer than our MA plans. For example, though our PPO members are enrolled in plans that enable them to visit any doctor participating in Medicare who will see them, our HMO plans have restrictions on the network of doctors that HMO members can see, and in some markets other providers participating in Medicare may choose to see no MA members or only MA members participating in specific plans. It is also possible that original Medicare or other insurers' MA plans may offer broader physician networks in particular markets or highly competitive benefits, in which case those plans may be more attractive to some consumers than our MA plans. When the time to choose an MA plan comes, **newly** Medicare- eligible consumers may also choose to continue with their current insurer which was offered by their employer instead of transitioning to one of our plans. For a majority of individuals, plan enrollment selections for Medicare Advantage are made during an annual enrollment period from October into December of each year; therefore, our ability to grow our member population is dependent in substantial part on our ability to successfully enroll members during the annual enrollment period and to convince such individuals not to subsequently change that election. If our ability to market and sell our MA plans is constrained during an enrollment period for any reason, such as technology failures, reduced allocation of resources, any inability to timely employ, license, train, certify and retain employees and contractors and agents to sell plans, interruptions in the operation of our website or systems, or disruptions caused by other external factors, such as ~~the COVID- 19 pandemic~~ **natural disasters or civic disorder** , we could acquire fewer new members than expected or suffer a reduction in the number of our existing members. Our inability to enroll new members and retain existing members would harm our ability to execute our growth strategy and may have a material adverse effect on our business operations and financial position. If we do not design and price our products properly and competitively, if we are unable to develop new products and implement clinical initiatives to provide a better healthcare experience for our members, lower costs, and appropriately document the risk profile of our members, or if our estimates of benefits expense are inadequate, our profitability may be materially adversely affected. We use a substantial portion of our revenues to pay the costs of healthcare

services delivered to our members by third party providers. These costs include claims payments, capitation payments to providers (predetermined amounts paid to cover services), administrative costs and various other costs incurred to provide health insurance coverage to our members. These costs also include estimates of future payments to hospitals and other providers for medical care provided to our members. Generally, premiums in the healthcare business are fixed for one- year periods and we are required by federal law to spend a fixed amount of these premiums on healthcare services, covered benefits and quality improvement efforts. Accordingly, costs we incur in excess of our benefit cost projections generally are not recovered in the contract year through higher premiums and our ability to enhance the profitability of our plans depends in significant part on our ability to estimate the costs of our future benefit claims and other expenses. We make these estimates using actuarial methods and assumptions based upon claim payment patterns, medical inflation, historical developments, including claim inventory levels and claim receipt patterns, and other relevant factors. We also record benefits payable for future payments. We continually review estimates of future payments relating to benefit claims costs for services incurred in the current and prior periods and make necessary adjustments to our reserves, including premium deficiency reserves where appropriate. However, these estimates involve extensive judgment, and have considerable inherent variability that is sensitive to claim payment patterns and medical cost trends. Many factors may and often do cause actual healthcare costs to exceed what was estimated and used to set our premiums. These factors may include: • increased use of medical facilities and services; • increased cost of such services; • increased use or cost of prescription drugs, including specialty prescription drugs; • the introduction of new or costly treatments, including new technologies; • the extent to which providers in our network follow appropriate care recommendations and carry out effective care coordination and care management; • our membership mix; • the extent to which members decline to seek out appropriate preventative care or follow their physicians' care and healthful living recommendations; • variances in actual versus estimated levels of cost associated with new products, benefits or lines of business, product changes or benefit level changes; • changes in the demographic characteristics of an account or market; • changes or reductions of our utilization management functions such as preauthorization of services, concurrent review or requirements for physician referrals; • catastrophes, including acts of terrorism, public health epidemics, or severe weather (e. g., hurricanes and earthquakes) **, which may increase both use and cost of medical services and cause members to delay obtaining services, affecting their long- term health** ; • medical cost inflation; and • government mandated benefits, member eligibility criteria, or other legislative, judicial, or regulatory changes. Key to our operational strategy is the implementation of clinical initiatives that we believe provide a better healthcare experience for our members, lower the cost of healthcare services delivered to our members, and appropriately document the risk profile of our members. Our profitability and competitiveness depend in large part on our ability to leverage our technology platform, AVA, to optimize and appropriately manage healthcare costs by, among other things, proactively managing member care. Increases or decreases in staff and provider- related expenses, any costs associated with exiting products, additional investment in new products and in the expansion of clinical and technological capabilities as part of our integrated care delivery model, investments in health and well- being product offerings, acquisitions, new taxes and assessments, and implementation of regulatory requirements may increase our operating expenses. Any failure to adequately price our products or estimate sufficient benefits payable or effectively manage our operating expenses may result in a material adverse effect on our results of operations, financial position, and cash flows. Premium increases, introduction of new product designs, and our relationships with our providers in various markets, among other issues, could also affect our membership levels. Other actions that could affect membership levels include our possible exit from or entrance into markets, or the termination of a large contract. If we do not compete effectively in our markets, if we set rates too high or too low in highly competitive markets to keep or increase our market share, if membership does not increase as we expect, if membership declines, or if we lose membership with favorable medical cost experience while retaining or increasing membership with unfavorable medical cost experience, our results of operations, financial position, and cash flows may be materially adversely affected. We may not be successful in maintaining or improving our Star ratings in future years, which may have a direct and substantial adverse impact on our revenue. CMS measures the quality of Medicare Advantage plans through a Five Star Quality Rating System. The Star Rating system considers various measures adopted by CMS, including, among others, quality of care, preventative services, chronic illness management and member satisfaction. The achievement of Star ratings of 4- Star or higher qualifies Medicare Advantage plans for an increase in the benchmark against which they bid (potentially increasing premium payments). As of January 1, ~~2023~~ **2024** , greater than 90 % of our members are enrolled in rated plans that have a 4. 0 Star rating or greater for the ~~2023~~ **2024** rating year / ~~2024~~ **2025** payment year. However, we may not be able to maintain or improve upon these Star ratings in future years. Failure to maintain satisfactory quality and performance measures may negatively affect our premium rates, ~~reduce our membership,~~ impede our ability to compete for new business in existing or new markets or result in the termination of our contracts, or affect our ability to enter into new CMS contracts or expand the service area of current health plans. **Star ratings are an important component of how MA beneficiaries select an MA plan, both during each annual enrollment period and throughout each year. Low Star ratings may reduce our membership, if members choose to enroll in higher- rated plans.** Various factors may make it difficult for us to maintain or increase our Star ratings. For example, ~~given that~~ there are ~~multiple~~ **numerous** providers that serve our plans, **and we engage multiple third- party vendors to provide supplemental plan benefits. We may have limited success in obtaining quality health care outcomes and satisfactory member experiences from these providers and vendors. As a result of our dependence upon these relationships,** we may have limited ability to **directly** influence the overall quality rating of our plans. Additionally, our higher concentration of minority members and members residing in socioeconomically disadvantaged neighborhoods generally may make it more difficult for us to achieve and maintain high Star ratings as compared to our competitors, given the well- documented health disparities among different minority and socioeconomic groups. CMS has attempted to address some of this disparity, but the efforts may not work as intended or be sufficient to address the difficulties of **serving** varying ~~members~~ **member** populations. CMS updates and makes changes to the Star ratings annually. Changes implemented by CMS with

respect to the Five Star Quality Rating System have, in the past, and could, in the future, negatively impact our Star ratings. For example, **beginning in rating year 2024,** CMS ~~will remove~~ **removed** performance outliers from the calculation of non-Consumer Assessment of Healthcare Providers and Systems (" non- CAHPS data ") measure rating cut points ~~in rating year 2024~~ using the Tukey outlier deletion method. This change ~~is anticipated to increase~~ **increased** cut points overall, making it more difficult to maintain high Star ratings **. In the 2024 Star ratings, released on October 13, 2023, only 31 contracts managed to earn a 5- star rating, a significant reduction from 57 in 2023 and 74 in 2022. Additionally, starting in 2026 Star ratings, the member experience measures will return to a weight of 2. 0 after being a 4. 0 weight for three years, and in the 2027 Star ratings, a health equity index (HEI) reward factor will be replacing the existing reward factor. The HEI reward will provide incentives to Medicare Advantage organizations to improve care for enrollees with social risk factors** . This and future adjustments to the Star rating methodology may have a negative impact on our Star ratings. In addition, audits of our performance for past or future periods may result in downgrades to our Star ratings. For example, if a CMS audit finds that a particular issue of noncompliance impacts the data source for a Star measure, the Star measure may be reduced if the data set is deemed inaccurate or biased. Accordingly, our plans may receive a lower Star rating and may not be eligible for full level quality bonus payments, which could adversely affect the benefits we can offer, reduce membership and / or reduce profit margins. ~~Low Star ratings may also reduce our membership, if members choose to enroll in higher- rated plans.~~ Also, CMS has the authority to terminate ~~plans~~ **contracts** that have had a rating of less than three Stars for three consecutive years, whereas Medicare Advantage plans with five Stars are permitted to conduct enrollment throughout almost the entire year. Because low quality ratings can potentially lead to the termination of one or more of our **contracts** ~~plans,~~ we may not be able to prevent the potential termination of a plan or a shift of members to other plans based upon quality issues, which could, in turn, have a material adverse effect on our business, results of operations, financial condition and cash flows ~~. A pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide, including the outbreak of the novel strain of coronavirus disease, COVID- 19, could adversely affect our business. If a pandemic, epidemic or outbreak of an infectious disease occurs in the United States or worldwide, our business may be adversely affected. Since its inception in early 2020, the COVID- 19 pandemic has impacted our operating revenues and expenses. The extent of its ongoing impact is likely to vary over time. Key factors that will determine the extent of its impact include the duration and extent of the outbreak in the markets in which we operate as well as societal and governmental responses. The COVID- 19 virus disproportionately impacts our member base of seniors, especially those with chronic illnesses, and any future outbreaks of infectious disease could have a similar impact. Accordingly, we may experience increased internal and third- party medical costs as we provide care, benefits and treatment coverage for members suffering from any such diseases. At certain times throughout the course of the COVID- 19 pandemic, most notably during the first quarter of 2021, we have experienced increases in membership hospitalizations due to COVID- 19. A sustained increase in membership hospitalizations due to infectious disease outbreaks could result in an increase in member utilization and medical expenses, thereby materially adversely impact our business, results of operations, and overall financial condition. Additionally, our members may continue to be reluctant to seek necessary care given the risks of the ongoing COVID- 19 pandemic or future outbreaks. This could have the effect of deferring healthcare expenses that we will need to incur to later periods and may also affect the longer- term health of members who defer preventative care or treatment, which may cause our costs to increase in the future. Because of our business model, the full impact of the COVID- 19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods. Due to the COVID- 19 pandemic, we and the providers in our networks have experienced increased challenges in documenting the health conditions of our members as completely or effectively as in the past. Medicare makes capitation payments using a " risk adjustment model, " which compensates plans based on the health status (acuity) of each individual member. Payors with higher acuity members receive more, and those with lower acuity members receive less, and we have corresponding arrangements with certain healthcare providers. Medicare requires that a patient' s health issues be documented annually regardless of the permanence of the underlying causes. Historically, this documentation was required to be completed during an in- person visit with a patient. As part of the Coronavirus Aid, Relief and Economic Security Act (the " CARES Act "), Medicare is allowing documentation for conditions identified during video visits with patients. However, given the increased usage of telehealth visits and other potential disruption caused by COVID- 19 or other future outbreaks, it is unclear whether we and the providers in our networks will be able to document the health conditions of our members as comprehensively as we did in the past, which may adversely impact our revenue in future periods. Such challenges, particularly if coupled with lower Medicare Risk Adjustment Factor (" RAF ") scores among new members (due to COVID- 19 among other factors), as has occurred in prior periods, may have an adverse impact on per- member revenue. Adverse market conditions resulting from the spread of COVID- 19 or future outbreaks of infectious disease could materially adversely affect our business, our growth and the value of our common stock. As a result of the COVID- 19 pandemic, numerous state and local jurisdictions, including all markets where we operate, previously imposed, and others in the future may impose, " shelter- in- place " orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID- 19. Such restrictions, as well as restrictions we voluntarily impose for the safety of our employees and patents, may result in business disruptions. These disruptions may include restrictions on the ability of our personnel to travel; delays in actions of regulatory bodies; diversion of or limitations on employee resources that would otherwise be focused on the operations of our business, including because of sickness of employees or their families or the desire of employees to avoid contact with groups of people; delays in hiring on onboarding of new employees; cancellation of events; and business closures, adjustments or disruptions of certain third parties. Moreover, as of December 31, 2022, we continued to maintain remote operations and a reduced presence in our corporate offices. These disruptions could negatively affect our sales and marketing efforts, sales cycles, employee productivity, or member retention, any of which could harm our financial condition and business operations. The extent of the continued impact of the COVID- 19 pandemic on our business will depend on certain developments, including: the emergence of new variants~~

~~and their infectiousness and severity; government responses to the pandemic; the impact on our members and our sales cycles; and the effect on our partners and our and their supply chains, all of which are uncertain and cannot be predicted. The impact of any future infectious disease outbreaks may depend on similar factors, as well as others we may be unable to predict. If the COVID- 19 pandemic worsens, especially in regions where we operate, our business activities could be adversely affected. To the extent the COVID- 19 pandemic or other outbreaks adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this " Risk Factors " section, including but not limited to those relating to cyber- attacks and security vulnerabilities, interruptions or delays due to third- parties, or our ability to raise additional capital or generate sufficient cash flows necessary to fulfill our obligations under our existing indebtedness or to expand our operations~~ . If we fail to develop and maintain satisfactory relationships with care providers to service our members, our business may be adversely affected. Our success requires that we maintain and grow our provider networks and contract with providers and medical facilities in new markets in order to meet CMS requirements relating to network adequacy. We contract with a variety of physicians, nurses, hospitals, clinics and other third- party providers to deliver healthcare and related services to our members. Our plans encourage or require our customers to use these contracted providers. A key component of our integrated care delivery strategy is to increase the number of providers who share medical cost risk with us or have financial incentives to deliver high quality medical services in a cost- effective manner. In order to retain our members and attract additional membership, our provider networks, including those physicians participating in Medicare and willing to see our patients but with whom we have not contracted, must be not only adequate, but attractive, providing Medicare- eligible beneficiaries access to the providers and facilities that they want. In any particular market, providers could refuse to contract with us, demand higher payments, or take other actions that could result in higher healthcare costs for us, less desirable outcomes for members or difficulty meeting regulatory or accreditation requirements, including network adequacy requirements. In some markets, certain providers, particularly hospitals, physician specialty groups, physician / hospital organizations, or multi- specialty physician groups, may have significant market positions and negotiating power. In addition, physician or practice management companies, which aggregate physician practices for administrative efficiency and marketing leverage, may compete with us in certain circumstances. If these providers refuse to contract with us, use their market position to negotiate unfavorable contracts with us or place us at a competitive disadvantage, or do not enter into contracts with us that encourage the delivery of quality medical services in a cost- effective manner, our ability to market products or to be profitable in those areas may be adversely affected. In some situations, we have capitation contracts with individual or groups of primary care providers and specialists for an actuarially determined, fixed fee per month to provide a basket of required medical services to our members. The inability of providers to properly manage costs under these capitation arrangements could result in the financial instability of these providers and the termination of their relationship with us. In addition, payment or other disputes between a primary care provider and specialists with whom the primary care provider contracts could result in a disruption in the provision of services to our members or a reduction in the services available to our members. The financial instability or failure of a primary care provider to pay other providers for whom they have taken professional risk for services rendered could lead those other providers to demand payment from us even though we have made our regular fixed payments to the primary care provider. Providers with whom we contract may not properly manage the costs of services, maintain financial solvency or avoid disputes with other providers. Even if we contract with sufficient numbers of providers in our markets, we may be required, from time to time, to work with providers with whom we do not contract and who are not included in our networks. This can increase our medical costs, as there is no pre- negotiated rate that we pay the provider and no incentive for the provider to control costs. Our ability to develop and maintain satisfactory relationships with providers and facilities may also be negatively impacted by factors not associated with us, such as changes in Medicare programs and other pressures on healthcare providers, including consolidation activity among hospitals, physician groups, and other healthcare providers. We may be unable to contract with new providers, facilities and other entities in our current markets or new markets in which we enter or renew any contracts we maintain with existing providers or facilities on favorable terms, if at all. If we are unable to enter into new contracts or maintain contracts with providers or facilities in certain markets, we may be unable to meet network adequacy requirements, which would prevent us from serving such markets and could have a material adverse effect on our business, financial condition and results of operations. We have experienced, and may continue to experience, rapid growth and organizational change, which has placed, and may continue to place, significant demands on our management and our operational and financial resources. Additionally, our organizational structure may become more complex as we improve our operational, financial and management controls, as well as our reporting systems and procedures. We may require significant capital expenditures and the allocation of valuable management resources to grow and change in these areas. We must rapidly scale our technology platform, effectively increase our headcount and expand our provider networks, and we must continue to effectively train and manage our employees and partners. We will be unable to manage our business effectively if we are unable to alleviate the strain on resources caused by growth in a timely and successful manner. If we fail to effectively manage our anticipated growth and change, the quality of our services may suffer, which could negatively affect our brand and reputation and harm our ability to attract and retain members and employees. In addition, as we expand our business, it is important that we continue to maintain a high level of member service and satisfaction. As our member base continues to grow, we will need to expand our product and service offerings and our network of partners to provide personalized member service. If we are not able to continue to provide high quality products, benefits and medical care with high levels of member satisfaction, our reputation, as well as our business, results of operations and financial condition could be adversely affected. The healthcare industry is highly competitive. There are many other healthcare plans and healthcare service providers, many of which have a longer operating history and substantially more resources, and there are few barriers to entry in the healthcare industry. This competition may have a material adverse effect on our business operations and financial position. We compete directly with national, regional and local Medicare Advantage organizations for members and healthcare providers. Competition in our ~~market~~ **markets** involves rapidly changing

technologies, **diverse and** evolving regulatory requirements and industry expectations, new product offerings and constantly ~~evolving~~ **changing** member and physician preferences and user requirements. We currently face competition from a range of companies, including other incumbent MA providers and health insurance companies. Many of the other companies currently providing health insurance coverage and healthcare services, particularly national insurers such as United Health, Aetna, Humana and Cigna, have been in business longer and / or have substantially more resources than we do. Other companies could enter the healthcare industry in the future and divert some or all of our business. We also face competition from traditional Medicare. Our ability to compete successfully varies from location to location and depends on a number of factors, including the number of competing plans in the local market and the types of services available at local clinical facilities, the demographics of each market and our ability to generate offerings that meet the needs of that population, our local reputation for providing quality care to members, the commitment and expertise of the providers in our network and our in- house medical staff, our local service offerings and community programs and the cost of care in each locality. If we are unable to attract members, our revenue and profitability will be adversely affected. Some of our competitors may have greater recognition and may be more established in particular communities than we are, and they may have greater financial and other resources than we have. Competing Medicare Advantage plans may also offer different programs or services than we do, which, combined with the foregoing factors, may result in our competitors being more attractive to our current members or potential members. While health plans compete on the basis of many factors, including service and the quality and depth of provider networks, we expect that price will continue to be a significant basis of competition. Furthermore, while we budget for improvements in our products and services to keep them competitive in their respective markets, to the extent that competitive forces cause related expenditures to increase in the future, our financial condition may be negatively affected. In addition, in certain instances our relationships with providers are not exclusive and our competitors have established or could seek to establish relationships with such providers. Additionally, as we expand into new geographies, we may encounter competitors with stronger relationships or recognition in the community in such new geography, which could give those competitors an advantage in retaining current members and obtaining new members, which may have a material adverse effect on our business operations and financial position. Our failure to compete effectively may result in fewer plans being offered ; a reduction in plan benefits ; reduced services ; a loss of existing members or inability to grow membership ; fewer physician users ; reduced revenues ; lower gross margins ; and loss of market share. Any failure to meet and address these factors would harm our business, results of operations and financial condition. We have entered into certain key contracts with large independent physician associations, hospitals and other provider networks to serve our membership base. The loss or renegotiation of any of these contracts could negatively impact our results. Our provider network includes key contracts with certain large independent physician associations (“ IPAs ”), hospitals and other provider networks, which are critical to serving our membership base. Although we typically seek to enter into contracts spanning three or more years, after a specified period, certain of these contracts, including existing contracts with some of our largest IPA partners, hospitals or other providers, may terminate by their own terms or through notice of non- renewal. In the ordinary course of business, including in connection with renewals or extensions of these agreements, we engage in active discussions and renegotiations with these counterparties in respect of the solutions we provide and the terms of our agreements. The loss of any of our largest IPA partnerships, hospitals or other provider networks or the renegotiation of any of these contracts could adversely affect our results of operations, as this may alter the attractiveness of our provider network, result in more out- of- network claims costs and / or increase the payments we make to these counterparties. Security breaches, loss of data and other disruptions could compromise sensitive information related to our business or our members, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation. In the ordinary course of our business, we collect, store, process, transfer, disclose and otherwise use sensitive data, including PHI and PII relating to our employees, members and others. We also process and store, and use third- party service providers to process and store, substantial amounts of sensitive information, including intellectual property, confidential information and other proprietary business information. We manage and maintain such sensitive data and information utilizing a combination of on- site systems, managed data center systems and cloud- based computing center systems. We are highly dependent on information technology networks and systems, including the internet, to securely process, transmit and store this sensitive data and information. Security breaches of this infrastructure, including physical or electronic break- ins, computer viruses, ransomware, attacks by hackers and other malicious actors and similar breaches, and employee or contractor error, negligence or malfeasance, can create system disruptions, shutdowns or unauthorized disclosure or modifications of such sensitive data or information, causing PHI or other PII to be accessed or acquired without authorization or to become publicly available. We **utilize** ~~have implemented~~ a third- party operated 24x7 security operations center that continuously monitors the security and privacy posture of our systems and have implemented the HITRUST Alliance' s Common Security Framework as part of our certification by HITRUST; however, we cannot provide assurance that these measures will protect us from all cybersecurity threats and risks. As our third- party service providers manage important aspects of the collection, storage, processing and transmission of employee, user and member information, and other confidential and sensitive information, we rely on them to perform functions that have material cybersecurity risks. Because of the sensitivity of the PHI, other PII and other sensitive information we and our service providers collect, store, transmit, and otherwise process and use, the security of our technology platform and other aspects of our services, including those provided or facilitated by our third- party service providers, are important to our operations and business strategy. Measures taken to protect our systems, those of our contractors or third- party service providers, or the PHI, other PII, or other sensitive information we or contractors or third- party service providers process or maintain (including our requirement that our third- party service providers enter into business associate agreements or other required security agreements, if applicable), may not adequately protect us from the risks associated with the collection, storage, processing and transmission of such sensitive data and information. For example, we may be required to expend significant capital and other resources, such as in the performance of ongoing risk assessments of our and our third- party service providers’

information systems, to protect against security breaches or to alleviate problems caused by security breaches. Because cyber-attacks are becoming more sophisticated and frequent and the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until they are launched against a target, despite the implementation of security measures, we or our third- party service providers may be unable to anticipate these techniques or to implement adequate protective measures. A security breach or privacy violation that leads to disclosure or unauthorized use or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or availability of, member information, including PHI or other PII, or other sensitive information we or our contractors or third- party service providers maintain or otherwise process, could harm our reputation and brand, compel us to comply with breach notification laws, and cause us to incur significant costs for remediation, fines, penalties, providing notification to individuals. We would need to identify and implement measures intended to repair or replace systems or technology and to prevent future occurrences, and we could face potential increases in insurance premiums. This is of particular risk when considering tight integration with third- party service providers who manage or provide parts of our information systems. If we are unable to prevent or mitigate such security breaches or privacy violations or implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our systems, and we could suffer a loss of members. We may also suffer loss of reputation, adverse impacts on member and investor confidence and financial loss, and we would be exposed to the risk of governmental investigations or other actions, regulatory or contractual penalties, and other claims and liabilities, including liability under laws and regulations that protect the privacy of member information or other personal information, such as HIPAA. In addition, security breaches and other inappropriate access to, or acquisition or processing of, information can be difficult to detect, and any delay in identifying such incidents or in providing any notification of such incidents may lead to increased harm. Any such breach or interruption of our systems or those of any of our third- party service providers could also result in the compromise of our trade secrets and other proprietary information, which could adversely affect our business and competitive position. While we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident. Our service offering is driven by our core operating technology platform, AVA, allowing us to access and analyze comprehensive member data quickly, generating insights and alerts using such data and making recommendations to members and practitioners. AVA and the other systems or networks used in our business may experience an increase in attempted cyber- attacks, targeted intrusion, ransomware and phishing campaigns seeking to take advantage of shifts to employees and healthcare providers working remotely using their household or personal internet networks ~~and to leverage fears promulgated by the COVID- 19 pandemic~~ . A data breach could result in incorrect or delayed medical recommendations and prescriptions, missed alerts and missed opportunities to intervene for our members on a timely basis. Unauthorized access, loss or dissemination could also disrupt our operations, including our ability to perform our services, access member health information, collect, process, and prepare company financial information, provide information about our current and future services and engage in other member and clinician education and outreach efforts. Any of the foregoing could have a material adverse effect on our business, results of operations and financial condition. Our information technology systems facilitate our ability to conduct our business. ~~We rely on~~ **The functioning of AVA,** our ~~core operating~~ technology platform, ~~AVA, to aggregate, organize and monitor health data, and to generate insights and recommendations to the care providers who serve our members. The functioning of our technology platform~~ is critical to our ability to adequately care for our members and drive health outcomes. While we have disaster recovery systems and business continuity plans in place and such plans are reviewed annually as part of our third- party HITRUST certification, there may be disruptions in our disaster recovery systems or the failure of these systems to operate as expected. Such events could, depending on the magnitude of the problem, adversely affect our operating results and the health of our members by limiting our capacity to effectively monitor and control our operations. Despite our implementation of a variety of security measures, our information technology systems could be subject to physical or electronic break- ins or disruptions from unauthorized tampering, fires, power loss, telecommunication failures or any weather- related disruptions where our headquarters is located or at locations that host portions of our technology platform. In addition, in the event that a significant number of our personnel were unavailable in the event of a disaster, our ability to effectively conduct business and adequately care for our members could be adversely affected. As a government contractor, we are exposed to risks that may materially adversely affect our business, including the potential loss of CMS contracts, significant changes to the Medicare Advantage and / or Part D programs, potential suspension from participating in the Medicare Advantage program, changes to the risk-adjustment model used to determine the premiums paid to Medicare Advantage plans, changes to provisions for risk sharing under Medicare Part D and risks related to governmental audits and investigations, among others. A significant portion of our revenue relates, directly or indirectly, to the Medicare Advantage program, which accounted for substantially all of our total revenue for the year ended December 31, ~~2022~~ **2023** . Participating in the Medicare Advantage program exposes us to various risks, as described further below. • As of January 1, ~~2023~~ **2024** , under our contracts with CMS, we provided health insurance coverage to approximately ~~108~~ **155** , ~~300~~ **500** individual Medicare Advantage members. Our continued participation in the Medicare Advantage program through these and other contracts is not guaranteed. Our CMS contracts are subject to annual renewal, and CMS must also annually approve our bids for the plans we intend to offer under each contract. The loss of these and other CMS contracts or significant changes to the terms thereof may have a material adverse effect on our business, results of operations and financial condition. • Either Congress or CMS may at any time enact significant changes to the Medicare Advantage program, and these changes may materially impact our profitability. For example, there may be changes to the amount or calculation of our premium payments, the mandated member benefits, or member eligibility criteria without corresponding increases in our premium payments, or the timing of payments. We have no control over these changes, including when or how frequently they are made. In addition, CMS annually establishes benchmark payment rates for Medicare

Advantage organizations, and these rates may decrease or not keep pace with our expected medical costs. Any of these, or other, changes to the Medicare Advantage program and our payment rates may have a material adverse effect on our business, results of operations and financial condition. • **CMS may terminate** ~~There is a possibility of temporary or~~ **our** ~~permanent suspension from participating in the~~ Medicare Advantage **contracts** ~~program if we are convicted of fraud or other criminal conduct in the performance of a Medicare Advantage program or~~ if there is ~~an adverse decision against us~~ **credible evidence that we have committed or participated in false, fraudulent, or abusive activities, including the submission of false or fraudulent data. Additionally, we may be subject to scrutiny** under the federal False Claims Act (the " FCA ") **for the alleged submission of fraudulent information** . As a recipient of federal money, we may be subject to qui tam litigation brought by individuals who seek to sue on behalf of the government, alleging that the recipient submitted false claims to the government. Litigation of this nature is filed under seal to allow the government an opportunity to investigate and to decide if it wishes to intervene and assume control of the litigation. If the government does not intervene, the lawsuit is unsealed, and the individual may continue to prosecute the action on his or her own. • CMS uses a risk- adjustment model which adjusts premiums paid to Medicare Advantage organizations according to the health status of covered members. The risk- adjustment model, which CMS implemented pursuant to the Balanced Budget Act of 1997 and the Benefits Improvement and Protection Act of 2000 (" BIPA "), generally pays more where a plan' s membership has higher expected costs. Under this model, amounts paid to Medicare Advantage organizations are based, in part, on actuarially determined bids, which include a process whereby our prospective payments are based on our estimated cost of providing standard Medicare- covered benefits to an enrollee with a " national average risk profile. " That baseline payment amount is adjusted to reflect the health status of our enrolled membership. Under the risk- adjustment methodology, all Medicare Advantage organizations must collect and submit the **data** ~~necessary diagnosis code information~~ from hospital inpatient, hospital outpatient, and physician ~~providers~~ **services** to CMS within prescribed deadlines. The CMS risk- adjustment model uses the diagnosis data to calculate the risk- adjusted premium payment to Medicare Advantage organizations, which CMS adjusts for coding pattern differences between the health plans and the government fee- for- service program. In certain cases, we rely on providers, including certain providers in our network who are our employees, to code their claim submissions with appropriate diagnoses, which we send to CMS as the basis for our payment received from CMS under the actuarial risk- adjustment model. We also rely on these providers to document appropriately all medical data, including the diagnosis data submitted with claims, and we rely on our technology platform to aggregate, organize, interpret and report such data. In addition, we conduct medical record reviews as part of our data and payment accuracy compliance efforts, to more accurately reflect diagnosis conditions under the risk adjustment model. These compliance efforts include the internal contract level audits described in more detail below, as well as ordinary course reviews of our internal business processes. CMS and the Office of the Inspector General of Health and Human Services (" HHS- OIG "), are continuing to perform audits of various companies' selected Medicare Advantage contracts related to this risk adjustment diagnosis data. We refer to these audits as Risk- Adjustment Data Validation Audits (" RADV audits "). RADV audits review medical records in an attempt to validate provider medical record documentation and coding practices which influence the calculation of premium payments to Medicare Advantage organizations. In 2012, CMS released a " Notice of Final Payment Error Calculation Methodology for Part C Medicare Advantage Risk Adjustment Data Validation (RADV) Contract- Level Audits. " The payment error calculation methodology provided that, in calculating the economic impact of audit results for a Medicare Advantage contract, if any, the results of the RADV audit sample would be extrapolated to the entire Medicare Advantage contract ~~after a comparison of~~ **. Additionally, the estimated payment error rate identified during** the audit ~~results~~ **would be compared** to a similar audit of the government' s traditional FFS Medicare program. We refer to the process of accounting for errors in fee- for- service claims as the " FFS Adjuster. " This comparison of RADV audit results to the FFS error rate is necessary to determine the economic impact, if any, of RADV audit results because the government used the traditional fee- for- service Medicare program data set, including any attendant errors that are present in that data set, to estimate the costs of various health status conditions and to set the resulting adjustments to Medicare Advantage plans' payment rates in order to establish actuarial equivalence in payment rates as required under the Medicare statute. CMS already makes other adjustments to payment rates based on a comparison of coding pattern differences between Medicare Advantage plans and traditional fee- for-service Medicare program data (such as for frequency of coding for certain diagnoses in Medicare Advantage plan data versus the traditional fee- for- service Medicare program dataset). ~~The final RADV extrapolation methodology, including the first application of extrapolated audit results to determine audit settlements, is expected to be applied to CMS RADV contract level audits conducted for contract year 2011 and subsequent years.~~ CMS released a final rule on January 30, 2023, which changes both the use of extrapolation and the application ~~for~~ **of** the FFS Adjuster. Specifically, CMS will not extrapolate audit results for any audits covering payment years prior to 2018. Additionally, CMS will not apply any FFS Adjuster in RADV audits. These changes are expected to have a material impact on Medicare Advantage organizations, including us. CMS is currently conducting RADV contract level audits for certain of our Medicare Advantage plans, and these changes may materially increase the amounts we are asked to repay **as compared to the amount that might have been expected under the 2012 methodology** . In addition, as part of our internal compliance efforts, we routinely perform ordinary course reviews of our internal business processes related to, among other things, our risk coding and data submissions in connection with the risk- adjustment model. These reviews may also result in the identification of errors and the submission of corrections to CMS, that may, either individually or in the aggregate, be material. As such, the result of these reviews may have a material adverse effect on our results of operations, financial position, or cash flows. • Our CMS contracts that cover members' prescription drugs under Medicare Part D contain provisions for risk sharing and certain payments for prescription drug costs for which we are not at risk. These provisions, certain of which are described below, affect our ultimate payments from CMS. ~~The premiums from CMS~~ **Our losses or gains** are ~~subject to~~ **limited by** risk corridor provisions which compare costs targeted in our annual bids to **our allowable** ~~actual prescription drug~~ costs **under the plan** , limited to actual costs that **were** ~~would have been~~ incurred ~~under~~ **for**

the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to us or require us to refund to CMS a portion of the premiums we received (known as a " risk corridor "). We estimate and recognize an adjustment to premiums revenue related to the risk corridor payment settlement based upon pharmacy claims experience. The estimate of the settlement associated with these risk corridor provisions requires us to consider factors that may not be certain, including member eligibility differences with CMS. Reinsurance and low- income cost subsidies represent payments from CMS in connection with the Medicare Part D program. Reinsurance subsidies represent payments for CMS' s portion of claims costs which exceed the member' s out- of- pocket threshold, or the catastrophic coverage level. Low-income cost subsidies represent payments from CMS for all or a portion of the deductible, the coinsurance and co- payment amounts above the out- of- pocket threshold for low- income beneficiaries. Monthly prospective payments from CMS for reinsurance and low- income cost subsidies are based on assumptions submitted with our annual bid. A reconciliation and settlement of CMS' s prospective subsidies against actual prescription drug costs we paid **, as well as other factors,** is made after the end of the applicable year. Settlement of the reinsurance and low- income cost subsidies as well as the risk corridor payment is based on a reconciliation made approximately nine months after the close of each calendar year. This reconciliation process requires us to submit claims data necessary for CMS to administer the program. Our claims data may not pass CMS' s claims edit processes due to various reasons, including discrepancies in eligibility or classification of low- income members. To the extent our data does not pass CMS' s claim edit processes, we may bear the risk for all or a portion of the claim which otherwise may have been subject to the risk corridor provision or payment which we would have otherwise received as a low-income subsidy or reinsurance claim. In addition, in the event the settlement represents an amount CMS owes us, there is a negative impact on our cash flows and financial condition as a result of financing CMS' s share of the risk. The opposite is true in the event the settlement represents an amount we owe CMS. • We are also subject to various other governmental audits and investigations. Under state laws, we are audited by state departments of insurance for financial and contractual compliance and by state departments of health. Audits and investigations, including audits of risk adjustment data, are also conducted by state attorneys general, CMS, HHS- OIG, the Office of Personnel Management, the Department of Justice (" DOJ ") and the Department of Labor. Findings from these audits and investigations could result in, among other things, the loss of licensure or the right to participate in the Medicare Advantage or other programs, a limitation on our ability to market or sell products, a suspension on our ability to enroll new members, a requirement to refund money to the government, the imposition of fines, penalties and other civil and criminal sanctions, or changes in our business practices. The outcome of any current or future governmental or internal investigations cannot be accurately predicted, nor can we predict any resulting penalties, fines or other sanctions that may be imposed at the discretion of federal or state regulatory authorities. Nevertheless, it is possible that any such outcome of litigation, penalties, fines or other sanctions could be substantial, and the outcome of these matters may have a material adverse effect on our results of operations, financial position, and cash flows. Responding to subpoenas, investigations and other lawsuits, claims and legal proceedings as well as defending ourselves in such matters would divert management' s attention and cause us to incur significant legal expense. Negative findings or terms and conditions that we might agree to accept as part of a negotiated resolution of pending or future legal or regulatory matters could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, required changes to our business practices, exclusion from future participation in the Medicare Advantage Programs and, in certain cases, criminal penalties, any of which could have a material adverse effect on us. Certain of these matters could also affect our reputation. In addition, disclosure of any adverse investigation or audit results or sanctions could negatively affect our industry or our reputation in various markets and make it more difficult for us to sell our products and services. The Inflation Reduction Act of 2022 contains several provisions that affect the Part D program. These changes may require us to change our prescription drug offerings, reduce our profitability, and otherwise impact our financial performance. The Inflation Reduction Act of 2022 (" IRA "), signed into law on August 16, 2022, reflects an ongoing effort to control prescription drug costs and reduce spending by the federal government. The IRA contains several provisions that impact the Part D program and that may influence our benefit design and profitability. For example, beginning in ~~2023~~ **2024** , Part D plans are **required to** ~~prohibited from imposing cost- sharing for certain recommended vaccines and can impose a maximum cost- sharing of $ 35 per month for insulin. Additional changes take effect in 2024, including the elimination~~ **eliminate** ~~of~~ member cost- sharing in the catastrophic phase of the benefit, and in 2025, ~~including~~ **plans must implement** a cap on member out- of- pocket spending of $ 2, 000. These changes may significantly alter the plans that we offer and may adversely affect our business, results of operations and financial condition. We may be subject to legal proceedings and litigation, including intellectual property and privacy disputes, which are costly to defend and could materially harm our business and results of operations. We may be party to lawsuits and legal proceedings in or outside of the normal course of business. These matters are often expensive and disruptive to normal business operations. We may face allegations, lawsuits and regulatory inquiries, audits and investigations regarding the denial of healthcare benefit payments, compensation or non- acceptance or termination of provider contracts, medical malpractice (based on our medical necessity decisions or brought against us on the theory that we are liable for providers' alleged malpractice) or professional liability (in connection with the delivery of healthcare and related services to the public) **. We may be subject to class- action lawsuits, shareholder derivative suits, or other litigation arising from alleged violations of federal or state securities laws or of Delaware corporate law** . We may also face qui tam allegations or lawsuits brought by individuals who seek to sue on behalf of the government including, among other allegations, resulting from coding and review practices under the Medicare Advantage risk- adjustment model. We also may be subject to lawsuits under the FCA and comparable state laws for submitting allegedly fraudulent or otherwise inappropriate risk adjustment or Stars data. These lawsuits, which may be initiated by government authorities as well as private party relators, can involve significant monetary damages, fines, attorney fees and the award of bounties to private plaintiffs who successfully bring these suits, as well as to the government programs. In recent years, government oversight and law enforcement have become increasingly active and aggressive in investigating and taking legal

action against potential fraud, waste and abuse. Fraud, waste, and abuse prohibitions encompass a wide range of activities, including kickbacks for referral of members, fraudulent coding practices, billing for unnecessary medical and / or other covered services, improper marketing and violations of patient privacy rights. The DOJ and the Department of Health and Human Services Office of Inspector General (" OIG "), have recently increased their scrutiny of healthcare payers and providers, and Medicare Advantage insurers, under the federal FCA, in particular, and there have been a number of investigations, prosecutions, convictions and settlements in the healthcare industry. The FCA provides for treble damages and significant mandatory minimum penalties for each false claim or statement. Healthcare plans and providers thus often seek to resolve these types of allegations through settlement for significant and material amounts, including in circumstances where they do not acknowledge or admit liability, to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree or settlement agreement, including, for example, corporate integrity agreements. Additionally, we may face allegations, lawsuits and regulatory inquiries, audits and investigations regarding data privacy and security, labor and employment, consumer protection and intellectual property infringement, misappropriation or other violation, including claims related to patents, publicity, trademarks, copyrights and other intellectual property or proprietary rights. We may also face allegations or litigation related to our acquisitions, securities issuances or business practices, including public disclosures about our business. Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, our litigation costs could be significant. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our services or require us to stop serving certain members or geographies, all of which could negatively impact our geographical expansion and revenue growth. We may also become subject to periodic audits, which would likely increase our regulatory compliance costs and may require us to change our business practices, which could negatively impact our revenue growth. Managing legal proceedings, litigation and audits, even if we achieve favorable outcomes, is time- consuming and diverts management' s attention from our business. Accordingly, such proceedings could harm our reputation, business, financial condition, results of operations and the market price of our common stock. Although we maintain third- party professional liability insurance coverage and managed care errors and omissions policies, it is possible that claims against us may exceed the coverage limits of our insurance policies. Even if any professional liability loss is covered by an insurance policy, these policies typically have substantial deductibles for which we are responsible. Professional liability claims in excess of applicable insurance coverage could have a material adverse effect on our business, financial condition and results of operations. In addition, any professional liability claim brought against us, with or without merit, could result in an increase of our professional liability insurance premiums. Insurance coverage varies in cost and can be difficult to obtain, and we cannot guarantee that we will be able to obtain insurance coverage in the future on terms acceptable to us or at all. If our costs of insurance and claims increase, then our earnings could decline. Our business may be adversely impacted if the healthcare services industry becomes more cyclical. In the past, healthcare utilization generally has trended upward over time, regardless of minor fluctuations in the U. S. economy. We believe this trend may change, however, as consumers have been given more decision- making and spending responsibility. In turn, we believe members are making healthcare purchases on a more discretionary basis, especially for elective procedures. This could result in a more cyclical trend in healthcare utilization over the coming years and may cause short- term volatility in our operating results. Any failure by us to manage acquisitions, **joint ventures,** divestitures and other significant transactions successfully may have a material adverse effect on our results of operations, financial position, and cash flows. As part of our business strategy, we engage in discussions with third parties regarding possible investments, acquisitions, divestitures, strategic alliances, joint ventures, and outsourcing transactions and may enter into agreements relating to such transactions in order to further our business objectives **. Such transactions may not always align properly with our strategic objectives and may not deliver the expected benefits within the timeframes anticipated or at all** . In order to pursue our acquisition strategy successfully, we must identify suitable candidates for and successfully complete transactions, some of which may be large and complex, and manage post- closing issues such as the integration of acquired companies or employees. Integration and other risks can be more pronounced for larger and more complicated transactions, transactions outside of our core business space, or if multiple transactions are pursued simultaneously. ~~The~~ **Delays or difficulties in aligning key integration elements may result in operational disruptions, decreased productivity, and the failure to realize anticipated synergies, leading to a negative impact on financial performance. Moreover, the** failure to successfully integrate acquired entities and businesses or failure to produce results consistent with the financial model used in the analysis of our acquisitions, investments, joint ventures or strategic alliances may cause asset write- offs, restructuring costs or other expenses and may have a material adverse effect on our results of operations, financial position, and cash flows **. Acquisitions and joint ventures may expose us to legal and regulatory risks, including compliance with antitrust laws, contractual obligations, and other regulatory requirements. Failure to navigate these complexities may result in legal disputes, regulatory scrutiny, or financial penalties** . If we fail to identify and successfully complete transactions that further our strategic objectives, we may be required to expend additional resources to expand our business organically. We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with both members and providers and to our ability to attract new members. The promotion of our brand may require us to make substantial investments and we anticipate that, as our market becomes increasingly competitive, these marketing initiatives may become increasingly difficult and expensive. Moreover, our current marketing efforts to date have been limited to certain geographic regions and markets where our business operates to facilitate the efficient use of resources. If we grow nationally, we will need to spend additional resources to build strong national brand recognition and our efforts may not be effective. Our marketing activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our results of operations could be

harmed. Any factor that diminishes our reputation or that of our management, including failing to meet the expectations of or provide quality **service to** ~~medical care for~~ our members, or any adverse publicity or litigation involving or surrounding us or our management, could make it substantially more difficult for us to attract new members. Similarly, because our existing members often act as references for us with prospective new members, any existing member that questions the quality of our care could impair our ability to secure additional new members. In addition, negative publicity resulting from any adverse government audit could injure our reputation. If we do not successfully maintain and enhance our reputation and brand recognition, our business may not grow and we could lose our relationships with members or providers, which would harm our business, results of operations and financial condition. The registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, diluted, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with members, providers and other partners. In addition, third parties may in the future file for registration of trademarks similar or identical to our trademarks. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third- party rights, we may not be able to use these trademarks to commercialize our technologies in certain relevant jurisdictions. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our brand recognition, reputation and results of operations may be adversely affected. Our business depends on our ability to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology platform and other business systems. Our business is highly dependent on maintaining effective information systems, including our AVA platform, as well as the integrity and timeliness of the data we use to serve our members, support our in- house care teams and external providers and operate our business. Because of the large amount of data that we collect and manage, it is possible that hardware failures or errors in our systems could result in data loss or corruption or cause the information that we collect to be incomplete or contain inaccuracies that our in- house care teams, external providers and other partners regard as significant. If our data were found to be inaccurate or unreliable due to fraud or other error, or if we, or any of the providers we engage, were to fail to maintain information systems and data integrity effectively, we could experience operational disruptions that may impact our members, in- house care teams and external providers and other partners and hinder our ability to provide products and services, retain and attract members, manage our member risk profiles, report timely and accurate financial results and maintain regulatory compliance, among other things. **Natural disasters** ~~Any significant worsening of the COVID- 19 pandemic,~~ or **widespread civic disruptions** ~~the occurrence of another large- scale pandemic,~~ could also cause our third- party data center hosting facilities and cloud computing platform providers, which are critical to our infrastructure, to shut down their business, experience security incidents that impact our business, delay or disrupt performance or delivery of services, or experience interference with the supply chain of hardware required by their systems and services, any of which could materially adversely affect our business. Limitations on access or disruptions to services provided by some of the external care providers upon which our platform and business operations rely could interrupt our ability to provide our platform, decrease the productivity of our workforce and provider networks, and significantly harm our business operations, financial condition and results of operations. Our information technology strategy and execution are critical to our continued success because our technology platform is at the center of our business model. We must continue to invest in long- term solutions that will enable us to anticipate member needs and expectations, enhance the member experience, act as a differentiator in the market and protect against cybersecurity risks and threats. Our success is dependent, in large part, on maintaining the effectiveness of existing technology systems and continuing to deliver and enhance technology systems that support our business processes in a cost- efficient and resource-efficient manner. Increasing regulatory and legislative changes will place additional demands on our information technology infrastructure that could have a direct impact on resources available for other projects tied to our strategic initiatives. In addition, recent trends toward greater member engagement and increased regulatory scrutiny in healthcare require new and enhanced technologies. Connectivity among technologies is becoming increasingly important. We must also develop new systems to meet current market standards and keep pace with continuing changes in information processing technology, evolving industry and regulatory standards and member needs. Failure to do so may present compliance challenges and impede our ability to deliver products and services in a competitive manner. Further, because system development projects are long- term in nature, they may be more costly than expected to complete and may not deliver the expected benefits upon completion. Our failure to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology and other business systems could adversely affect our business, financial condition and results of operations. If we are unable to obtain, maintain, protect and enforce intellectual property protection for our technology or if the scope of our intellectual property protection is not sufficiently broad, others may be able to develop and commercialize technology substantially similar to ours, and our ability to successfully commercialize our technology may be adversely affected. Our business depends on internally developed technology and content, including software, databases, confidential information and know- how, such as the AVA platform, the protection of which is crucial to the success of our business. We rely on a combination of trademark, trade secret and copyright laws and confidentiality procedures and contractual provisions to protect our intellectual property rights in our internally developed technology and content. We may, over time, increase our investment in protecting our intellectual property through additional trademark, patent and other intellectual property filings that could be expensive and time- consuming. Effective trademark, trade secret, copyright and other intellectual property protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. These measures, however, may not be sufficient to offer us meaningful protection. Additionally, we do not currently hold a patent or other registered or applied for intellectual property protection for AVA. If we are unable to protect our intellectual property and other proprietary rights, particularly with respect to AVA, our competitive position and our business could be harmed, as third parties may be able to commercialize and use technologies and software products that are substantially the

same as ours without incurring the development and licensing costs that we have incurred. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, misappropriated or otherwise violated, our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties, or our intellectual property rights may not be sufficient to permit us to take advantage of current market trends or otherwise to provide us with competitive advantages, which could result in costly redesign efforts, discontinuance of certain offerings or other competitive harm. Monitoring unauthorized use of our intellectual property is difficult and costly. From time to time, we seek to analyze our competitors' services, and may in the future seek to enforce our rights against potential infringement, misappropriation or other violation. However, the steps we have taken to protect our intellectual property rights may not be adequate to prevent infringement, misappropriation or other violation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Any inability to meaningfully protect our intellectual property rights could result in harm to our ability to compete and reduce demand for our technology. Moreover, our failure to develop and properly manage new intellectual property could adversely affect our market positions and business opportunities. Also, some of our services rely on technologies and software developed by or licensed from third parties, and we may not be able to maintain our relationships with such third parties or enter into similar relationships in the future on reasonable terms or at all. Uncertainty may result from changes to intellectual property legislation and from interpretations of intellectual property laws by applicable courts and agencies. Accordingly, despite our efforts, we may be unable to obtain, maintain, protect and enforce the intellectual property rights necessary to provide us with a competitive advantage. Our failure to obtain, maintain, protect and enforce our intellectual property rights could therefore have a material adverse effect on our business, financial condition and results of operations. If we are unable to protect the confidentiality of our trade secrets, know- how and other proprietary and internally developed information, the value of our technology could be adversely affected. We may not be able to protect our trade secrets, know- how and other internally developed proprietary information, including in relation to the AVA platform, adequately. Although we use reasonable efforts to protect this internally developed information and technology, our employees, consultants and other parties (including independent contractors and companies with which we conduct business) may unintentionally or willfully disclose our trade secrets or other proprietary information or technology to competitors. Enforcing a claim that a third party illegally disclosed or obtained and is using any of our internally developed information or technology is difficult, expensive and time- consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets, know- how and other proprietary information. We rely, in part, on non-disclosure, confidentiality and assignment- of- invention agreements with our employees, independent contractors, consultants and companies with which we conduct business to protect our trade secrets, know- how and other intellectual property and internally developed information. We may fail to enter into such agreements with all applicable parties, and such agreements may not be self- executing, or they may be breached and we may not have adequate remedies for such breach. Moreover, third parties may independently develop similar or equivalent proprietary information or reverse- engineer or otherwise gain access to our trade secrets, know- how and other internally developed information. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Any restrictions on our use of, or ability to license, data, or our failure to license data and integrate third- party technologies, could have a material adverse effect on our business, financial condition and results of operations. We depend upon licenses from third parties for some of the technology and data used in AVA, our core operating technology platform. We may be unsuccessful in maintaining those licenses, and in such an event, it is possible that alternative technology may not be available for license on favorable terms or at all. Moreover, we expect that we may need to obtain additional licenses from third parties in the future in connection with the development of our applications. In addition, we obtain a portion of the data that we use from government entities, public records, external healthcare providers and other partners. We believe that we have all rights necessary to use the data that is incorporated into our services. We cannot, however, assure you that our licenses for information will allow us to use that information for all potential or contemplated applications. In addition, our ability to continue to offer an integrated healthcare experience to our members depends on maintaining AVA, which is partially populated with data disclosed to us by our members, the physicians in our network and our other partners with their consent. If these members, physicians and other partners revoke their consent for us to maintain, use, de- identify and share this data, consistent with applicable law, our data assets could be degraded. In the future, data providers could withdraw their data from us or restrict our usage for any reason, including if there is a competitive reason to do so, if legislation is passed restricting the use of the data or if judicial interpretations are issued restricting use of the data that we currently use to support our services. In addition, data providers could fail to adhere to our quality control standards in the future, causing us to incur additional expense to appropriately utilize the data. If a substantial number of data providers were to withdraw or restrict their data, or if they fail to adhere to our quality control standards, and if we are unable to identify and contract with suitable alternative data suppliers and integrate these data sources into our service offerings, our ability to provide appropriate services to our members would be materially adversely impacted, which could have a material adverse effect on our business, financial condition and results of operations. We also integrate into our internally developed applications and use third- party software to support our technology infrastructure. Some of this software is proprietary and some is open- source software. These technologies may not be available to us in the future on commercially reasonable terms or at all and could be difficult to replace once integrated into our own internally developed applications. Most of these licenses can be renewed only by mutual consent and may be terminated if we breach the terms of the license and fail to cure the breach within a specified period of time. Our inability to obtain, maintain or comply with any of these licenses could delay development until equivalent technology can be identified, licensed and integrated, which would harm our business, financial condition and results of operations. Our third- party licenses are generally non- exclusive and our competitors may obtain the right to use any of the data and technology covered by these licenses to compete directly with us. Our use of third- party technologies exposes us to increased risks, including, but not limited to, risks associated with the integration of new technology into our solutions, the

diversion of our resources from development of our own internally developed technology and our inability to generate revenue from licensed technology sufficient to offset associated acquisition and maintenance costs. In addition, if our data suppliers choose to discontinue support of the licensed technology in the future, we might not be able to modify or adapt our own solutions. Our use of " open- source " software could adversely affect our ability to offer our products and services and subject us to possible litigation. We may use open- source software in connection with our services. Companies that incorporate open- source software into their technologies have, from time to time, faced claims challenging the use of open- source software and / or compliance with open- source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open- source software or claiming noncompliance with open- source licensing terms. Some open- source software licenses require users who distribute software containing open- source software to publicly disclose all or part of the source code to such software and / or make available any derivative works of the open- source code, which could include valuable proprietary code of the user, on unfavorable terms or at no cost. While we monitor the use of open- source software and try to ensure that none is used in a manner that would require us to disclose our internally developed source code, including that of our AVA platform, or that would otherwise breach the terms of an open- source agreement, such use could inadvertently occur, in part because open- source license terms are often ambiguous. In addition to risks related to license requirements, use of certain open- source software can lead to greater risks than use of third- party commercial software, as open- source licensors generally do not provide warranties or controls on the origin of software which, thus, may contain security vulnerabilities, such as the recent Log4j vulnerability, or infringing or broken code. Any requirement to publicly disclose our internally developed source code or pay damages for breach of contract could have a material adverse effect on our business, financial condition and results of operations and could help our competitors develop services that are similar to or better than ours. Our success depends largely upon the continued services of our senior management team and other key employees. We rely on our leadership team **' s deep expertise and industry experience** in the areas of operations, product development, provision of medical services, information technology and security, marketing, and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. Our employment agreements with our executive officers and other key personnel do not require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. Furthermore, volatility in our stock price may affect our ability to attract and retain replacements should key personnel depart. The loss of one or more of the members of our senior management team, or other key employees, could cause disruptions in or harm to our business, and replacing any such employees would entail significant time and cost. In particular, the loss of the services of our founder and Chief Executive Officer, John Kao, could significantly delay or prevent the achievement of our strategic objectives. We currently do not have " key person " insurance on any of our employees. Competition for highly qualified personnel is intense, especially for technology specialists and for physicians, nurses and other medical professionals who are experienced in providing care services to older adults. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the other Medicare Advantage plans and healthcare organizations with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies or healthcare providers, their former employees may attempt to assert that these employees or we have breached certain legal obligations, resulting in a diversion of our time and resources. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed. Our membership is concentrated in a limited number of U. S. states, and so we are subject to risks associated with our geographic concentration, including unanticipated changes in population morbidity, which could significantly increase utilization rates and medical costs. A substantial portion of our revenue is driven by CMS payments in connection with our health plans in California, North Carolina, Nevada, Arizona, Florida and Texas, with over 94 % of our members concentrated in California as of December 31, ~~2022~~ **2023** . As a result, our exposure to many of the risks described herein are not mitigated by a diversification of geographic focus. Unfavorable changes in healthcare or other benefit costs or reimbursement rates or increased competition in these areas or any other geographic area where our membership becomes concentrated in the future could therefore have a disproportionately adverse effect on our operating results. Furthermore, due to the concentration of our operations in these states and in California in particular, our business may be adversely affected by economic, health or other conditions that disproportionately affect these states as compared to other states or by natural disasters such as major earthquake, wildfire or hurricane. Any of these factors could have a significant impact on the health of a large number of our covered members, and regulatory changes undertaken in response to such events could require us to cover health care costs for members for which we would not typically be responsible. Additionally, the geographic concentration and low- income status of a significant portion of our membership may make them more vulnerable to events such as the COVID- 19 pandemic. In particular, a disproportionate number of our members may be affected by the COVID- 19 pandemic, access to care may be more difficult, and proposed responses, including telehealth, may not be accessible. To continue to diversify our operations we will have to expand to other regions of the United States, which will require us to devote resources to identifying and exploring such perceived opportunities. We may not be able to continue to successfully expand our operations in any new geographic markets and so we may remain subject to the risks presented by our geographic concentration. Our management team has limited experience managing a public company. Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage us as a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These obligations and constituents require significant attention from our senior management and could divert their attention away from the day- to- day management of our business, which could adversely affect our business, results of operations and financial condition. Although we primarily contract with external providers for care delivery,

we also employ physicians and other healthcare professionals to deliver in- house care. Our in- house care delivery operations are dependent on the efforts, abilities and experience of those employees. We compete with healthcare providers, hospitals, clinics, networks and other facilities in attracting physicians, nurses and medical staff to support our in- house care delivery capabilities and in recruiting and retaining qualified management and support personnel to be responsible for the daily operations of our ~~clinics~~ **clinical care teams** . In some markets, the lack of availability of clinical personnel, such as nurses, social workers and mental health professionals, is a significant operating issue facing all healthcare providers and others seeking to employ such personnel. In certain markets the shortage has been exacerbated by the COVID- 19 pandemic and its impacts, including governmental responses to the pandemic. This shortage may require us to continue to enhance wages and benefits to recruit and retain qualified personnel or to contract for more expensive temporary personnel. We also depend on the available labor pool of semi- skilled and unskilled workers in each of the markets in which we operate. Our failure to recruit and retain qualified ~~management~~ **clinical** and **other** medical personnel could have a material adverse effect on our business, financial condition and results of operations. Any union activity that may occur among our clinical staff in the future could contribute to increased labor costs. Certain proposed changes in federal labor laws and the National Labor Relations Board' s modification of its election procedures could increase the likelihood of employee unionization attempts. Although none of our employees are currently represented by a collective bargaining agreement, to the extent a significant portion of our employee base unionizes, it is possible our labor costs could increase materially. If our labor costs increase, we may not be able to offset these increased costs. Because a significant percentage of our revenue consists of fixed, prospective payments, our ability to pass along increased labor costs is limited. In particular, if labor costs rise at an annual rate greater than our net annual payments from CMS, our results of operations and cash flows will likely be adversely affected. If our records, including those submitted to us by our external providers, contain inaccurate or unsupportable information regarding risk adjustment scores of members, we might overstate or understate our revenue and be subject to various penalties. The RAF scores attributable to our members determine, in part, the revenue to which we are entitled for the provision of medical care to our members. The data we submit to CMS is based, in part, on medical charts and diagnosis codes that our in- house clinical staff and our external providers prepare and submit to us. We generally rely on our in- house and externally engaged physicians to appropriately document and support such RAF data in our medical records. We also rely on our in- house and externally engaged physicians to appropriately code claims for medical services provided to members. If the providers do not provide us with accurate and supportable coding and diagnosis information, we may not be able to accurately estimate our revenue and medical costs associated with providing care to our members. If the data suggests the members are sicker than they actually are, we may overstate our revenue and overstate our costs. If the data suggests the members are healthier than they actually are, we may understate our revenue and underestimate our costs. Erroneous and / or unsupported submissions could result in a correction or retroactive adjustment in later periods. This corrected or adjusted information may be reflected in financial statements for periods subsequent to the period in which the revenue was recorded. We might also need to refund a portion of the revenue that we received, which refund, depending on its magnitude, could have a material adverse effect on our business, financial condition and results of operations. Additionally, CMS audits Medicare Advantage organizations for documentation to support RAF- related payments for members. The Medicare Advantage organizations ask providers to submit the underlying documentation for members that they serve. It is possible that claims associated with members with higher RAF scores could be subject to more scrutiny in a CMS or plan audit. CMS may impose penalties as a result of its audits. In addition, we could be liable for penalties to the government under the FCA that range from $ 5, 500 to $ 11, 000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. On ~~May 9~~ **January 30** , ~~2022~~ **2023** , the DOJ issued a final rule announcing adjustments to FCA penalties, under which the per claim penalty range was increased to a range from $ ~~12~~ **13** , ~~537~~ **508** to $ ~~25~~ **27** , ~~076~~ **018** for penalties assessed after ~~May 9~~ **January 30** , ~~2022~~ **2023** with respect to violations occurring after November 2, 2015. CMS has indicated that, ~~at least~~ for some **audits of** plan years **beginning with 2018** , payment adjustments will not be limited to RAF scores for the specific Medicare Advantage enrollees for which errors are found but may also be extrapolated to the entire Medicare Advantage plan membership. In addition to the provisions of the FCA, which provide for civil enforcement, the federal government can use several criminal statutes to prosecute persons who are alleged to have submitted false or fraudulent claims for payment to the federal government. Our health plans may be randomly selected or targeted for review by CMS and the outcome of such a review may result in a material adjustment in our revenue and profitability. A failure to accurately estimate incurred but not reported medical expense could adversely affect our results of operations. Member care costs include estimates of future medical claims that have been incurred by the members but for which the provider has not yet billed. These claim estimates are made utilizing actuarial methods and are continually evaluated and adjusted by management, based upon our historical claims experience and other factors, including an independent assessment by a nationally recognized actuarial firm. Adjustments, if necessary, are made to medical claims expense and capitated revenues when the assumptions used to determine our claims liability change and when actual claim costs are ultimately determined. Due to the inherent uncertainties associated with the factors used in these estimates and changes in the patterns and rates of medical utilization, materially different amounts could be reported in our financial statements for a particular period under different conditions or using different, but still reasonable, assumptions. It is possible that our estimates of this type of claim may be inadequate in the future. In such event, our results of operations could be adversely impacted. Further, the inability to estimate these claims accurately may also affect our ability to take timely corrective actions, further exacerbating the extent of any adverse effect on our results of operations. Negative publicity regarding the managed healthcare industry generally could adversely affect our results of operations or business. Negative publicity regarding the managed healthcare industry generally, or the Medicare Advantage program in particular, may result in increased regulation and legislative review of industry practices that further increase our costs of doing business and adversely affect our results of operations or business by: • requiring us to change our products and services; •

increasing the regulatory, including compliance, burdens under which we operate which, in turn, may negatively impact the manner in which we provide products and services and increase our costs of providing products and services; • adversely affecting our ability to market our products or services through the imposition of further regulatory restrictions regarding the manner in which plans and providers market to Medicare Advantage enrollees; or • adversely affecting our ability to attract and retain members. Federal reductions in Medicare Advantage funding could adversely affect our financial condition and results of operations. The majority of our revenues come from the government- subsidized Medicare Advantage program. Medicare Advantage is a federally administered program financed in part by federal funds. The federal government has instituted measures aimed at controlling the growth of and / or reducing healthcare spending, including Medicare Advantage spending. We are exposed to financial risks associated with contracting with the federal government, including but not limited to our dependence upon Congress and CMS' robustly funding the Medicare Advantage program and the impact that delays in government payments could have on our operating cash flow and liquidity. For example, future levels of funding for Medicare Advantage may be affected by continuing government efforts to contain healthcare costs and may further be affected by federal budgetary constraints. Congress periodically considers reducing or reallocating the amount of money the federal government spends on healthcare programs including the Medicare Advantage program, and CMS annually sets the rates and other financial factors that influence the amount of money Medicare Advantage organizations receive from the government. Furthermore, Medicare remains subject to the automatic spending reductions imposed by the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012 (" sequestration "), subject to a 2 % cap, which has been extended several times, most recently by the **Consolidated Appropriations** ~~Infrastructure Investment and Jobs~~ Act of ~~2021~~ **2023** , and is effective through ~~2031~~ **2032** **with respect to Medicare benefit payments (i. e., all payments for programs and activities under Title XVIII of the Social Security Act)** . Adverse economic conditions may put pressures on federal budgets as tax and other federal revenues decrease while the population that is eligible to participate in Medicare Advantage programs increases, creating more need for funding. This may require Congress and / or CMS to seek to reduce Medicare Advantage spending, which may result in reductions in funding for the Medicare Advantage program or contraction of covered benefits. A reduction (or less than expected increase), a protracted delay, or a change in allocation methodology in government funding for Medicare Advantage, as well as termination of one or more CMS contracts, may materially and adversely affect our results of operations, financial position and cash flows. In addition, if another federal government shutdown were to occur for a prolonged period of time, CMS payment obligations, including its obligations under the Medicare Advantage program, may be delayed. If CMS fails to make payments on a timely basis, our business could suffer, and our financial position, results of operations or cash flows may be materially affected. Delays in obtaining, or failure to obtain or maintain, governmental approvals, or moratoria imposed by regulatory authorities, could adversely affect our revenues or membership, increase costs or adversely affect our ability to bring new products and services to market as forecasted. The centers out of which our external providers operate and the facilities that host our AVA platform may be negatively impacted by weather and other factors beyond our control. Our results of operations may be adversely impacted by adverse conditions affecting the centers out of which our external care providers operate, and the facilities that host our AVA platform, including severe weather events such as tornadoes and widespread winter storms, natural disasters such as earthquakes and fires, public health concerns such as contagious disease outbreaks, violence or threats of violence or other factors beyond our control. Any of these events could cause disruption of member scheduling, displacement of our members, employees and care teams, or force certain of our providers' centers, or facilities that host our AVA platform to close temporarily. In certain geographic areas, we have a large concentration of clinics, external provider facilities, and facilities that host our AVA platform that may be simultaneously affected by adverse weather conditions or other events. Our future operating results may be adversely affected by these and other factors that disrupt the operation of the centers out of which our external providers operate and the facilities that host our AVA platform. If we are unable to offer new and innovative products and services or our products and services fail to keep pace with advances in industry standards, technology and our members' needs, our members may terminate or fail to renew their membership with us and our revenue and results of operations may suffer. Our success depends on providing innovative, high- quality, customizable products and services that elevate our members' healthcare experience and outcomes. If we cannot adapt to rapidly evolving industry standards, technology and increasingly sophisticated and varied members' needs, our existing product and service offerings could become undesirable, obsolete or harm our reputation. In order to remain competitive, we must continue to invest significant resources in our personnel and technology in a timely and cost- effective manner in order to enhance our existing products and services and introduce new high- quality products and services that existing members and potential members will want. We are continually involved in a number of projects to develop new products and services, including the further refinement of our proprietary AVA platform. If our innovations are not responsive to the needs of our existing members or potential new members, are not appropriately timed with market opportunity, are not effectively brought to market or significantly increase our operating costs, we may lose existing members or be unable to enroll new members and our results of operations may suffer. Currently, we are a holding company and do not have any material assets or operations other than ownership of equity interests of our subsidiaries. Our operations are conducted almost entirely through our subsidiaries, and our ability to generate cash to meet our obligations or to pay dividends is highly dependent on the earnings of, and receipt of funds from, our subsidiaries through dividends, administrative expenses or intercompany loans. The ability of our subsidiaries to generate sufficient cash flow from future operations to allow us and them to make scheduled payments on our obligations will depend on their future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control. We cannot assure you that the cash flow and future earnings of our operating subsidiaries will be adequate for our subsidiaries to service their debt obligations. If our subsidiaries do not generate sufficient cash flow from future operations to satisfy corporate obligations, we may have to: undertake alternative financing plans (such as refinancing), restructure debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. We cannot assure you that any such alternative refinancing would be possible, that any assets

could be sold, or, if sold, of the timing of the sales and the amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Our inability to generate sufficient cash flow to satisfy our obligations, or to refinance our obligations on commercially reasonable terms, would have an adverse effect on our business, financial condition and results of operations. Furthermore, we and our subsidiaries may incur substantial additional indebtedness in the future that may severely restrict or prohibit our subsidiaries from making distributions, paying dividends or making loans to us. Our ability to obtain funds from certain of our licensed subsidiaries is restricted by state insurance regulations. Our MA plans are operated through regulated insurance subsidiaries in various states. These subsidiaries are subject to state regulations that, among other things, require the maintenance of minimum levels of statutory capital or tangible net equity, as defined by each state. The states in which our subsidiaries operate regulate the payment of dividends, loans, administrative expense reimbursements or other cash transfers to us, and limit investments to approved securities. The amount of dividends that may be paid to us by these insurance subsidiaries, without prior approval by state regulatory authorities, or ordinary dividends, is limited based on the entity' s level of statutory income and statutory capital and surplus. In some states, prior notification is provided before paying a dividend even if approval is not required. Actual dividends paid may vary due to consideration of excess statutory capital and surplus and expected future surplus requirements. We continue to maintain our levels of aggregate excess statutory capital and surplus in our state- regulated operating subsidiaries. Dividends from our non- insurance companies are generally not restricted by governmental departments of insurance. In the event that our subsidiaries are unable to provide sufficient capital to fund our obligations and allow us to pursue our objectives, our results of operations, financial position, and cash flows may be materially adversely affected. If we are required to maintain higher statutory capital levels for our existing operations or if we are subject to additional capital reserve requirements as we pursue new business opportunities, our cash flows and liquidity may be adversely affected. One or more of the states in which our MA plan subsidiaries operate may raise the statutory capital or tangible net equity level we are required to maintain from time to time. ~~Certain~~ **Many** states have adopted risk- based capital requirements based on guidelines adopted by the National Association of Insurance Commissioners, which tend to be, although are not necessarily, higher than existing statutory capital requirements. Regardless of whether a state in which we may operate has adopted risk- based capital requirements, the state departments of insurance can require our regulated insurance subsidiaries to maintain minimum levels of statutory capital or tangible net equity in excess of amounts required under the applicable state laws if they determine that maintaining additional statutory capital or tangible net equity, as applicable, is in the best interests of our beneficiaries. Any other changes in these requirements could materially increase our statutory capital requirements. In addition, as we continue to expand our plan offerings in new states, add new beneficiaries, or pursue new business opportunities, we may be required to maintain additional statutory capital. In any case, our available funds could be materially reduced, which could harm our ability to implement our business strategy. We have limited experience serving as a Direct Contracting Entity and as a participant in the ACO REACH model with CMS and may not be able to realize the expected benefits thereof. The CMS Center for Medicare and Medicaid Innovation (" CMMI ") recently implemented a direct contracting model, intended to create value- based payment arrangements directly with Direct Contracting Entities (" DCEs "), which is part of CMS' s strategy to drive broader healthcare reform and accelerate the shift from original Medicare toward value- based care models. A key aspect of direct contracting is providing new opportunities for a variety of different DCEs to participate in value- based care arrangements in Medicare fee- for- service. Effective January 1, 2023, CMS replaced the DCE program with the " ACO Realizing Equity, Access, and Community Health Model " or " ACO REACH " model. Our participation in the CMMI program began on April 1, 2021 and, as of January 1, ~~2023~~ **2024**, we had approximately ~~7~~ **8**, 900 members in our arrangement with our clinician partners in North Carolina **, Florida, Arizona**, California and Nevada. Our participation in the ACO REACH program is subject to annual CMS approval, and our contracts are not guaranteed to be renewed in future years. Prior to April 1, 2021, we had no experience participating in CMMI' s programs and, as such, our direct contracting business is in the early stages of development. We are subject to the risks inherent to the launch of any new business, including the risks that we may not generate sufficient returns to justify our investment and that it may take longer or be more costly to achieve the expected benefits from this new program. In particular, we may be unable to achieve risk- like patient economics on original Medicare patients. Moreover, our financial performance under the ACO REACH model may not be similar to our performance under the DCE model. Because the ACO REACH model is a new model designed by CMMI, CMMI is constantly evaluating the program and may revise the applicable rules and design at any time, and such changes may have a significant impact on our ability to carry out our business. Certain CMMI model methodologies, including but not limited to, allowed provider classes, beneficiary alignment, benchmark establishment, and risk score modeling, are subject to continued evaluation. For example, the new ACO REACH model will require participants to meet several provisions on promoting health equity, including the creation of a health equity plan, and will introduce a health equity benchmark adjustment to payments to help support care delivery and coordination in underserved areas. ACO REACH also requires that doctors and other health care providers make up 75 % of governing or voting rights on the participating accountable care organization' s board. These and other requirements could materially impact our profitability. In addition, our management team has and may further invest considerable time and resources in adapting to the ACO REACH model. The ACO REACH model may not be successful and may ultimately be discontinued, including as a result of decreased political support for value- based care or the ACO REACH model, or may be unable to expand our total addressable market in the manner that we expect. Ultimately, our participation in the ACO REACH model may not be profitable to us initially or at all. If we are unable to maintain the minimum required number of beneficiaries served by our ACO REACH model, we may become ineligible to participate in the program. As with the DCE model, CMS requires ACO REACH participants to maintain at least 5, 000 aligned Medicare fee- for- service beneficiaries prior to the start of each performance year. If for any year we fail to satisfy the minimum beneficiary alignment requirements, CMS may take remedial action, including imposition of a corrective action plan or termination of our participation in the program. Any adverse action that

curtails or eliminates our ability to participate in the program may have an adverse effect on our business, financial condition and results of operations. Additionally, because preliminary performance year benchmarks are calculated prospectively for each performance year before the prior performance year is complete, CMS may retroactively adjust performance year benchmarks based on the finalized quality performance scores achieved by the ACO, which will impact the reimbursements achieved in the model. We are subject to risks associated with delegating services and functions to vendors **, including supplemental benefit providers and third- party brokers** . We rely on a number of vendors and other third parties to perform various functions and fulfill our obligations to CMS and members. Our ability to operate our business depends on the performance of, and continued contracts with, these vendors. The functions performed by our major vendors include, but are not limited to, information technology support, claims processing, pharmaceutical benefit management, supplemental benefits (e. g., vision benefits) and other business process outsourcing. We also rely in part on third- party brokers for the marketing and sale of our insurance plans and on our IPAs, which perform certain functions on our behalf. Our ability to operate our business depends on the performance of these third parties. Their performance may be compromised **, degraded** or interrupted for a variety of reasons, some of which are outside of our control **, and they may fail to meet agreed- upon service level standards** . For example, if a vendor becomes disqualified by CMS from providing services in connection with a Medicare Advantage plan, we would be unable to continue to use their services. **Our vendors could also experience changes in their financial health or disruptions to their own operations. We do not directly control their actions and they could violate applicable laws, rules, and regulations.** In the event that these third parties are unwilling or unable to perform services for us in accordance with our contract and legal requirements, we may face operational difficulties, penalties, fines, sanctions or litigation. Although we may be able to force the vendor to indemnify us for some or all of the financial penalties, our business and reputation may suffer nonetheless **. Disputes arising from contractual disagreements, service- level disputes or changes in vendor terms and conditions may impact our ability to maintain stable and cost- effective relationships with third- party vendors. Our reliance on third- party vendors may directly and adversely impact our health plan membership. To the extent a vendor' s inadequate performance impacts our members, their satisfaction with our health insurance plans and customer service may be diminished** . Additionally, in the event that one of our agreements with a key third party terminates, we may have a difficult time bringing the contracted services in- house or contracting with another vendor. Identifying a replacement vendor, negotiating an agreement with the vendor, and transitioning services to the vendor takes significant time and resources. We may be unable to enter into agreements with replacement vendors on favorable terms, or at all. Any loss of a key vendor relationship could result in a service disruption or unavailability and harm our ability to continue to develop, maintain, and improve our products. Risks Related to Regulation Our business activities are subject to substantial government regulation. New laws or regulations, or legislative, judicial, or regulatory changes in existing laws or regulations or their manner of application could increase our cost of doing business and may have a material adverse effect on our results of operations; our financial position; and our cash flows. The Health Care Reform Law and Other Current or Future Legislative, Judicial or Regulatory Changes The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010 (which we collectively refer to as the " Health Care Reform Law ") enacted significant reforms to various aspects of the U. S. health insurance industry. Certain significant provisions of the Health Care Reform Law include, among others, mandated coverage requirements, mandated benefits and guarantee issuance associated with commercial medical insurance, rebates to policyholders based on minimum benefit ratios, adjustments to Medicare Advantage premiums, the establishment of federally facilitated or state- based exchanges coupled with programs designed to spread risk among insurers, and the introduction of plan designs based on set actuarial values. Some of these changes impact us and other entities that offer Medicate Advantage plans. It is reasonably possible that the Health Care Reform Law and related regulations, as well as other current or future legislative, judicial or regulatory changes, including restrictions on our ability to manage our provider network or otherwise operate our business, or restrictions on profitability, including reviews by regulatory bodies that may compare the profitability of various products within our Medicare Advantage business and require that they remain within certain ranges of each other, increases in member benefits or changes to member eligibility criteria without corresponding increases in premium payments to us, may have a material adverse effect on our results of operations (including restricting revenue, enrollment and premium growth in certain products and market segments, restricting our ability to expand into new markets, increasing our medical and operating costs, further lowering our payment rates and increasing our expenses associated with assessments), our financial position and our cash flows. Additionally, potential legislative changes or judicial determinations, including activities to repeal or replace the Health Care Reform Law or declare all or certain portions of the Health Care Reform Law unconstitutional, creates uncertainty for our business, and we cannot predict when, or in what form, such legislative changes or judicial determinations may occur. Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act and Other Laws, Rules and Regulations Related to Data Privacy We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of PHI and other PII, which among other things, impose certain requirements relating to the privacy, security and transmission of PII. The legislative and regulatory landscape for privacy and data protection continues to evolve, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects. Ongoing efforts to comply with evolving laws and regulations may be costly and require ongoing modifications to our policies, procedures and systems. The use of individually identifiable health data by our business is regulated at federal and state levels. These laws and rules are changed frequently by legislation or administrative interpretation. Various state laws address the use and maintenance of **PII** ~~individually identifiable health information~~ . ~~Most~~ **We operate in two states that have established general privacy laws, California and Nevada, and other states we operate in** are **considering** ~~derived from the~~ privacy ~~and security regulations~~

~~promulgated under HIPAA~~ **- related legislation. We may need to change the way we create, receive, maintain or transmit PII to comply with these state laws** . HIPAA includes administrative provisions directed at simplifying electronic data interchange through standardizing transactions, establishing uniform healthcare provider, payer, and employer identifiers, and establishing regulations aimed at protecting confidentiality and security of patient and member data. The rules preempt all inconsistent state laws unless the state law is more privacy- protective. These regulations, in addition to other state laws, set standards for the security of electronic health information, including requirements that insurers provide customers with notice regarding how their **PHI** ~~individually identifiable health information~~ is used. Compliance with HIPAA regulations requires us to regularly monitor security risk, implement and regularly review administrative, technical and physical safeguards to protect electronic health information, and provide workforce training, among other administrative efforts. HIPAA can also expose us to additional liability for violations by our business associates (e. g., entities that provide services to health plans and providers). HIPAA imposes mandatory penalties for certain violations. In 2022, penalties for violations of HIPAA and its implementing regulations started at $ ~~127~~ **137** per violation and could not exceed approximately $ ~~64~~ **69** , 000 per violation, subject to a cap of approximately $ ~~1~~ **2** . ~~9~~ **0** million for violations of the same standard in a single calendar year. However, a single breach incident can result in violations of multiple standards. Additionally, the penalty amounts listed above are also due for inflation adjustments in ~~2023~~ **2024** . HIPAA also authorizes state attorneys general to file suit on behalf of their residents for statutory damages of up to $ 25, 000. While HIPAA does not create a private right of action allowing individuals to sue in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. HIPAA further requires that members be notified of any unauthorized acquisition, access, use or disclosure of their unsecured PHI that compromises the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals. HIPAA specifies that such notifications must be made without unreasonable delay and in no case later than 60 calendar days after discovery of the breach. If a breach affects 500 patients or more, it must be reported to HHS without unreasonable delay, and HHS will post the name of the breaching entity on its public website. Breaches affecting more than 500 patients in the same state or jurisdiction must also be reported to the local media. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually. We also publish statements to our members and partners that describe how we handle and protect PHI. If federal or state regulatory authorities or private litigants consider any portion of these statements to be untrue, we may be subject to claims of deceptive practices, which could lead to significant liabilities and consequences, including, without limitation, costs of responding to investigations, defending against litigation, settling claims, and complying with regulatory or court orders. Any of the foregoing consequences could have a material adverse impact on our business and our financial results. Data privacy and security at the state level remains an evolving landscape. For example, CCPA, which came into effect on January 1, 2020, requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, allow consumers to opt out of certain data sharing with third parties and provides a new cause of action for data breaches. In addition, on November 3, 2020, California voters approved a new privacy law, the CPRA, which significantly modifies the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency **, the California Privacy Protection Agency (" CPPA "),** to oversee implementation and enforcement efforts. **The CPPA is** ~~This agency will be~~ able to finance operations through penalties issued and with the CPRA' s removal of the mandatory cure period from CCPA, we will have less warning before compliance risk results in legal action. **Regulations implementing** ~~Many~~ **many aspects** of the **CPRA become effective in March of 2024 and new draft regulations will require more detailed security and processing assessments for information protected by the CPRA. The** CPRA' s provisions became effective on January 1, 2023. The CCPA and CPRA contain exemptions for medical information governed by the California Confidentiality of Medical Information Act, and for PHI collected by a covered entity or business associate governed by the privacy, security, and breach notification rule established pursuant to HIPAA ~~, but the precise interpretation and application of this exemption by regulators is not yet clear~~ . The CCPA has prompted a number of proposals for new federal and state- level privacy legislation. Such proposed legislation, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and / or changes in business practices and policies. For example, the Virginia Consumer Data Protection Act, or the CDPA, which became effective January 1, 2023, gives Virginia residents expanded rights to access and creates additional obligations on companies covered by the legislation, and the Nevada Privacy Law, which became effective on October 1, 2019, requires businesses to give website users the option to opt- out of the sale of their data. While the CPRA / CCPA is an example of consumer privacy law, the NAIC' s Model Law is a different type of law focused on securing insurance licensees' information systems. Versions of this Model Law have been passed in many states and are expected to be passed in more states in the coming years. Similar to HIPAA, the Model Law requires the implementation of technical, administrative, and procedural information security practices and procedures and includes reporting requirements for data breaches. These Model Laws are typically enforced by state insurance regulators. It is possible that applicable laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. We must devote significant resources to understanding and complying with this changing landscape. Failure to comply with laws regarding privacy and security of PHI and other PII could expose us to penalties under such laws. Any such failure to comply with data protection and privacy laws could result in government- imposed fines or orders requiring that we change our practices, claims for damages or other liabilities, regulatory investigations and enforcement action, litigation and significant costs for remediation, any of which could adversely affect our business. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could have an adverse effect on our business, financial condition and results of operations. As indicated above,

there are numerous federal and state laws and regulations addressing patient and consumer privacy concerns, including notification requirements in the event of unauthorized access or theft of personal information. State statutes and regulations vary from state to state. Violations of HIPAA or applicable federal or state laws or regulations could subject us to significant criminal or civil penalties, including significant monetary penalties. We cannot yet fully determine the impact these or future laws, rules, regulations and industry standards may have on our business or operations. Any such laws, rules, regulations and industry standards may be inconsistent among different jurisdictions, subject to differing interpretations or may conflict with our current or future practices. Additionally, our customers may be subject to differing privacy laws, rules and legislation, which may mean that they require us to be bound by varying contractual requirements applicable to certain other jurisdictions. Adherence to such contractual requirements may impact our collection, use, processing, storage, sharing and disclosure of various types of information and may mean we become bound by, or voluntarily comply with, self- regulatory or other industry standards relating to these matters that may further change as laws, rules and regulations evolve. Complying with these requirements and changing our policies and practices may be onerous and costly, and we may not be able to respond quickly or effectively to regulatory, legislative and other developments. These changes may in turn impair our ability to offer our existing or planned features, products and services and / or increase our cost of doing business. As we expand our customer base, these requirements may vary from customer to customer, further increasing the cost of compliance and doing business. Our business and operations may also be subject to federal, state, and local consumer protection laws governing marketing communications, including the Telephone Consumer Protection Act, " TCPA ", which places restrictions on the use of automated tools and technologies to communicate with wireless telephone subscribers or communications services consumers generally and the CAN- SPAM Act, which regulates the transmission of marketing emails. Under the TCPA, entities using an automatic **telephone** dialing system to send communications must obtain prior express consent for non- marketing communications and prior express written consent for marketing communications. The TCPA has a private right of action, allowing individuals who have received unsolicited communications (phone calls, text messages or faxes) made using an " automatic **telephone** dialing system " to seek statutory damages of $ 500 per violation, or $ **1,** ~~1500~~ **500** if the violation was made willfully or knowingly. Despite our compliance efforts, we could nevertheless be forced to defend private class actions or government enforcement based on the communications we send to members. In addition, certain of our businesses are also subject to the PCI DSS, which is a multifaceted industry security standard that is designed to protect credit card account data as mandated by payment brands and acquiring banks. We rely on vendors to assist us with PCI matters and to ensure PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI DSS or other requirements of the payment card brands, based on past, present, or future business practices, which could have an adverse impact on our business and reputation, subject us to fines and / or have a negative impact on our ability to accept credit card payments. As described above, substantially all of our relevant member data is maintained on our technology platform, AVA, which aggregates and provides us with access to extensive member datasets, including individually identifiable PHI. As a result, any breach of our technology platform could expose us to substantial liability under HIPAA, the HITECH Act and other applicable laws, regulations or rules. See " Risk Factors — Security breaches, loss of data and other disruptions could compromise sensitive information related to our business or our members, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation. " Corporate Practice of Medicine and Other Laws As a corporate entity, we are not licensed to practice medicine. Many states in which we operate through our subsidiaries limit the practice of medicine to licensed individuals or professional organizations comprised of licensed individuals, and business corporations generally may not exercise control over the medical decisions of physicians. Statutes, regulations and court decisions relating to the practice of medicine, fee- splitting between physicians and referral sources, and similar issues vary widely from state to state. While we endeavor to comply with state corporate practice of medicine laws and regulations as we interpret them, the laws and regulations in these areas are complex, changing, and often subject to varying interpretations. The interpretation and enforcement of these laws vary significantly from state to state. Under management agreements between certain of our subsidiaries and affiliated physician- owned professional groups, these groups retain sole responsibility for all medical decisions, as well as for hiring and managing physicians and other licensed healthcare providers, developing operating policies and procedures, implementing professional standards and controls, and maintaining malpractice insurance. Regulatory authorities and other parties may assert that, despite the management and administrative services agreements and other arrangements through which we operate, we are engaged in the prohibited corporate practice of medicine or that our arrangements constitute unlawful fee- splitting. Penalties for violations of the corporate practice of medicine or fee- splitting laws vary by state and may result in physicians being subject to disciplinary action, as well as to forfeiture of revenue from payors for services rendered. For business entities such as us, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in medical practice without a license, our agreements could be found legally invalid and unenforceable (in whole or in part) or we could be required to restructure our contractual arrangements. We, our in- house and externally engaged physicians and the facilities in which they operate are subject to various federal, state and local licensing and certification laws and regulations and accreditation standards and other laws, relating to, among other things, the adequacy of medical care, equipment, privacy of member information, physician relationships, personnel and operating policies and procedures. Failure to comply with these licensing, certification and accreditation laws, regulations and standards could result in prior payments being subject to recoupment, requirements to make significant changes to our operations and can give rise to civil or, in extreme cases, criminal penalties. We routinely take the steps we believe are necessary to retain or obtain all requisite licensure and operating authorities. While we have made reasonable efforts to substantially comply with federal, state and local licensing and certification laws and regulations and standards as we interpret them, the agencies that administer these programs may find that we have failed to comply in some material respects. If this were to occur, we could be subject to civil and / or criminal penalties, or we could be required to close or limit our operations at relevant sites. In jurisdictions where the corporate practice of medicine is prohibited, we have

historically operated by maintaining long- term management and administrative services contracts with multiple associated professional medical entities that are wholly owned or primarily owned by physicians employed by us and, in turn, employ or contract with physicians to provide those professional medical services required by our members. Under these management agreements, our primary operating subsidiary performs only non- medical administrative services, does not represent that it offers medical services and does not exercise influence or control over the practice of medicine by the physicians or the associated physician groups. In addition to the above management arrangements, we have certain contractual rights relating to the orderly transfer of equity interests in our associated physician practices through succession agreements and other arrangements with their physician equity holders. Such equity interests cannot, however, be transferred to or held by us or by any non- professional medical entity. Accordingly, neither we nor our direct subsidiaries directly own any equity interests in any of our physician practices. In the event that any of the physician owners of our associated physician practices fail to comply with the management arrangement, if any management arrangement is terminated and / or we are unable to enforce our contractual rights over the orderly transfer of equity interests in any of our associated physician practices, such events could have a material adverse effect on our business, results of operations, financial condition and cash flows. It is possible that a state regulatory agency or a court could determine that our agreements with physician equity holders of our associated physician practices and the way we carry out these arrangements as described above, either independently or coupled with the management services agreements with such associated physician practices, are in violation of prohibitions on the corporate practice of medicine. As a result, these arrangements could be deemed invalid. Such a determination could force a restructuring of our management arrangements with the affected practices, which might include revisions of the management services agreements, including a modification of the management fee and / or establishing an alternative structure that would permit us to contract with a physician network without violating prohibitions on the corporate practice of medicine. Such a restructuring may not be feasible, or it may not be possible to accomplish it within a reasonable time frame without a material adverse effect on our business, results of operations, financial condition and cash flows. Anti- Kickback, Physician Self- Referral and Other Fraud and Abuse Laws A federal law commonly referred to as the " Anti- Kickback Statute " prohibits the offer, payment, solicitation, or receipt of any form of remuneration to induce, or in return for, the referral of Medicare or other governmental health program patients or patient care opportunities, or in return for the purchase, lease or order of items or services that are covered by Medicare or other federal governmental health programs. Because the prohibitions contained in the Anti- Kickback Statute apply to the furnishing of items or services for which payment is made in " whole or in part, " the Anti- Kickback Statute could be implicated if any portion of an item or service we provide is covered by any of the state or federal health benefit programs described above. Violation of these provisions constitutes a felony criminal offense and applicable sanctions could include exclusion from the Medicare and Medicaid programs. Section 1877 of the Social Security Act, commonly known as the " Stark Law, " prohibits physicians, subject to certain exceptions described below, from referring Medicare or Medicaid patients to an entity providing " designated health services " in which the physician, or an immediate family member, has an ownership or investment interest or with which the physician, or an immediate family member, has entered into a compensation arrangement. These prohibitions, contained in the Omnibus Budget Reconciliation Act of 1993, commonly known as " Stark II, " amended prior federal physician self- referral legislation known as " Stark I " by expanding the list of designated health services to a total of 11 categories. The professional groups with which we are contracted or affiliated provide one or more of these designated health services. Persons or entities found to be in violation of the Stark Law are subject to denial of payment for services furnished pursuant to an improper referral, civil monetary penalties, and exclusion from the Medicare and Medicaid programs. A federal law commonly referred to as the " False Claims Act " prohibits the submission of a false or fraudulent claim to the government for payment or approval. Qui tam relators and / or the government may take the position that we submit certain data or information that could form the basis of a claim for payment, thus subjecting us to allegations under the False Claims Act. In such events, we could be subject to treble damages and per- claim penalties. Many states also have enacted laws similar in scope and purpose to the Anti- Kickback Statute and, in more limited instances, the Stark Law, that are not limited to services for which Medicare or Medicaid payment is made. In addition, most states have statutes, regulations, or professional codes that restrict a physician from accepting various kinds of remuneration in exchange for making referrals. These laws vary from state to state and have seldom been interpreted by the courts or regulatory agencies. In states that have enacted these statutes, we believe that regulatory authorities and state courts interpreting these statutes may regard federal law under the Anti- Kickback Statute and the Stark Law as persuasive. In addition, these laws are subject to modification and changes in interpretation, and are enforced by authorities vested with broad discretion. We continually monitor developments in this area. If we or our third parties with which we contract fail to comply with these laws, or if these laws are interpreted in a manner contrary to our interpretation or are reinterpreted or amended, or if new legislation is enacted with respect to healthcare fraud and abuse, illegal remuneration, or similar issues, we may be required to restructure our affected operations to maintain compliance with applicable law and / or be subject to liability. Such restructuring may not be possible or, if possible, may have a material adverse effect on our results of operations, financial position, or cash flows. Environmental We are subject to various federal, state, and local laws and regulations relating to the protection of human health and the environment. If an environmental regulatory agency finds any of our facilities to be in violation of environmental laws, penalties and fines may be imposed for each day of violation and the affected facility could be forced to cease operations. We could also incur other significant costs, such as cleanup costs or claims by third parties, as a result of releases of hazardous substances or violations of, or other liabilities under, environmental laws. Although we believe that our environmental practices, including waste handling and disposal practices, are in material compliance with applicable laws, future claims or violations, or changes in environmental laws, could have a material adverse effect on our results of operations, financial position or cash flows. State Regulation of Insurance- Related Products Laws in each of the states in which we operate our business license and regulate entities that offer health plans to residents of that state. The products we offer are sold under licenses issued by the applicable insurance regulators. However, for entities offering

Medicare Advantage plans, federal law preempts all state laws and regulations except those relating to licensing and financial solvency. With respect to state regulation of financial solvency, certain of our licensed insurance subsidiaries are subject to regulation under state insurance holding company regulations. These regulations generally require, among other things, prior approval and / or notice of certain material transactions, including dividend payments, purchases or sales of assets, intercompany agreements, and the filing of various financial and operational reports. The amount of dividends that may be paid to us by these insurance subsidiaries, without prior approval by state regulatory authorities, or ordinary dividends, is limited based on the entity' s level of statutory income and statutory capital and surplus. Actual dividends paid may vary due to consideration of excess statutory capital and surplus and expected future surplus requirements. We continue to maintain our levels of aggregate excess statutory capital and surplus in our state- regulated operating subsidiaries. Dividends from our non- insurance companies are generally not restricted by departments of insurance. If any of our plans or operations are found to violate these or other applicable government laws or regulations, we could suffer severe consequences that would have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price, including: • suspension or termination of one or more of our plans; • refunds of amounts received in violation of law or applicable payment program requirements dating back to the applicable statute of limitation periods; • loss of our required government certifications; • loss of our licenses required to operate our clinics and in- house care delivery programs; • criminal or civil liability, fines, damages or monetary penalties for violations of healthcare fraud and abuse laws, including the federal Anti- Kickback Statute, Stark Law and FCA, or other failures to meet regulatory requirements; • enforcement actions by governmental agencies and / or state law claims for monetary damages by members who believe their PHI has been used, disclosed or not properly safeguarded in violation of federal or state patient privacy laws, including HIPAA and the Privacy Act of 1974; • mandated changes to our practices or procedures that significantly increase operating expenses; • imposition of and compliance with corporate integrity agreements that could subject us to ongoing audits and reporting requirements as well as increased scrutiny of our billing and business practices which could lead to potential fines, among other things; • termination of various relationships and / or contracts related to our business, including joint venture arrangements, medical director agreements, real estate leases and consulting agreements with physicians; and • harm to our reputation which could negatively impact our business relationships, affect our ability to attract and retain members and physicians, affect our ability to obtain financing and decrease access to new business opportunities, our ability to develop relationships with providers, among other things. If we are unable to effectively adapt to changes in the healthcare industry, including changes to laws and regulations regarding or affecting the U. S. healthcare reform, our business may be harmed. Due to the importance of the healthcare industry in the lives of all Americans, federal, state, and local legislative bodies frequently pass legislation and promulgate regulations relating to healthcare reform or that affect the healthcare industry. As has been the trend in recent years, it is reasonable to assume that there will continue to be increased government oversight and regulation of the healthcare industry in the future. We cannot predict the ultimate content, timing or effect of any new healthcare legislation or regulations, nor is it possible at this time to estimate the impact of potential new legislation or regulations on our business. It is possible that future legislation enacted by Congress or state legislatures, or regulations promulgated by regulatory authorities at the federal or state level, could adversely affect our business or could change the operating environment of our clinical staff and external providers. It is possible that the changes in Medicare, Medicaid or other governmental healthcare program reimbursements may serve as precedent to possible changes in other payors' reimbursement policies in a manner adverse to us. Similarly, changes in the private payor reimbursements could lead to adverse changes to Medicare, Medicaid and other governmental healthcare programs, which could have a material adverse effect on our business, financial condition and results of operations. The policies and decisions of the federal and state governments regarding the Medicare Advantage program in which we participate have a substantial impact on our profitability. These governmental policies and decisions, which we cannot predict with certainty, directly shape the revenues given to us under the Medicare Advantage program, the eligibility and enrollment of our members, the services we provide to our members, and our administrative, healthcare services, and other costs associated with the Medicare Advantage program. Legislative or regulatory actions, such as changes to the Medicare Advantage program, those resulting in a reduction in payments to us, an increase in our cost of administrative and healthcare services, or additional fees, taxes or assessments, may have a material adverse effect on our results of operations, financial position, and cash flows. For example, CMS recently finalized new regulations ~~addressing~~ **prohibiting MA plans from denying coverage for a Medicare- covered service based on their own internal or proprietary criteria except in certain circumstances and requiring certain policies to be reviewed by the MA plan' s Utilization Management Committee. CMS also recently finalized requirements governing the** marketing ~~activities in the Medicare Advantage program and~~ **of MA plans to beneficiaries. For example, CMS is** requiring ~~additional oversight~~ **a sales agent to tell prospective enrollees how many plans are available from the organization for whom the agent sells and is extending the length** of ~~third~~ **time agents are able to re** ~~- party marketing organizations with whom Medicare Advantage Organizations contract -~~ **contact beneficiaries** to ~~help market~~ **discuss plan options** to ~~potential new members~~ **twelve (12) months** . CMS' s focus on marketing activities coincides with an apparent increased DOJ interest, as well. In recent years, the DOJ has launched investigations into whether marketing and recruiting practices of Medicare Advantage Organizations and their downstream providers violate the FCA. While we believe that we have structured our agreements and operations in material compliance with applicable healthcare laws and regulations, we may be unable to successfully address changes in the current regulatory environment. In addition, some of the healthcare laws and regulations applicable to us are subject to limited or evolving interpretations, and a review of our business or operations by a court, law enforcement or a regulatory authority might result in a determination that could have a material adverse effect on us. Furthermore, the healthcare laws and regulations applicable to us may be amended or interpreted in a manner that could have a material adverse effect on our business, prospects, results of operations and financial condition. New federal restrictions on plans that CMS believes resemble dual- eligible special needs plans and new state- level restrictions on actual dual- eligible special needs plans may restrict the types and number of plans that

we can offer, thus potentially adversely impacting our membership, revenue and / or profitability. Medicare Advantage organizations may offer dual- eligible special needs plans (" D- SNPs "), which are plans that may only enroll beneficiaries who are eligible for both Medicare and Medicaid. D- SNPs must meet additional statutory and regulatory requirements that are intended to address certain challenges faced by the dually eligible population. According to CMS, some Medicare Advantage organizations offer plans that are not D- SNPs but that are designed to attract primarily dual- eligible beneficiaries (" D- SNP look- alike plans "). **In 2020,** CMS ~~recently~~ issued a final rule to restrict the offering of D- SNP look- alike plans. Specifically, CMS will not enter into a contract for a new Medicare Advantage plan that is not a special needs plan and is projected to enroll more than 80 % dual- eligible members. Moreover, CMS will not renew a contract for such plans unless the plan has been active for less than a year and enrolls 200 or fewer members **. There may be additional CMS restrictions on D- SNP plans and their enrollment, as CMS recently released proposals that would, among other things, lower the threshold to seventy percent (70 %) in 2025 and sixty percent (60 %) in 2026** . Additionally, the California Department of Healthcare Services has adopted regulatory changes limiting the availability of D- SNP contracts. These regulatory developments are likely to restrict the types of plans we can offer and the membership mix we can maintain in our plans. To the extent we have to offer enhanced benefits to attract or retain dual- eligible members in certain plans, the profitability of such plans may be impacted. These regulatory developments may accordingly have an adverse impact on our membership, financial condition, results of operations and cash flows. If we lost the services of the licensed physicians who own our associated physician practices for any reason, the contractual arrangements with our associated physician practices could be in jeopardy. As described above, because of regulations preventing the corporate practice of medicine, certain of our associated physician practice groups that operate our clinics are wholly owned or primarily owned by physicians employed by us. Although we retain certain rights regarding the succession of ownership of the associated practices through succession agreements and other arrangements with their physician equity holders, if current owners died, were incapacitated or otherwise were no longer affiliated with us, there could be a material adverse effect on the relationship between us and the associated physician practices and, therefore, our business operations could be adversely affected. The contractual arrangements we have with our associated physician practices are not as secure as direct ownership of such entities. As described above, because of laws prohibiting the corporate practice of medicine, we enter into contractual arrangements to manage certain of our affiliated physician practices. If we were to hold the equity of such physician practices directly, we would be able to exercise our rights as an equity holder directly to effect changes in the boards of directors of those entities, which could effect changes at the management and operational level. In contrast, under our current contractual arrangements with our associated physician groups, we may not be able to directly change the members of the boards of directors of these entities and would have to rely on the entities and the entities' equity holders to perform their obligations in order to exercise our control over the entities. If any of these affiliated entities or their equity holders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. Changes in tax laws may adversely affect us, and the Internal Revenue Service or a court may disagree with tax positions taken by us, which may result in adverse effects on our financial condition or the value of our common stock. The CARES Act, enacted on March 27, 2020, in response to the COVID- 19 pandemic, amended the U. S. federal tax code, generally on a temporary basis. There can be no assurance that future tax law changes will not increase the rate of the corporate income tax significantly, impose new limitations on deductions, credits or other tax benefits, or make other changes that may adversely affect our business, cash flows or financial performance. In addition, the Internal Revenue Service (the" Service") has yet to issue guidance on a number of important issues regarding the changes made by the CARES Act. In the absence of such guidance, we will take positions with respect to a number of unsettled issues. There is no assurance that the Service or a court will agree with the positions taken by us, in which case tax penalties and interest may be imposed that could adversely affect our business, cash flows or financial performance. Risks Related to Our Indebtedness and our Capital Requirements Our existing indebtedness could adversely affect our business and growth prospects. In September 2022, we entered into a senior secured term loan facility with Oxford Finance LLC, maturing in September 2027 (the " Term Loan "). Our indebtedness under the Term Loan bears interest at a variable rate equal to (i) the secured overnight financing rate (" SOFR ") administered by the Federal Reserve Bank of New York for a one- month tenor, subject to a floor of 1. 00 %, plus (ii) an applicable margin of 6. 50 %. As of December 31, ~~2022~~ **2023** , we had $ 165 million in principal amount outstanding under our Term Loan. Our indebtedness under the Term Loan, or any additional indebtedness we may incur, could require us to divert funds identified for other purposes for debt service and impair our liquidity position. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to take any of these actions on a timely basis, on terms satisfactory to us or at all. Because the interest rate applicable to our Term Loan is based on SOFR, it is therefore subject to increases in interest rates. Fluctuations in interest rates can increase borrowing costs. To the extent the interest rates applicable to the Term Loan increase, our interest expense will increase, in which event we may have difficulties making interest payments and funding our other fixed costs, and our available cash flow for general corporate requirements may be adversely affected. Although SOFR has been endorsed by the Alternative Reference Rates Committee as its preferred replacement for the London Interbank Offered Rate (" LIBOR "), it remains uncertain whether or when SOFR or other alternative reference rates will be widely accepted by lenders as the replacement for LIBOR. This may, in turn, impact the liquidity of the SOFR loan market, and SOFR itself. Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates, and SOFR over time may bear little or no relation to the historical actual or historical indicative data. SOFR is observed and backward- looking, which stands in contrast with LIBOR, which is an estimated forward- looking rate and relies, to some degree, on the expert judgment of submitting panel members. It is possible that the volatility of and uncertainty around SOFR and the applicable credit adjustment would result in higher borrowing costs for us, and would adversely affect our liquidity, financial condition, and earnings. Our indebtedness and the cash flow needed to satisfy our debt

have other important consequences, including: • limiting funds otherwise available for financing our capital expenditures by requiring us to dedicate a portion of our cash flows from operations to the repayment of debt and the interest on this debt; • placing us at a competitive disadvantage to our competitors that are not as highly leveraged; and • making us more vulnerable in the event of a downturn in our business. In addition, developments in tax policy, such as the disallowance of tax deductions for interest paid on outstanding indebtedness, could have an adverse effect on our liquidity and our business, financial conditions and results of operations. We expect to use cash flow from operations to meet current and future financial obligations, including funding our operations, debt service requirements and capital expenditures. The ability to make these payments depends on our financial and operating performance, which is subject to prevailing economic, industry and competitive conditions and to certain financial, business, economic and other factors beyond our control. We may not be able to generate sufficient cash flow to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under such indebtedness, including refinancing such indebtedness, which may not be successful. Our ability to make scheduled payments or to refinance outstanding debt obligations depends on our financial and operating performance, which will be affected by prevailing economic, industry and competitive conditions and by financial, business and other factors beyond our control. We may not be able to maintain a sufficient level of cash flow from operating activities to permit us to pay the principal, premium, if any, and interest on our indebtedness. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in penalties or defaults, which would also harm our ability to incur additional indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or seek to restructure or refinance our indebtedness. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants. We may not be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all, and accordingly may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service obligations. If we cannot meet our debt service obligations, the holders of our indebtedness may accelerate such indebtedness and, to the extent such indebtedness is secured, foreclose on our assets. In such an event, we may not have sufficient assets to repay all of our indebtedness. The terms and conditions of our Term Loan restrict our current and future operations, particularly our ability to respond to changes or to take certain actions. Our Term Loan contains a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long- term best interests, including restrictions on our ability to: • incur additional indebtedness or other contingent obligations; • create liens; • make investments, acquisitions, loans and advances; • consolidate, merge, liquidate or dissolve; • sell, transfer or otherwise dispose of our assets; • pay dividends on our equity interests or make other payments in respect of capital stock; and • materially alter the business we conduct. The loan agreement governing our Term Loan includes financial covenants that require us to (i) maintain minimum liquidity, as defined in the loan agreement, of $ 23. 0 million and (ii) remain below a maximum permitted ratio of debt to trailing twelve- month revenue, as set forth in the loan agreement. Our ability to satisfy those tests can be affected by events beyond our control. As of December 31, ~~2022~~ **2023** , we were in compliance with the financial covenants. A breach of the covenants or restrictions under the Term Loan could result in an event of default under such document. Pursuant to a security agreement with the lender, we granted a first priority security interest in substantially all of our assets (excluding those held by certain subsidiaries), including certain intellectual property and a pledge of the equity interests in certain subsidiaries, subject to customary exceptions. Accordingly, a default may allow the lenders to accelerate the debt and to seize our assets that serve as collateral for the loan. In the event the holders of our indebtedness accelerate the repayment, we may not have sufficient assets to repay that indebtedness or be able to borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms acceptable to us. As a result of these restrictions, we may be: • limited in how we conduct our business; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to compete effectively or to take advantage of new business opportunities. These restrictions, along with restrictions that may be contained in agreements evidencing or governing other future indebtedness, may affect our ability to grow in accordance with our growth strategy. Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations. We may need to raise additional funds, and we may not be able to obtain additional debt or equity financing on favorable terms or at all. Our need for additional capital will depend on our business needs, requirements and opportunities, including to develop and enhance new and existing products and services, enter new markets, further develop our infrastructure, and comply with any statutory, regulatory or contractual capital and liquidity requirements. In addition, we intend to assess strategic acquisitions as the opportunities arise, some of which may be material to our operations. Our ability to obtain additional capital will depend on our development efforts, business plans, investor demand, operating performance, the condition of the capital markets, and other factors. If we raise additional equity financing, our security holders may experience significant dilution of their ownership interests. The equity securities we issue may also have rights, preferences, or privileges senior to the rights of existing stockholders. If we engage in additional debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions. In addition, the covenants in our Term Loan limit our ability to obtain additional debt, and any failure to adhere to these covenants could result in penalties or defaults that could further restrict our liquidity or limit our ability to obtain financing. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things: • develop and enhance our member services; • maintain or expand our marketing efforts; • maintain our presence in certain existing markets or enter new markets as currently planned, or at all; • continue to expand our organization; • hire, train and retain employees; • respond to competitive pressures or unanticipated working capital requirements; or • pursue acquisition opportunities. If we are unable to

obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited or impaired. Risks Related to Our Common Stock Our operating results and stock price may be volatile, including as a result of factors that are beyond our control. Our quarterly operating results are likely to fluctuate in the future. In addition, securities markets worldwide, and public companies in the healthcare and technology industry in particular, have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could subject the market price of our shares to wide price fluctuations regardless of our operating performance. Our operating results and the trading price of our shares may fluctuate in response to various factors, including: • market conditions in our industry or the broader stock market; • actual or anticipated fluctuations in our quarterly or annual financial and operating results; • our announcement of actual results for a fiscal period that are higher or lower than revenue or earnings guidance or our announcement of revenue or earnings guidance that is higher or lower than expected; • introduction of new solutions or services by us or our competitors; • issuance of new or changed securities analysts' reports or recommendations; • sales, or anticipated sales, of large blocks of our stock; • additions or departures of board members, management or other key personnel; • regulatory or political developments, including those related to Medicare; • litigation and governmental investigations; • changing economic conditions; • investors' perception of us; • ~~health epidemics, such as the COVID- 19 pandemic; • other~~ events beyond our control, such as earthquakes **, epidemics** , weather and war; and • any default on our indebtedness. These and other factors, many of which are beyond our control, may cause our operating results and the market price and demand for our shares to fluctuate substantially. Fluctuations in our quarterly or annual operating results could limit or prevent investors from readily selling their shares and may otherwise negatively affect the market price and liquidity of our shares. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our shareholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation. Further, we provide indemnification for our officers and directors for certain claims in connection with such litigation. Large indemnity payments would adversely affect our business, results of operations, and financial condition. Our actual operating results may not meet or exceed our guidance and investor expectations, which would likely cause our stock price to decline. From time to time, we may release guidance in our earnings releases, earnings conference calls or otherwise, regarding our future performance that represent our management' s estimates as of the date of release. If given, this guidance, which will include forward- looking statements, will be based on projections prepared by our management. Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. Our actual results could differ materially from such projections. Factors that could cause or contribute to such differences include, but are not limited to, those identified in this " Risk Factors " section. The principal reason that we expect to release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. With or without our guidance, analysts and other investors may publish expectations regarding our business, financial performance and results of operations. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. If our actual performance does not meet or exceed our guidance or investor expectations, the trading price of our common stock may decline. Although our common stock is currently listed on the Nasdaq Stock Market under the symbol " ALHC, " an active trading market for our shares may not be sustained. Accordingly, if an active trading market for our common stock is not maintained, the liquidity of our common stock would be limited, and holders of our common stock may not be able to sell their shares when desired. Moreover, the prices that they may obtain for their shares would be adversely affected. An inactive market may also impair our ability to raise capital to continue to fund operations by issuing shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. The Lead Sponsors hold a substantial percentage of our outstanding common stock and have the ability to significantly influence our management, business plans and policies and the election of our directors, and their interests may conflict with ours or the holders of our common stock in the future. As of December 31, ~~2022~~ **2023** , funds managed by General Atlantic, L. P. (" General Atlantic ") and Warburg Pincus LLC (" Warburg Pincus " and, together with General Atlantic, the " Lead Sponsors ") beneficially owned approximately ~~42~~ **41** . ~~2~~ **9** % of our outstanding common stock, which means that, based on their combined percentage voting power, the Lead Sponsors together have the ability to significantly influence the vote of all matters submitted to a vote of our shareholders, including the election of the members of our board of directors (the " Board ") and all other corporate decisions. Accordingly, the Lead Sponsors have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers, decisions on whether to raise future capital and amending our charter and bylaws, which govern the rights attached to our common stock. In particular, for so long as the Lead Sponsors continue to own a significant percentage of our stock, the Lead Sponsors are able to exert substantial influence over any proposed change of control of us or a change in the composition of our Board and could effectively preclude any unsolicited acquisition of us. The concentration of ownership could deprive holders of an opportunity to receive a premium for their shares of common stock as part of a sale of us and ultimately might affect the market price of our common stock. In addition, in connection with our IPO, we entered into a Stockholders Agreement with the Lead Sponsors that provides (x) General Atlantic the right to designate: (i) four of the nominees for election to our Board for so long as General Atlantic beneficially owns at least 35 % of our common stock then outstanding; (ii) three of the nominees for election to our Board for so long as General Atlantic beneficially owns less than 35 % but at least 25 % of our common stock then outstanding; (iii) two of the nominees for election to our Board for so long as General Atlantic beneficially owns less than 25 % but at least 15 % of our common stock then outstanding; and (iv) one of the nominees for election to our Board for so long as General Atlantic beneficially owns less than 15 % but at least 5 % of our

common stock then outstanding and (y) Warburg Pincus the right to designate one of the nominees for election to our Board for so long as Warburg Pincus beneficially owns at least 5 % of our common stock then outstanding. The Lead Sponsors may also assign such rights to their affiliates. Moreover, so long as General Atlantic continues to hold at least 25 % of our common stock then outstanding, the Stockholders Agreement also gives General Atlantic approval rights over certain major corporate decisions such as certain acquisitions and incurrence of debt. The Lead Sponsors and their affiliates engage in a broad spectrum of activities, including investments in the healthcare industry generally. In the ordinary course of their business activities, the Lead Sponsors and their affiliates may engage in activities where their interests conflict with our interests or those of our other stockholders, such as investing in or advising businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. Our certificate of incorporation provides that none of the Lead Sponsors, any of their affiliates or any director who is not employed by us (including any non- employee director who serves as one of our officers in both his director and officer capacities) or its affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The Lead Sponsors also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, each of the Lead Sponsors may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to holders of our common stock. Future sales and issuances by us of our common stock could result in additional dilution to you and could cause the price of our common stock to drop significantly. Additionally, a significant portion of our total outstanding shares may be sold into the market in the future. This could also cause the market price of our common stock to drop significantly, even if our business is doing well. As of December 31, ~~2022~~ **2023**, we had ~~187~~ **188**, ~~280~~ **951**, ~~015~~ **643** outstanding shares of common stock. From time to time in the future, we may issue additional shares of our common stock or securities convertible into our common stock pursuant to a variety of transactions, including acquisitions. The issuance by us of additional shares of our common stock or securities convertible into our common stock would dilute the ownership of our existing stockholders and may cause the price of our common stock to drop significantly. Moreover, sales of a substantial number of shares of our common stock in the public market by the existing holders thereof could occur at any time. The Lead Sponsors are entitled, under a registration rights agreement, to require us to register shares owned by them for public sale in the United States. Additionally, we have registered shares of common stock that we may issue under our equity compensation plans. Subject to the satisfaction of vesting conditions, such shares can be freely sold in the public market upon issuance. Sales by these holders, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities. If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares or if our results of operations do not meet their expectations, our stock price and trading volume could decline. The trading market for our shares is influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline. We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock. Our certificate of incorporation authorizes us to issue one or more series of preferred stock. Our Board has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our shareholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium to the market price, and materially adversely affect the market price and the voting and other rights of the holders of our common stock. We have no current plans to pay regular cash dividends on our common stock for the foreseeable future. We do not anticipate paying any regular cash dividends on our common stock for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of existing and any future outstanding indebtedness we or our subsidiaries incur. Therefore, any return on investment in our common stock is solely dependent upon the appreciation of the price of our common stock on the open market, which may not occur. Provisions of our corporate governance documents could make an acquisition of us more difficult and may prevent attempts by our shareholders to replace or remove our current management, even if beneficial to our shareholders. In addition to the Lead Sponsors' beneficial ownership of a combined ~~42~~ **41** . ~~2~~ **9** % of our common stock, our certificate of incorporation and bylaws and the Delaware General Corporation Law (the " DGCL ") contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Among other things, these provisions: • provide that any amendment, alteration, rescission or repeal of our certificate of incorporation or our bylaws by our stockholders will require the affirmative vote of the holders of at least 66 2 / 3 % in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class; • allow us to authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without shareholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of stockholders; • provide for a classified board of directors with staggered three- year terms; • prohibit stockholder action by written consent from and after the date on which the Lead Sponsors beneficially own, in the aggregate, less than 40 % of our common stock then outstanding; and • establish advance notice

requirements for nominations for elections to our Board or for proposing matters that can be acted upon by stockholders at stockholder meetings, provided, however, that at any time a Lead Sponsor beneficially owns, in the aggregate, at least 40 % of our common stock then outstanding, such advance notice provision will not apply to that Lead Sponsor. Our certificate of incorporation contains a provision that provides us with protections similar to Section 203 of the DGCL, and prevents us from engaging in a business combination with a person who acquires at least 15 % of our common stock for a period of three years from the date such person (excluding the Lead Sponsors and any of their direct or indirect transferees and any group as to which such persons are a party) acquired such common stock, unless Board or stockholder approval is obtained prior to the acquisition. These provisions could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and cause us to take other corporate actions they desire, including actions that they may deem advantageous, or negatively affect the trading price of our common stock. In addition, because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board or initiate actions that are opposed by our then-current Board, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for our stockholders to realize value in a corporate transaction. The provision of our certificate of incorporation requiring exclusive forum in the Court of Chancery of the State of Delaware or the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers. Pursuant to our certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine; provided that for the avoidance of doubt, the forum selection provision that identifies the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation, including any " derivative action ", will not apply to suits to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which there is exclusive federal or concurrent federal and state jurisdiction. Additionally, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or stockholders, which may discourage lawsuits with respect to such claims. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions. Further, in the event a court finds any such exclusive forum provision contained in our certificate of incorporation to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. Our certificate of incorporation further provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the provisions of our certificate of incorporation described above. The forum selection clauses in our certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our shareholders' ability to obtain a favorable judicial forum for disputes with us. General Risk Factors Economic downturn or unstable market and economic conditions, including rising rates of inflation, may have serious adverse consequences on our business, financial condition and share price. The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates, higher interest rates and uncertainty about economic stability. Any such volatility and disruptions, or a general sustained economic downturn, may have adverse consequences on us or the third parties on whom we rely. Increased inflation rates, for example, have previously and may in the future adversely affect us by increasing our costs, including interest rates applicable to outstanding indebtedness, labor and employee benefit costs and increasing medical expenses. Additionally, if the equity and credit markets deteriorate, including as a result of **natural disaster** ~~COVID- 19~~ or due to political unrest or war, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive. During periods of **economic downturn or** high unemployment, governmental entities often experience budget deficits as a result of increased costs and lower than expected tax collections. ~~The COVID- 19 pandemic has created additional budgetary pressure on governmental entities. These budget~~ **Budget** deficits at federal, state and local government entities have decreased, and may continue to decrease, spending for health and human service programs, including Medicare and similar programs, which represents the most significant revenue source for us. Any of these negative economic conditions could have a material adverse effect on our business, results of operations and financial condition. Our business, financial condition and results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions. We are currently operating our business in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could impact the global economy, trigger further geopolitical tensions or conflicts, and lead to market disruptions, including significant volatility in commodity prices and credit and capital markets, as well as supply

chain interruptions. Among other things, the conflict could impact us in the following ways: • the conflict could contribute, directly or indirectly, to inflation or an economic downturn, which could result in budget deficits at federal, state and local government levels and a reduction in spending for health and human service programs, including Medicare and similar programs, which represents the most significant revenue source for us; • as an indirect result of the conflict, we may be faced with an increased risk of security breaches of our information technology networks and systems infrastructure, including electronic break- ins, computer viruses, ransomware, attacks by hackers and other malicious actors and similar breaches; • disruptions caused by the Russia- Ukraine conflict or other geopolitical conflicts could impact our ability to pursue our growth strategy, including through disruptions to our supply chain; and • volatility in the global capital markets as well as other global economic consequences of the conflict could adversely affect our ability to raise capital on acceptable terms. We are continuing to monitor the situation in Ukraine and assessing its potential impact on our business. **Other geopolitical conflicts could in the future present the same or similar risks.** If any of the foregoing risks were to occur, they could have a material adverse impact on our business, financial condition and results of operations. Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity and teamwork fostered by our culture and our business may be harmed. We believe that our culture has been and will continue to be a critical contributor to our success. We expect to continue to hire aggressively as we expand, and we believe our corporate culture has been crucial in our success and our ability to attract highly skilled personnel. If we do not continue to develop our corporate culture or maintain and preserve our core values of always putting the senior first, supporting doctors, using data and technology to revolutionize healthcare and acting with a serving heart, as we grow and evolve, we may be unable to foster the innovation, curiosity, creativity, focus on execution, teamwork and the facilitation of critical knowledge transfer and knowledge sharing we believe we need to support our growth. Our anticipated headcount growth and our transition from a private company to a public company may result in a change to our corporate culture, which could harm our business. The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business. As a public company, we incur legal, accounting and other expenses that we did not previously incur. We are subject to the reporting requirements of the Exchange Act and the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act "), the listing requirements of and other applicable securities rules and regulations. Compliance with these rules and regulations will continue to increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business, financial condition and results of operations. The Sarbanes- Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting, as discussed further below. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert our management' s attention from implementing our growth strategy, which could prevent us from improving our business, financial condition and results of operations. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, these rules and regulations increase our legal and financial compliance costs and make some activities more time- consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain the same or similar coverage. These additional obligations could have a material adverse effect on our business, financial condition and results of operations. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We have invested, and will continue to invest, resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of our management' s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and there could be a material adverse effect on our business, financial condition and results of operations. As a result of becoming a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting in order to comply with Section 404 of the Sarbanes- Oxley Act. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting, which includes hiring additional accounting and financial personnel to implement such processes and controls. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting- related costs and significant management oversight. These internal controls may not be determined to be effective, which may adversely affect investor confidence in us and, as a result, the value of our common stock. We are required by Section 404 of the Sarbanes- Oxley Act to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting ~~commencing with this annual report on Form 10- K~~. If during the evaluation and testing process we identify one or more material weaknesses or significant deficiencies in our internal control over financial reporting, our management may be unable to assert that our internal control over financial reporting is effective.

In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act. Additionally ~~, commencing with this annual report on Form 10- K~~ , our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may issue a report that is qualified if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed. If we are not able to ~~implement~~ **comply with** the requirements of Section 404 of the Sarbanes- Oxley Act ~~in a timely manner or with adequate compliance~~ , our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting, and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows. Our business could be negatively impacted by environmental, social and corporate governance matters or our reporting of such matters. There is an increasing focus from certain investors, employees, partners, and other stakeholders concerning ESG matters. We may be, or be perceived to be, not acting responsibly in connection with these matters, which could negatively impact us. Moreover, the SEC has recently proposed, and may continue to propose, certain mandated ESG reporting requirements, such as the SEC' s proposed rules designed to enhance and standardize climate- related disclosures, which, if finally approved, would significantly increase our compliance and reporting costs and may also result in disclosures that certain investors or other stakeholders deem to negatively impact our reputation and / or that harm our stock price. We currently do not report our environmental emissions and absent a legal requirement to do so we currently do not plan to report our environmental emissions, and lack of reporting could result in certain investors declining to invest in our common stock. Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on our business, financial condition and results of operations. Our commercial success depends on our ability to develop and commercialize our products and services and use our internally developed technology without infringing the intellectual property or proprietary rights of third parties. Intellectual property disputes can be costly to defend and may cause our business, operating results and financial condition to suffer. As the market for healthcare in the United States expands and more patents are issued, the risk increases that there may be patents issued to third parties that relate to our technology of which we are not aware or that we must challenge in order to continue our operations as currently or in the future contemplated. Whether merited or not, we may face allegations that we, our partners or parties indemnified by us have infringed, misappropriated or otherwise violated the patents, trademarks, copyrights, trade secrets or other intellectual property rights of third parties. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the purpose of making such claims and attempting to extract settlements from companies like ours. We may also face allegations that our employees have misappropriated the trade secrets or other intellectual property or proprietary rights of their former employers or other third parties. It may be necessary for us to initiate litigation to defend ourselves in order to determine the scope, enforceability, validity or ownership of third- party intellectual property or proprietary rights, or to establish our respective rights. We may not be able to successfully settle or otherwise resolve such adversarial proceedings or litigation. If we are unable to successfully settle future claims on terms acceptable to us we may be required to engage in or to continue claims, regardless of whether such claims have merit, that can be time- consuming, divert management' s attention and financial resources and be costly to evaluate and defend. Results of any such litigation are difficult to predict and may require us to stop commercializing or using our technology, obtain licenses, modify our services and technology while we develop non- infringing substitutes or incur substantial damages, settlement costs or face a temporary or permanent injunction prohibiting us from marketing or providing the affected products and services. If we require a third- party license, it may not be available on reasonable terms or at all, and we may have to pay substantial royalties and upfront or ongoing fees, or grant cross-licenses to our own intellectual property rights. Such licenses may also be non- exclusive, which could allow competitors and other parties to use the subject technology in competition with us. We may also have to redesign our services so they do not infringe, misappropriate or otherwise violate third- party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time, during which our technology may not be available for commercialization or use. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not obtain a third- party license to the infringed technology at all, license the technology on reasonable terms or obtain similar technology from another source, our revenue and earnings could be adversely impacted. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business with respect to intellectual property. Some third parties may be able to sustain the costs of complex litigation more effectively than we can because they have substantially greater resources. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Moreover, any uncertainties resulting from the initiation and continuation of any legal proceedings could have a material adverse effect on our ability to raise the funds necessary to continue our operations. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.