Risk Factors Comparison 2023-09-12 to 2022-09-13 Form: 10-K

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Our business, results of operations, and financial condition are subject to numerous risks and uncertainties. You should carefully consider the following risk factors 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 prospects could be materially and adversely affected. You should read these risk factors in conjunction with " Management' s Discussion and Analysis of Financial Condition and Results of Operations " in Item 7 and our consolidated financial statements and related notes in Item 8 of this Annual Report on Form 10- K. Summary of Risk Factors There are a number of risks related to our business, regulation, our indebtedness and our common stock that you should consider. Some of the principal risks related to our business include the following: ~~●~~ • **Our growth strategy** may **not prove viable** ~~be impacted by factors outside of our control~~ .Our ability to grow ~~organically~~ depends upon a number of factors,including ~~the results of ongoing and~~ future audits ~~(including our audits in California,Colorado and New Mexico)~~ ,investigations and remediation efforts,recruiting new participants,finding suitable geographies that have aging populations and viable rate structures,entering into government payor arrangements in new jurisdictions,ensuring compliance with regulatory and contractual requirements,identifying appropriate **locations or existing** centers,purchasing centers or obtaining leases,completing build- outs of new centers within proposed timelines and budgets and hiring members of our IDTs and other employees. ~~We cannot~~ **Additionally,our growth strategy is dependent upon our ability to identify and successfully complete acquisitions.** • We face inspections, reviews, audits and investigations under federal and state government programs and contracts. As a result of PACE contracts with CMS and state government agencies, state licenses and participation in Medicaid, we are ~~routinely~~ **regularly** subject to various **routine and non- routine** governmental inspections, reviews, audits, requests for information and investigations to verify our compliance with applicable laws and regulations, assess the quality of our services provided to our participants and evaluate the accuracy of the risk adjustment data we submit. ~~As a result~~ **During fiscal years 2022 and 2023, we were subject to sanctions precluding the enrollment** of **new participants at our centers in Sacramento, California and Colorado due to** deficiencies found in ~~these~~ **such** audits **. Even though** ~~, our enrollments are suspended in each of our centers in Colorado and our Sacramento, California center and are in~~ the ~~process of implementing~~ **deficiencies have been remediated and the sanctions have been lifted, we continue post- sanction** corrective **work** ~~action plans (CAPs)~~ . **We may be subject to future** ~~At this time, we cannot guarantee the final outcome of the processes described above or other~~ audits **and sanctions and** ~~of our centers. If we~~ are unable to **guarantee** ~~effectively remediate~~ the **outcomes of any such audits** ~~deficiencies and implement the CAPs or otherwise satisfy the agencies' concerns, we could be subject to additional sanctions~~ . ~~●~~ • We are subject to legal proceedings, enforcement actions and litigation, malpractice and privacy disputes, which are costly and could materially harm our business. We are party to lawsuits and legal proceedings from employees, participants **and their estates** and various third parties in the normal course of business. These matters are often expensive and disruptive to normal business operations. **We are currently subject** ~~In October 2021, as amended in June 2022, we were named as a defendant in a putative class action complaint filed in the District Court of Colorado on behalf of individuals who purchased or acquired shares of our stock during a specified period. Additionally, in April 2022, we received a books and records demand pursuant~~ to ~~Section 220 of Delaware law in connection with a shareholder' s investigation of, among other things, breaches of fiduciary duty and mismanagement. In addition, we have received~~ civil investigative demands ~~from~~ **and stockholder lawsuits, among** ~~the~~ **other** ~~Attorney General for the State of Colorado, with respect to our Colorado centers, and the Department of Justice (" DOJ "), with respect to all our centers, on similar subject matter~~ **matters** . There can be no assurance that these matters are resolved in our favor or without significant cash settlements. The time and resources necessary to litigate the claims could harm our reputation, business, financial condition, results of operations and market price of our common stock. ~~●~~ • **We have and expect to continue experiencing increased costs and expenditures in the future. In fiscal year 2023, we launched and conducted several initiatives intended to lower certain of our costs. However, we expect to continue to have increased costs in the foreseeable future. We may not succeed in increasing our revenue sufficiently to improve our profit margins and if we are not able to execute or realize the benefits of our clinical value initiatives, our profitability could continue to decline.** • Under our PACE contracts, we assume all of the risk that the cost of providing services will exceed our compensation. Approximately 99. **8 % and 99.** 7 ~~% and 99. 5~~ % of our revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~ , respectively, was derived from capitation agreements with government payors in which we receive fixed PMPM fees. To the extent that our participants require more care than is anticipated and / or the cost of care increases, aggregate fixed capitation payments may be insufficient to cover the costs associated with treatment. If, in aggregate, our expenses exceed the underlying capitation payment received, we will not be able to fund operations and pursue ~~acquisitions~~ **growth** . ~~●~~ • Our revenues and operations are dependent upon a limited number of government payors, particularly Medicare and Medicaid. When aggregating the revenue associated with Medicare and Medicaid by state, Colorado, California and Virginia accounted for a total of approximately 83. **0 % and 83.** 3 ~~% and 82. 6~~ % of our capitation revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~ , respectively. We expect a majority of our revenues will continue to be derived from a limited number of key government payors, which may terminate **their** ~~theircontracts~~ ----- **contracts** with us upon the occurrence of certain events. The sudden loss of any of our government contracts or the renegotiation of any of our contracts could adversely affect our operating results and limit our ability to expand into new markets. ~~●~~ • Reductions in PACE reimbursement rates or changes in the rules governing

PACE programs could have a material adverse effect on our financial condition and results of operations. We receive a substantial portion of our revenue through the PACE program, which accounted for 99. 8 % and 99. ~~6~~ **8** % of our revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~, respectively. As a result, our operations are dependent on government funding levels for PACE programs. Any changes that limit or reduce general PACE rates could have a material adverse effect on our business ~~, results of operations, financial condition and cash flows, restrict our ability to continue providing quality care to our participants and limit our opportunities for growth~~. ~~●~~ • Our records and submissions to government payors may contain inaccurate or unsupportable information regarding risk adjustment scores of participants, which could cause us to overstate or understate our revenue and subject us to payment obligations or penalties. The submission of erroneous data could result in inaccurate revenue and risk adjustment payments, which may be subject to correction or retroactive adjustment in later periods. CMS may audit PACE organizations' risk adjustment data submissions. We could be required to refund a portion of the revenue that we received, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. ~~●~~ • Renegotiation, non- renewal or termination of capitation agreements with government payors could have a material adverse effect on our business, results of operations, financial condition and cash flows. If we enter into capitation contracts with unfavorable economic terms, or a capitation contract is adjusted to include unfavorable terms, we could suffer losses with respect to such contract. In addition, some states in which we operate undergo periodic reconciliations with respect to enrollments that present a risk to our business, results of operations, financial condition and cash flows. ~~●~~ • Allegations of failure and failure to adhere to complex government laws and regulations that apply to our business, have had and could in the future have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price. Our operations are subject to extensive federal, state and local government laws and regulations. Allegations of violation, or actual violations of the legal requirements implicated by our business ~~has resulted in and~~ may **have material adverse consequences on** ~~in the future result in, among other things, government audits, decreased payment rates, significant fines and penalties, the potential loss of certification, recoupment efforts or~~ **our business** ~~retractions of reimbursement previously paid, voluntary repayments, exclusion from governmental healthcare programs, written warnings, corrective action plans, monitoring, reputational harm, suspension of new enrollment (as is the case currently with respect to our Sacramento, California and Colorado centers) or the restriction of current enrollment, the withholding of payments under the PACE program agreement, and termination of the PACE program agreement~~. ~~●~~ • Ignite Aggregator LP (an investment vehicle owned by certain funds advised by Apax Partners LLP) and funds affiliated with Welsh, Carson, Anderson & Stowe (together, our " Principal Shareholders ") control us, and their interests may conflict with ours or yours in the future. Our Principal Shareholders beneficially own approximately 86 % of our common stock, which means that ~~, based on their combined percentage voting power of our common stock, the Principal Shareholders~~ together **they** control the vote of all matters submitted to a vote of our stockholders, **including** ~~which enable them to control~~ the election of ~~the~~ members of the Board of Directors of the Company (the " Board ") and all other corporate decisions. **For** ~~Accordingly, for~~ such period of time as our Principal Shareholders beneficially own a majority of the voting power, they will have significant influence with respect to our ~~management,~~ business ~~plans and policies, including~~ **. • Our operating results may fluctuate significantly in** 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~~ **makes our future operating results difficult** to **predict and could cause such results to fall below any guidance we provide. If the guidance we provide falls short or we are unable to meet the expectations of analysts or investors, the trading price of** our common stock **could decline substantially** . ~~21Risks -- Risks~~ Related to Our Business ~~and maintaining high quality service across all~~ **We may not realize expected results from** our **business strategy.Part of our business strategy,if and when allowed,is to grow by expanding our network of** centers ~~,~~ **and** is ~~to return to growth~~ **significantly dependent on adding center capacity** in ~~the mid~~ **our existing markets,expanding into new geographies by developing de novo centers,executing on tuck** - ~~to long- term~~ **in acquisitions,recruiting new participants and directly contracting with government payors,such as Medicare and Medicaid** . ~~We are seeking~~ **In the future,we expect to seek** growth opportunities both organically ~~by increasing utilization of capacity at our centers or building de novo centers,~~ and through acquisitions ~~and partnerships~~ ,the availability and success of which may be impacted by factors outside of our control.Our ability to grow **organically** depends upon a number of factors,including **the results of ongoing and** future audits **(including our audits in California,Colorado and New Mexico)** ,investigations and ~~ongoing or new~~ remediation efforts,recruiting new participants,finding suitable geographies that have aging populations and viable rate structures,entering into government payor arrangements in new jurisdictions,ensuring compliance with regulatory and contractual requirements,identifying appropriate ~~locations or existing~~ centers,purchasing centers or obtaining leases,completing build- outs of new centers within proposed timelines and budgets and hiring members of our IDTs and other employees. **We cannot predict the results** ~~If we are unable to increase participant enrollment,increase utilization~~ of **ongoing** ~~capacity at our~~ **or future investigations or audits,nor can we guarantee that we will be successful in our remediation efforts necessary to** ~~centers~~ -- **enter additional markets.Additionally** , **if we fail to** ~~build de novo centers,manage our external provider costs,expand into new geographies,or find,~~ evaluate and execute ~~on~~ new business opportunities **properly** ,we may ~~be unable to grow~~ **not achieve anticipated benefits** and **may incur increased costs** ~~our business and results of operations will be materially adversely affected~~ .Our growth strategy involves a number of risks and uncertainties,including that: ~~•~~ ● we **are** ~~may be~~ subject to sanctions as a result of ~~other~~ **deficiencies identified during** audits **of** ~~and other regulatory processes and proceedings that could include temporary or~~ **our** ~~permanent suspension of enrollments~~ **PACE centers in Sacramento,California and Colorado and may not be able to successfully implement the corrective action plans** (~~such~~ **CAPs);** as **a result** ~~the recent audits to our centers in Sacramento~~ , **we are currently precluded from growing organically in the states of** California and Colorado ~~),debarment or exclusion from participation in federal health care programs,~~ and ~~the revocation of a center' s license,which may in turn result in participant attrition and preclude us~~ from opening de novo centers ~~and conducting tuck-~~ in ~~acquisitions~~ **the states of California,Kentucky,Indiana and Florida** ; ~~•~~ ● we may not

be able to successfully enter into contracts with government payors and / or other healthcare providers on terms favorable to us or at all.In addition,we compete for government payor relationships with other potential players,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 recruit or retain a sufficient number of new participants to execute our growth strategy or ,**and we may incur substantial costs to recruit new participants and we may be unable to recruit a sufficient number of new participants to** offset **those** costs relating to recruiting new participants ; • ● we may not be able to hire sufficient numbers of physicians and other clinical staff,particularly **on account of** if there is a heightened demand for healthcare personnel **on account** or labor shortage,including as a result of macroeconomic conditions or an epidemic,pandemic or other health emergency,such as the COVID- 19 pandemic; • **25** ● 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; • we may face larger than expected costs and ● legal,community or other obstacles in the construction and opening of de novo centers or expanding capacity in existing centers;and • we may have difficulty identifying appropriate acquisition targets,be precluded from acquiring targets as a result of the recent sanctions **we face in the states of California and Colorado** or due to other legal restrictions (e.g.federal or state antitrust laws), may fail to satisfy closing conditions or make investments in acquisitions that we are unable to effectively integrate,involve associated risks or liabilities that we are unable to uncover in advance,or that require greater resources than anticipated and that could include deficient quality of service . In addition,as **There can be no assurance that** we **will be able to successfully capitalize on** grow **growth opportunities,which has negatively impacted** our business **model,revenues,results of operations** and open **financial condition.Under** or **our PACE** acquire new centers,we expect to continue to increase our headcount and to hire or contract **contracts** with more physicians , nurses and **we assume all of** other -- **the** specialized medical personnel.We **risk that the cost of providing services** will **exceed our compensation.** need to continue to hire,train and manage additional qualified information technology, We face inspections, reviews, audits and investigations under federal and state government programs and contracts. These audits require corrective actions and have resulted in adverse findings that have negatively affected and continue to affect our business, including our results of operations, liquidity, financial condition and reputation. As a result of our PACE contracts with CMS and state government agencies, state licenses, and participation in Medicaid, we are routinely **regularly** subject to, and will continue to be subject to, various **routine and non- routine** governmental inspections, reviews, audits, requests for information and investigations to verify our compliance with requirements of these programs and applicable laws and regulations, assess the quality of the services we are providing to our participants, and evaluate the accuracy of the risk adjustment data we have submitted to the government. **Starting in 2021, we underwent federal and state audits in our centers in California,** Colorado . On May 26, 2021, the Colorado Department of Health Care Policy & Financing (" HCPF ") and **New Mexico** the Colorado Department of Public Health and Environment (" CDPHE ") initiated a joint audit of our Colorado PACE centers, and on June 21, 2021, CMS also initiated a separate focused desk audit of our Colorado PACE program . Effective December 23, 2021, CMS suspended new enrollments at the Company' s Colorado centers, based **Based** on deficiencies detected in the joint audit **audits** related to participant provision of services, which can be categorized as care delivery and management, care coordination and documentation of care , . The suspension will remain in effect until CMS **and regulatory authorities in** determines that we have remediated the deficiencies to their -- **the states of California** satisfaction. Effective on the same date, HCPF also determined to impose sanctions and **Colorado** suspended new enrollments at the Company' s **our Sacramento center in California and our centers in** Colorado centers identifying certain deficiencies specific to Medicaid or state law . In addition, as a result of their -- **the** specific findings **enrollment sanctions** , CDPHE mandated **the States of California, Kentucky and Indiana took actions to suspend our ability to open de novo centers in those states, and we committed to regulatory agencies in the State of Florida,** that we **would proactively pause remaining steps with respect** retain a consultant for a period of 12 months to oversee our remediation efforts, and issued **planned de novo centers in that state. Largely as** a $ 10 **result of these sanctions and actions** , 000 penalty **our census decreased from approximately 6** , which we **850 participants as of June 30, 2021 to 6, 400 as of June 30, 2023. We were fully released from the enrollment sanctions in Colorado in January 2023 and in California in May 2023, and** have paid **resumed enrollments in those States** . In January **Florida** and **California** February 2022 , we submitted corrective **are moving forward with pursuit of licensure required to open a PACE center in each of Tampa and Orlando, and in Downey. Since the Company was released from** action **sanctions** plans **, in Florida, we have received our Adult Day Care Center** (" CAP **ADCC** ") **licenses from** to each of these -- **the Florida Agency for Health Care Administration (" AHCA ")** agencies. Each of the agencies has accepted our CAPs, and, in June 2022, both CMS **Tampa** and **Orlando** HCPF began monitoring the implementation of the CAPs . We **have completed** cannot guarantee that we will be able to implement the CAPs, or **our** that we will be able **onsite State Readiness Review (" SRR ") inspection in Tampa and are working with AHCA** to remedy **schedule** the **onsite SRR inspection for Orlando** deficiencies specified by each of the agencies . In addition **California** , **we have worked** although these agencies coordinate many of the actions taken with respect to these audits, they - **the** each have separate mandates and are not obligated to act together or reach the same decisions. Therefore, we cannot guarantee that the agencies will not separately request further actions or impose additional separate sanctions. California . On May 10, 2021, CMS began an audit of our Sacramento, California center. On September 17, 2021, we were notified that CMS had determined to suspend new enrollments at our Sacramento center based on deficiencies detected in the audit related to participant provision of services, which can be categorized as care delivery and management, care coordination and documentation of care, and on September 30, 2021, we were further notified that the Department of Health Care Services (" DHCS ") of the State of **to resume our application in Downey,** California had reached **. In Kentucky and Indiana,** the **there** same determination. The suspension **continues to be uncertainty as to whether we** will remain in effect until CMS and DHCS determine that **be able to pursue those opportunities. In addition,** we **continue post- sanction monitoring work required by the states of Colorado, and the time,**

effort and expenses related to the post- sanction monitoring continue to be significant. Audits have ~~remediated the deficiencies~~ **and may continue** to ~~their satisfaction. We submitted a CAP in October 2021~~ **increase our regulatory compliance costs and have required and may require further change to our business practices** , which ~~has~~ **could negatively impact our participant and revenue growth. Managing audits,** ~~been~~ **even if we achieve favorable outcomes** ~~accepted by both CMS and DHCS. We are in the process of working with CMS and the state to determine the remaining steps before entering the validation process. On January 7~~ , ~~2022~~ **is costly** , **time- consuming and diverts management** ~~DHCS notified us that it was suspending the State~~ ’ s ~~previously provided assurances~~ **attention from our business. Our centers will continue to be subject to federal and state audits, including our centers** that **underwent** ~~it would enter into a PACE program agreement with~~ the **recent** ~~Company (State Attestations) with respect to de novo centers in the State of California until such time as the CAPs and the remediation and validation processes for our Sacramento center have been successfully completed and the enrollment sanctions are lifted. As a result of the suspension, we will be unable to open one of the de novo centers we had identified in California within our planned timeline. In March 2022, CMS and DHCS began separate~~ audits ~~of our San Bernardino, California center. In August 2022, CMS issued preliminary results identifying certain deficiencies, but verbally notified us that no enforcement actions will be taken. To address the deficiencies identified in the audit processes, we are required to implement immediate corrective actions. Our plans to do so (“ iCARs ”) have been accepted by CMS and we are currently working on the audit close process. There can be no assurance as to the timeline of such close out. New Mexico. In November 2021, CMS began an audit of our Albuquerque, New Mexico center. On November 23, 2021, we received preliminary results identifying certain deficiencies related to participant provision of services, which can be categorized as care delivery and management, care coordination and documentation of care. Validation results were received in March 2022. In July 2022, CMS verbally notified us that no enforcement actions will be taken. To address the deficiencies identified in the audit process, we are required to implement iCARs. Our iCARs have been submitted to CMS 22and we are currently working with CMS on the audit close out process. There can be no assurance as to the timeline of such close out. Kentucky. On February 9, 2022, we received notice from the Cabinet for Health and Family Services of the State of Kentucky informing us that they no longer intend to enter into an agreement with us to be a PACE provider in the State of Kentucky. Indiana. On February 14, 2022, CMS denied our initial application to develop the previously announced PACE center in Terre Haute, Indiana, based on deficiencies detected during CMS’ s 2021 audits of our Sacramento and Colorado PACE programs. Florida. We have committed to CMS and the Agency for Healthcare Administration in the State of Florida, that we will proactively pause remaining steps with respect to planned de novo centers in the State of Florida, to focus on remediating deficiencies raised in the audit processes. We cannot guarantee the final outcome of any of the audits and processes~~ described above **, as well as the centers that did not and centers we open or acquire in the future** . ~~If~~ **Even though** we are ~~unable~~ **applying, and expect** to ~~effectively remediate~~ **apply, best practices learned from our recent audits to all our centers, including** ~~the~~ **those centers we acquire, there is no guarantee that future audits will not find** deficiencies ~~raised by~~ **similar to, or different from,** the **ones found in connection with the our recent** audits ~~, implement the CAPs or iCARs we have submitted, will submit or may be required to submit, or otherwise satisfy the agencies’ concerns, we could be subject to additional sanctions and our business plan, including our growth strategy (including with respect to enrollment growth and de novo openings), would continue to be adversely impacted. Our management has been working collaboratively with the various agencies, including CMS~~ . In general, inspections, reviews, audits, requests for information or investigations with adverse findings, and in particular the audits described above, have resulted in and may further result in: ~~●~~ ● temporary or permanent enrollment sanctions in the affected center (s), as ~~is~~ **was** the case with our Sacramento, California center and our centers in the State of Colorado; ~~●~~ ● refunding amounts we have been paid by the government; ~~●~~ ● state or federal agencies imposing ~~CAPs~~ **corrective action plans** , fines, penalties, training, policies and procedures **, monitoring** , and other requirements ~~or sanctions on us~~ ; ~~●~~ ● temporary suspension of payments; ~~●~~ ● debarment or exclusion from participation in federal ~~health~~ **healthcare** ~~care~~ programs; ~~●~~ ● self- disclosure of violations to applicable regulatory authorities; ~~●~~ ● damage to our reputation; ~~●~~ ● the revocation of a center’ s license; and ~~●~~ ● loss of certain rights under, or termination of, our contracts with government payors ~~. We may be required to refund amounts we have been paid and / or pay fines and penalties as a result of these inspections, reviews, audits, requests for information and investigations~~ . Any of the results noted above could have further material adverse effects on our business and operating results. Furthermore, the legal, document production and other costs associated with complying with these inspections, reviews, audits, requests for information or investigations is significant. **If we are unable to effectively remediate the deficiencies raised by any audits, implement corrective action plans, or otherwise satisfy the regulators’ concerns, we could be subject to new sanctions, and our business, financial results and operations could be adversely impacted.** We are subject to legal proceedings, enforcement actions and litigation, malpractice and privacy disputes, which are costly to defend and could materially harm our business and results of operations. We are party to lawsuits and legal proceedings in the normal course of business from participants, employees, or other third parties for various actions. These matters are often expensive and disruptive to normal business operations. We face ~~23or~~ **or** may face allegations, lawsuits, including class actions, and regulatory inquiries, requests for information, audits and investigations regarding care and services provided to participants, the FCA, data privacy, security, labor and employment, consumer protection or intellectual property. We also face or may face allegations or litigation related to our **potential and completed** acquisitions, securities issuances or business practices, including public disclosures about our business. On October 14, 2021, and subsequently amended on June 21, 2022, the Company was named as a defendant in a putative class action complaint filed in the District Court for the District of Colorado on behalf of individuals who purchased or acquired shares of the Company’ s common stock during a specified period. **In addition, on April 20, 2022, the Board of Directors received a books and records demand pursuant to Section 220 of the Delaware General Corporation Law, from a purported stockholder of the Company and on May 15, 2023, the stockholder filed a lawsuit in the Delaware Court of Chancery asserting derivative claims for breach of fiduciary duty against certain of the Company’ s current**

and former officers and directors generally relating to alleged failures by the defendants to take remedial actions to address the matters that resulted in sanctions by CMS and alleged misstatements in the Company' s public filings relating to those matters. On June 28, 2023, upon stipulation of the parties, the court entered an order staying this litigation pending the resolution of the motion to dismiss in the October 14, 2021 proceedings, or upon fifteen days' notice by any party to the litigation. We are currently unable to predict the outcome of ~~this proceeding. In addition, on April 20, 2022, the Board of Directors of the Company received a books and records demand pursuant to Section 220 of the Delaware General Corporation Law, from a purported stockholder of the Company, in connection with the stockholder' s investigation of, among other matters, potential breaches of fiduciary duty, mismanagement, self- dealing, corporate waste or other violations of law by the Company' s Board with respect to~~ these matters. ~~We are currently unable to predict the outcome of this matter~~ **See Part I, Item 3 " Legal Proceedings " for more information** . Litigation and regulatory proceedings are protracted and expensive, and the results are difficult to predict. Certain of these matters include claims for substantial or indeterminate amounts of damages and may include claims for injunctive relief. Additionally, our litigation costs ~~could~~ **are and will continue to** be significant. Adverse outcomes with respect to ~~litigation or~~ any of ~~these~~ -- **the** legal proceedings **described above or other litigation** may result in significant settlement costs or judgments, penalties, fines and sanctions. In the ~~event~~ **third fiscal quarter** of **2023** ~~compliance issues~~ , ~~sanctions could include civil monetary penalties, corrective~~ **the Company agreed to settle a wage and hour class** action **lawsuit in the State of California** ~~plans, monitoring, contract termination, and / or~~ **for a cash payment of $ 1. 2 million. The agreement** ~~CMS and / or Medicaid agencies suspending or restricting enrollment with us (as~~ is ~~the case currently with respect to our Sacramento, California center, and our centers in the State of Colorado), which have and could continue to negatively impact our expansion and revenue growth. We are also~~ subject to ~~periodic audits, which have and may continue to increase our~~ **court approval** ~~regulatory compliance costs and have required and may require further change to our business practices, which could negatively impact our revenue growth~~ . Managing legal proceedings, regulatory inquiries, litigation and audits, even if we achieve favorable outcomes, is costly, time- consuming and diverts management' s attention from our business. The results of regulatory proceedings, investigations, inquiries, litigation, claims, and audits cannot be predicted with certainty, and determining reserves for pending litigation and other legal, regulatory and audit matters requires significant judgment and assumptions. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, cause harm to our reputation, business, financial condition, results of operations and the market price of our common stock. We are also subject to lawsuits under the FCA and comparable state laws for submitting allegedly fraudulent, inadequately supported or otherwise inappropriate bills for services to the Medicare and Medicaid programs. 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 and abuse. In July 2021, the Company received a civil investigative demand from the Attorney General for the State of Colorado under the Colorado Medicaid False Claims Act. The demand requests information and documents regarding Medicaid billing, patient services and referrals in connection with the Company' s PACE program in Colorado. We continue to fully cooperate with the Attorney General and produce the requested information and documentation. We are currently unable to predict the outcome of this investigation. In February 2022, the Company received a civil investigative demand from the Department of Justice (" DOJ ") under the Federal False Claims Act on similar subject matter. The demand requests information and documents regarding audits, billing, orders tracking, and quality and timeliness of patient services in connection with the Company' s PACE programs in the states where the Company operates (California, Colorado, New Mexico, Pennsylvania, and Virginia). **In December 2022, the Company received a supplemental civil investigative demand from the DOJ requesting supplemental information on the same matters.** We continue to fully cooperate with the DOJ and produce the requested information and documentation. We are currently unable to predict the outcome of this investigation. Furthermore, our business exposes us to potential medical malpractice, professional negligence or other related actions or claims that are inherent in the provision of healthcare services ~~. While the industry has not seen an increase in the number 24of claims of this nature due to the impact of the COVID- 19 pandemic, this remains a possibility due to the relatively lengthy claim development inherent in professional liability claims~~ . These claims, whether or not they have merit, could cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business, harm our reputation and adversely affect our ability to attract and retain participants, any of which could have a material adverse effect on our business, financial condition and results of operations. Although we maintain third- party professional liability insurance coverage, 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, whether or not they have 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. We may not realize expected results from..... providing services will exceed our compensation. Approximately 99. **8 % and 99.** 7 ~~% and 99. 5~~ % of our revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~ , respectively, was derived from capitation agreements with government payors in which we receive fixed PMPM fees. While there are variations specific to each agreement, we generally contract with government payors to receive a fixed **PMPM** ~~per member per month~~ fee to provide or manage all healthcare services a participant may require while assuming financial responsibility for the totality of our participants' healthcare expenses. This type of contract is often referred

to as an " at- risk " or a " capitation " contract. To the extent that our participants require more care than is anticipated and / or the cost of care increases, aggregate fixed capitation payments may be insufficient to cover the costs associated with treatment. **In the fiscal year ended June 30, 2023, the risk pool of our population became more acute as we were not able to replenish our population mix with newer, lower- acuity participants as a result of enrollment sanctions, and as a result, our external provider costs and cost of care, excluding depreciation and amortization, represented approximately 85 % of our revenue in the fiscal year ended June 30, 2023.** If medical costs and expenses exceed the underlying capitation payment received, we will not be able to correspondingly increase our capitated payment and we could suffer losses with respect to such agreements. Changes in our anticipated ratio of medical expense to revenue can significantly impact our financial results. Accordingly, the failure to adequately predict and control medical costs and expenses **, execute or realize the benefits of our clinical value initiatives,** and to make reasonable estimates and maintain adequate accruals for incurred but not reported claims, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, the Medicare and Medicaid expenses of our participants may be outside of our control in the event that participants take certain actions that increase such expenses, such as emergency room visits or preventable hospital admissions. Historically, our medical costs and expenses as a percentage of revenue have fluctuated. Factors that may cause medical expenses to exceed estimates include: • the health status of participants requiring higher levels of care, such as nursing home care or higher incidents of hospitalization; • higher than expected utilization of new or existing healthcare services; • more frequent catastrophic medical cases (e. g. transplants); • an increase in the cost of healthcare services and supplies, whether as a result of inflation, wage increases, purchases of vaccines and PPE as a result of the COVID- 19 pandemic, other health emergencies, **or otherwise; • emergence of new high- cost medications to treat conditions that are common in our population,** such as **lecanemab** ~~Monkeypox, or~~ **for** ~~otherwise~~ **Alzeimer' s Dementia** ; • changes to mandated benefits or other changes in healthcare laws, regulations and practices; • increased costs attributable to specialist physicians, hospitals and ancillary providers; • changes in the demographics of our participants and medical trends; • contractual or claims disputes with providers, hospitals or other service providers; ~~• 26 •~~ the occurrence of catastrophes, health emergencies, including epidemics or pandemics or acts of terrorism; and • the reduction of government payor payments. **The federal and state audits and sanctions we were subject in our centers in California and, Colorado and the federal and state audits in New Mexico, not only impacted our revenue and growth opportunities, but also our level of costs and expenditures. In fiscal year 2023, we launched and conducted several initiatives intended to lower certain of our costs, including limiting corporate staffing, effecting a reduction in workforce, and optimizing working capital. However, we have and expect to continue making significant investments in growing our business and increasing our participant base, building capabilities to increase our sophistication as a payor to drive clinical value, improve outcomes, and manage cost trends, expanding our operations, hiring additional employees for growing or new centers, introducing or improving technology, and operating as a public company. As a result of these increased expenditures, we may not succeed in increasing our revenue sufficiently to improve our profit margins. To date, we have financed our operations principally from revenue from our participant services, the incurrence of indebtedness, and the sale of our equity in the IPO. We may not continue to generate positive cash flow from operations or have access to sufficient capital, and our limited operating history as a for- profit company may make it difficult for you to rely on our historical results as indicative of future performance. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing and highly regulated industries, including increasing expenses as we continue to grow our business.** Our ~~revenues~~ **operating expenses have** and **we expect them to continue to increase over the next several years as we continue to hire additional personnel, expand our** operations **and infrastructure, and continue to provide services to an increasing number of participants. If we** are ~~dependent upon a limited number~~ **not able to execute or realize the benefits** of **our clinical value initiatives, our profitability could continue to decline. In addition to the expected costs to grow our business, we also expect to continue to incur compliance costs, as a result of sanctions and maintaining high quality of care across our centers, as well as additional legal, accounting and other expenses as we continue to establish the Company as a public company. These investments 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, our profitability could continue to decline. If our growth rate were to decline significantly or become negative, it could adversely affect our financial condition and results of operations. 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. Accordingly, we may not be able to be profitable or improve our income in the future, which could negatively impact the value of our common stock. Our overall business results have been and may continue to be impacted by ongoing macroeconomic and COVID- 19- related challenges, including labor shortages and inflation. Macroeconomic challenges, including labor shortages and high inflation, have impacted and may continue to impact our business operations and our overall business results. The COVID- 19 pandemic exacerbated difficulties to hire healthcare professionals, and in fiscal year 2022, we experienced workforce and labor shortages within all of our centers. Even though this labor pressure eased slightly in fiscal year 2023, we continue to be affected by the increased competition in the labor market and market adjustments to increase retention and improve our ability to hire. These market adjustments contributed, in part, to an increase in cost of care and operating expenses for fiscal year 2023, further impacted by additional staffing related to compliance and remediation efforts. Continued workforce and labor shortages or increased wages, may continue to adversely affect our financial results. Further, if labor market conditions continue to disrupt our ability to recruit healthcare professionals, we may not be able to execute our growth plan and grow capacity in our existing centers or open de novo centers or we**

may have to do so at costs higher than originally budgeted, which, in turn, could increase our capital needs during a time of rising interest rates and when conditions in the credit and capital markets are volatile. During periods of high unemployment, governmental entities often experience budget deficits as a result of increased costs and lower than expected tax collections. These budget deficits at federal, state and local government ~~payors~~ **entities have decreased** , ~~particularly~~ **and may continue to decrease, spending for health and human service programs, including** Medicare ~~and~~ **,** Medicaid **, PACE and similar programs, which represent nearly all of the payor sources for our centers and which may have a material effect on our results of operations and financial condition** . Our operations are dependent on a limited number of government payors, particularly Medicare and Medicaid, with whom we directly contract to provide services to participants. We generally manage our contracts on a state- by- state basis, entering into a separate contract in each state. When aggregating the revenue associated with Medicare and Medicaid by state, Colorado, California and Virginia accounted for a total of approximately 83. **0 % and 83.** 3 ~~% and 82. 6~~ % of our capitation revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~ , respectively. We believe that majority of our revenues will continue to be derived from a limited number of key government payors, which may terminate their contracts with us upon the occurrence of certain events, including as a result of inspections, reviews, audits, requests for information or investigations with adverse findings. The sudden loss of any of our government contracts or the renegotiation of any of such contracts could adversely affect our operating results. In the ordinary course of business, we engage in active discussions and renegotiations with government payors in respect of the services we provide and the terms of our agreements. As the states respond to market dynamics and financial pressures, and as government payors make strategic budgetary decisions in respect of the programs in which they participate, certain government payors may seek to renegotiate or terminate their agreements with us. Any reduction in the budgetary appropriations for our services, whether as a result of fiscal constraints due to recession, or economic downturn, emergency situations such as the COVID- 19 pandemic, changes in policy or otherwise, could result in a reduction in our capitated fee payments, changes to the scope of services and possibly loss of contracts and could negatively impact our revenues, business and prospects. See Item 1A. Risk Factors, " Risks Related to Our Business — A pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide ~~, including~~ **has and in** the **future** ~~ongoing effects of COVID- 19,~~ could adversely affect our business " and " Risks Related to Our Business — We conduct a significant percentage of our operations in the State of Colorado and, as a result, we are particularly susceptible to any reduction in budget appropriations for our services or any other adverse developments in that state. " Because we rely on a limited number of government- funded agencies, namely CMS and state Medicaid agencies, for a significant portion of our revenues, we depend on federal funding, as well as the financial condition of the states in which we operate, and each state' s commitment to its participation in the PACE program. Government- funded healthcare programs in the states in which we operate face a number of risks, including higher than expected ~~health~~ **healthcare** ~~care~~ costs and lack of predictability of tax basis and budget needs. If the financial condition of the states in which we operate declines, our credit risk could increase. ~~Reductions in PACE reimbursement rates or changes in the rules governing PACE programs could have a material adverse effect on our financial condition and results of operations.~~ We receive a substantial portion of our revenue through the PACE program, which accounted for 99. 8 % and 99. ~~6~~ **8** % of our revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~ , respectively. As a result, our operations are dependent on government funding levels for PACE programs. Any changes that limit or reduce general PACE funding, such as reductions in or limitations of reimbursement amounts or rates under programs, reductions in funding of programs, expansion of benefits, services or treatments under programs without adequate funding, could have a material adverse effect on our business, results of operations, financial condition and cash flows. The PACE programs and their respective reimbursement rates, payment structures and rules are subject to frequent change. These include statutory and regulatory changes, rate adjustments (including retroactive adjustments), administrative or executive orders and government funding restrictions, all of which may materially adversely affect the PACE rates at which we are compensated for our services. Budget pressures can lead federal and state governments to reduce or place limits on reimbursement rates and payment structures under PACE. Implementation of these and other types of measures has in the past and could in the future result in substantial reductions in our revenue and operating margins. Legislation enacted in 2011 requires CMS to sequester or reduce all Medicare payments, including payments to PACE organizations, by 2 % per year for a period of years. Subsequent legislation extended these cuts through 2030, **which** ~~but legislation enacted temporarily suspended these~~ cuts ~~in 2020 during the pandemic. On December 10, 2021, the " Protecting 27Medicare and American Farmers from Sequester Cuts Act " extended the 2 % Medicare sequester moratorium through March 31, 2022, and adjusted the sequester to 1 % between April 1, 2022 and June 30, 2022. These cuts were reinstated on July 1, 2022 and will~~ negatively impact our revenue. We cannot predict what other deficit reduction, other payment reduction or budget enforcement initiatives may be proposed by Congress, which could impact our business, including whether Congress will attempt to increase, restructure or suspend sequestration. Each year, CMS establishes the Medicare PACE benchmark payment rates by county for the following calendar year. Because a substantial portion of our revenue is through the PACE program, any negative changes to the PACE benchmark payment rates could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, our PACE revenues may become volatile in the future, which could have a material adverse impact on our business, results of operations, financial condition and cash flows. Reductions in reimbursement rates could have a material, adverse effect on our financial condition and results of operations or even result in rates that are insufficient to cover our operating expenses. For example, our external provider costs are driven by rates set by Medicare and Medicaid, which are outside of our control and may be negotiated in a manner unfavorable to us. Additionally, any delay or default by state governments in funding our capitated payments could materially and adversely affect our business, financial condition and results of operations. Recent legislative, judicial and executive efforts to enact further healthcare reform legislation have caused the future state of reforms under the ACA and many core aspects of the current U. S. healthcare system to be unclear. While specific changes and their timing are not yet apparent, enacted reforms and future legislative, regulatory, judicial, or executive changes, particularly any

changes to the PACE program, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Our records and submissions to government payors may contain inaccurate or unsupportable information regarding risk adjustment scores of participants, which could cause us to overstate or understate our revenue and subject us to repayment obligations or penalties. The claims and encounter records that we submit to government payors ~~impact~~ **involve** data that support the RAF scores attributable to participants. These RAF scores determine the payment we are entitled for the provision of medical care to such participants. The data submitted to CMS is based on diagnosis codes and medical charts that our employed, contracted, and noncontracted providers identify, record and prepare. **Any** ~~Since CMS has started allowing documentation of conditions identified during qualifying telehealth visits with participants, we have been able to document the health conditions of our participants during telehealth visits as well as we did during in- person visits prior to COVID- 19; however, any~~ issues with **recording and** documenting ~~such~~ **identified medical** conditions could adversely impact Medicare RAF scores and our resulting revenue for future periods. CMS periodically audits PACE organizations' risk adjustment submissions. The submission of inaccurate, incomplete or erroneous data could result in inaccurate revenue and risk adjustment payments, which may be subject to 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 could be required to refund a portion of the revenue that we received, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Historically, these true- up payments typically occur between May and August, but the timing of these payments is determined by CMS, and we have neither visibility nor control over the timing of such payments. From time to time, we may experience reconciliation issues as government payors modify or adopt new systems which may be reflected as provision for bad debt in our financial statements. If CMS seeks repayment from us for payment adjustments as a result of its audits, we could also be subject to liability for penalties for inaccurate or unsupportable RAF scores provided by us or our providers. In addition, we could be liable for penalties to the federal government under the FCA, which may include per claim penalties, 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. ~~In addition~~ **As of January 30** , **2023,** the **minimum** ~~penalties that can be imposed for each false~~ **False** ~~claim ranges~~ **Claims Act penalty increased** from $ 12, 537 to $ **13, 508 per claim. The maximum penalty has increased from $** 25, 076 **to $ 27** ~~for penalties assessed after May 9~~ , **018 per claim** ~~2022, if the underlying conduct occurred after November 2, 2015~~ . There is a high potential for substantial penalties in connection with any alleged FCA violations. Elements of the risk adjustment mechanism continue to be challenged, reevaluated, and revised by the U. S. Department of Justice, the OIG, and CMS. ~~For example~~ **On February 1, 2023** , CMS ~~has indicated that payment adjustments~~ **published the Medicare Advantage RADV Program Final Rule** , ~~such as adjustments 28made in connection with~~ **which took effect on April 3, 2023. The final rule includes major updates to the** Risk Adjustment Data Validation (" RADV ") ~~audits~~ **audit methodology used by CMS** ~~, will not be limited~~ to **address overpayments** ~~errors identified in the sampled population, but that the error rate identified in the sample may also be extrapolated~~ to ~~all~~ **MA plans based on the submission of unsupported** risk ~~adjusted~~ **- adjusting diagnosis codes, which are used to determine** payments ~~made~~ under **MA** ~~the PACE contract being audited~~ . **Most notably, the final rule allows** CMS **to** ~~has described its audit process as plan- year specific and stated that it will not~~ extrapolate ~~audit results for plan years prior to 2011. Because CMS has not stated otherwise, there is a risk that payment adjustments made as a result of one plan year' s audit would be extrapolated to prior plan years after 2011. The proposed regulations relating to~~ RADV audit ~~and extrapolation~~ **findings beginning with payment year 2018. CMS intends to initiate audits with the new** methodology ~~have been outstanding since~~ **in calendar year 2025 beginning with payment year** 2018 **. If CMS recovers overpayments** ~~and if implemented, could allow retroactive recoupments arising~~ from **MA plans,** ~~RADV audits. CMS is expected to issue its final rule on the~~ **those** ~~audit and extrapolation methodology by November 1, 2022~~ **plans may seek to recover payments from us that the plans believe are attributable to risk adjustment data** . There can be no assurance that a PACE organization will not be randomly selected or targeted for review by CMS or that the outcome of such a review will not result in a material adjustment in our revenue and profitability, even if the information we submitted to CMS is accurate and supportable. Substantial changes in the risk adjustment mechanism, including changes that result from enforcement or audit actions, could materially affect our capitated reimbursement ~~. Renegotiation, non- renewal or termination of capitation agreements with government payors could have a material adverse effect on our business, results of operations, financial condition and cash flows~~ . Under most of our capitation agreements with government payors, the state is generally permitted to adjust certain terms of the agreements from time to time. If a government payor exercises its right to adjust certain terms of the agreements, we are generally allowed a period of time to object to such adjustment. If we enter into capitation contracts with unfavorable economic terms, or a capitation contract is adjusted to include unfavorable terms, we could suffer losses with respect to such contract. In addition, some states in which we operate undergo periodic reconciliations with respect to enrollments that present a risk to our business, results of operations, financial condition and cash flows. Our contracts with government payors may be terminated to the extent that state or federal funds are not appropriated at sufficient levels to fund our contracts or PACE programs in general. Certain of our contracts are terminable immediately upon the occurrence of certain events. Government payors may terminate, suspend or cancel our contracts, in whole or in part, for cause in the event of our noncompliance with the terms, conditions or responsibilities under the contracts, or if we are debarred or suspended from providing services by state or federal government authorities. CMS may also impose sanctions for noncompliance with regulatory or contractual requirements, including the suspension of enrollment of participants, the occurrence of which would adversely affect our operating results and our ability to pursue our growth strategies. If any of our contracts with government payors are terminated or if the government payors seek to renegotiate their contract rates with us, we may suffer a significant loss of revenue, which may adversely affect our operating results. State and federal efforts to reduce healthcare spending could adversely affect our financial condition and results of operations. Most of our participants are dually- eligible, meaning they are qualified for coverage under both Medicare and

Medicaid when enrolled in our PACE program, and nearly all our revenue is derived from government payors. Medicaid is a joint federal and state funded program for healthcare services for low income as well as certain higher- income individuals who qualify for nursing home level of care. Under broad federal criteria, states establish rules for eligibility, services and payment. PACE programs are administered at the state level and are financed by both state and federal funds. Medicaid spending has increased rapidly in recent years, becoming a significant component of state budgets. This increase, combined with slower state revenue growth, has led both the federal government and many states to institute measures aimed at controlling the growth of Medicaid spending, and in some instances reducing aggregate Medicaid spending. Due to budget constraints, including ~~those~~ resulting from ~~the COVID- 19 pandemic or~~ a potential economic downturn or recession, we may experience negative Medicaid capitated rate payment pressure from certain states where we operate, such as Colorado, where we conduct a significant percentage of our operations. In addition, as part of past attempts to repeal, replace or modify the ACA and as a means to reduce the federal budget deficit, there have in recent years been congressional efforts to move Medicaid from an open- ended program with coverage and benefits set by the federal government to one in which states receive a fixed amount of federal funds, either through block grants or per capita caps, and have more flexibility to determine benefits, eligibility or provider payments. If those changes are implemented, we cannot predict whether the amount of fixed federal funding to the states will be based on current payment amounts, or if it will be based on lower payment amounts, which would negatively impact those states ~~29that~~ -- **that** expanded their Medicaid programs in response to the ACA. We expect state and federal efforts to reduce healthcare spending to continue for the foreseeable future. ~~Our overall business results may suffer from an economic downturn. During periods of high unemployment, governmental entities often experience budget deficits as a result of increased costs and lower than expected tax collections. These 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, Medicaid, PACE and similar programs, which represent nearly all of the payor sources for our centers. Additionally, we have and may continue to experience an increase in cost of care due to enhanced wage pressures, labor shortages, or other adverse economic conditions which we might not be able to offset and which may have a material effect on our results of operations and financial condition.~~ A pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide, **such as** ~~including the ongoing effects of~~ COVID- 19, **has and** could **in the future** adversely affect our business. We face a wide variety of risks related to health epidemics, pandemics and similar outbreaks, especially of infectious diseases, including COVID- 19 and its variants ~~and Monkeypox~~ . While the ~~full~~ effects of the COVID- 19 pandemic ~~continue to develop~~ **have largely eased** , the pandemic dramatically impacted ~~the~~ global health **. The virus has** and ~~economic environment~~ **continues to disproportionately impact older adults, especially those with chronic illnesses, which describes our participants. On May 11, 2023, the national emergency and public health emergency declarations related to the COVID- 19 pandemic expired. The declarations had been in place since early 2020, and in addition to various Congress enacted legislation, allowed the federal government flexibility to waive or modify certain requirements in a range of areas** , including **Medicare and Medicaid. While we do not believe that the expiration of these emergency declarations will have a material impact to our financial results, we continue to evaluate how the expiration of these emergency declarations may affect our** business **outlook** ~~slowdowns or shutdowns~~ , ~~labor shortages~~ and ~~supply chain challenges~~ **such impact may be material** . **Any** ~~Additionally, any~~ future pandemic, epidemic or outbreak of an infectious disease may adversely affect our business if one of the geographies we serve is affected by such outbreak, particularly at the onset of any such outbreak before response protocols have been developed. Specifically, if our participants fall ill due to an outbreak, we may experience a high level of unexpected deaths, increased costs, and other effects, including a loss of revenue, negative publicity, litigation and inquiries from government regulators. ~~Although the COVID- 19 pandemic has not materially adversely impacted our revenue or expenses, it may continue to have an adverse effect on market conditions, including the value of our common stock, and impact our workforce, including increased competition for healthcare professionals and wage increases. In addition, the COVID- 19 virus disproportionately impacts older adults, especially those with chronic illnesses, which describes many of our participants. Due to the COVID- 19 pandemic, our ability to document the health conditions of our participants as completely as in the past may have been impacted.~~ Medicare pays capitation using a " risk adjustment model, " which compensates providers based on the health status (acuity) of each individual participant. Participants with higher RAF scores necessitate larger capitated payments, and those with lower RAF scores necessitate smaller capitated payments. Medicare requires that a participant' s health issues be documented annually regardless of the permanence of the underlying causes. Any issues with documenting such conditions **, such as those that could be presented** during **a** ~~the COVID- 19~~ pandemic **or epidemic,** could ~~have~~ adversely ~~impacted~~ -- **impact** our ability to accurately record Medicare RAF scores and may result in adjustments to revenues. See Item 1A. Risk Factors " — Risks Related to Our Business — Our records and submissions to government payors may contain inaccurate or unsupportable information regarding risk adjustment scores of participants, which could cause us to overstate or understate our revenue and subject us to repayment obligations or penalties. " The COVID- 19 pandemic ~~has and continues to exacerbate~~ **exacerbated** difficulties to hire additional healthcare professionals, causing certain of our centers to be understaffed or staffed with personnel that ~~requires~~ **required** training. The reduction in healthcare personnel, and specifically, trained personnel, ~~has~~ impacted ~~and may continue to impact~~ our ability to adhere to the complex government laws and regulations that apply to our business. PACE regulators require that new participants be assessed within a period of 30 days from enrollment to our programs and for us to provide them a personalized care plan. In the third quarter of 2021, we became aware that **a** certain **number** of our centers had failed to timely complete a portion of these participant assessments and care plans. We ~~have~~ implemented improvement plans and ~~continue to work~~ **worked** diligently **to** ~~and monitor our progress in remediating~~ **remediate** this issue. Failure to conduct assessments or produce care plans within the required period of time may further subject us to suspension of new enrollment or restrict enrollment at the affected centers and other centers in the affected state. These or future violations of these requirements or other government laws or regulations could result in significant consequences that may have a material adverse effect on our business, results of operations, financial condition and cash flows ~~.~~

~~30On March 27, 2020, the CARES Act was signed into law and provided for $ 100. 0 billion in funding for healthcare providers. Pursuant to the CARES Act, the state of Pennsylvania granted our Pennsylvania centers $ 1. 0 million of funding. As a result of receiving this funding, we may be subject to audits and oversight by the federal government and Pennsylvania regulators, and there is no guarantee that the funds we received could not be subject to recoupment. We are not required to repay these funds, provided that we attest to and comply with certain terms and conditions, including not using funds received to reimburse expenses or losses that other sources are obligated to reimburse, as well as certain audit and reporting requirements~~ . 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 future success depends largely upon the services of our senior management team and other key employees. We rely on our leadership team in the areas of operations, provision of medical services, information technology and security, marketing, and general and administrative functions. Since we became a public company, there have been changes in our executive management team resulting from the hiring or departure of executives, including **in fiscal 2023,** the ~~appointment~~ **appointments** of **a new** ~~Patrick Blair to the position of President and~~ Chief ~~Executive~~ **Medical** Officer ~~effective January 1~~ , **a new Chief Operations Officer and, most recently in July** ~~2022~~ **2023** ~~. Even though Mr. Blair has had a long and successful career in healthcare~~ , **a new Chief** ~~joining the Company from BAYADA Home Health Care, where he was the Group President responsible for overall quality and financial~~ **Financial Officer.** ~~performance of the Home Health, Hospice and Personal Care businesses, changes~~ **Changes** to our business strategy resulting from ~~this~~ **senior executive officer** ~~transition~~ **transitions** could have a disruptive impact on our ability to implement our business strategy and could have a material adverse effect on our business. In addition, 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. The loss, whether as a result of voluntary termination or illness, of one or more of the members of our senior management team, or other key employees, could harm our business. Changes in our executive management team may also cause disruptions in, and harm to, our business. If certain of our suppliers do not meet our needs, if ~~the price increases on supplies is sustained as a result of inflation, if~~ we are not reimbursed or adequately reimbursed for medical products we purchase or if we are unable to effectively access new technology or medical products, it could negatively impact our ability to effectively provide the services we offer and could have a material adverse effect on our business, results of operations, financial condition and cash flows. We have significant suppliers that may be the sole or primary source of products critical to the services we provide, or to which we have committed obligations to make purchases, sometimes at particular prices. If any of these suppliers do not meet our needs for the products they supply, including ~~sustained~~ **as a result of** price increases ~~as a result of inflation~~ , a product recall, product shortage or **other supply chain issues, or a** dispute, and we are not able to find adequate alternative sources, it could have a material adverse impact on our business, results of operations, financial condition and cash flows. In addition, the technology related to the products critical to the services we provide is subject to new developments which may result in the availability of superior products. If we are not able to access superior products or new medical products, including biopharmaceuticals or medical devices, on a cost- effective basis or if suppliers are not able to fulfill our requirements for such products ~~, including PPE~~ , we could face attrition with respect to our participants or health care providers and other personnel and other negative consequences which could have a material adverse effect on our business, results of operations, financial condition and cash flows. We ~~began operating as a for- profit company in 2016 and have limited operating history as a for- profit company. Accordingly, our historical and recent financial and business results may not be representative of what they may be in the future. We were originally formed in 2007 as a not- for- profit company and converted to a for- profit company in 2016. Due to our relatively limited operating history as a for- profit company, our historical and recent financial and business results may not be representative of what they may be in the future. We have encountered and will continue to encounter significant risks and uncertainties frequently experienced by new companies in rapidly changing and highly regulated industries, such as determining appropriate investments for our limited resources, competition from other providers, acquiring and retaining participants, hiring, integrating, training and retaining skilled personnel, unforeseen expenses and 31challenges in forecasting accuracy. Although we have expanded our footprint outside of Colorado into other geographies, we cannot provide assurance that we will be able to expand into new geographies or that any new centers we open or acquire, or new geographies we enter will be successful. If we are unable to increase participant enrollment, manage our external provider costs or expand into new geographies, our revenue and our ability to sustain profitability could be impaired. If we make acquisitions to expand our footprint, we may experience operational difficulties or challenges with integrating and realizing the benefits of such acquisitions and we may need to expend resources to ensure such centers are operating in compliance with regulatory and contractual requirements, as well as any corrective action plans. Additional risks include, but are not limited to, our ability to effectively manage growth, process, store, protect and use personal data in compliance with governmental regulations and contractual obligations and manage our obligations as a provider of healthcare services under Medicare, Medicaid and PACE. 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 a for- profit 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 reputation and business could suffer materially. We expect to continue to increase our headcount and to hire or contract with more physicians, nurses and other specialized medical personnel in the future as we grow our business and open or acquire new centers. We will need to continue to hire, train and manage additional qualified information technology, operations and marketing staff, and improve and maintain our technology and information systems to properly manage our growth. If our new hires perform poorly, if we are unsuccessful in hiring, training, managing and integrating these new employees, if we are not successful in retaining our existing employees, or if we are unable to provide the care and services that our participants require in compliance with regulatory requirements, our business may be adversely affected. If we are unable to attract new participants, our revenue growth will be adversely affected. To increase our~~

~~revenue, our business strategy is to expand the number of centers and participants in our network. In order to support such growth, we must continue to recruit and retain a sufficient number of new participants. Our ability to do so depends in large part on the states of California and Colorado lifting current enrollment sanctions and the success of our sales and marketing efforts, which are subject to various federal and state laws and regulations that impact marketing. As a result of the sanctions and deficiencies identified during the audits of our centers, our reputation has been harmed which has impacted and could in the future continue to impact our ability to attract new participants. Additionally, as part of our remediation efforts, we have hired additional staff which has increased our PMPM expenses and, as a result, has negatively impacted our profit margin. If we are unable to convince the frail, dual- eligible senior population of the benefits of the InnovAge Platform or if potential or existing participants prefer the healthcare provider model of one of our competitors, we may not be able to effectively implement our growth strategy, which depends on our ability to attract new participants, if permitted. Participant enrollment for PACE is ongoing each month and requires states to verify eligibility, a process which can result in delays in enrollment. Our inability to identify and recruit new eligible participants and retain existing participants has and could continue to harm our ability to execute our growth strategy and has and may continue to have a material adverse effect on our business operations and financial position. We~~ conduct a significant percentage of our operations in the State of Colorado and, as a result, we are particularly susceptible to ~~any~~ **regulatory issues and** reduction in budget appropriations for our services or any other adverse developments in that state. For the fiscal year ended June 30, **2023 and** 2022, **23. 6 % and** 25. 8 % of our total revenues were derived from contracts with government agencies in the State of Colorado. Accordingly, any **regulatory issues and developments in the State, such as the enrollment sanctions we were subject to in fiscal years 2022 and 2023, a** reduction in Colorado' s budgetary appropriations for our services, whether as a result of fiscal constraints due to recession, emergency situations such as the COVID- 19 pandemic, changes in policy or otherwise, **have and** could **in the future** result in a reduction in our capitated fee payments and possibly the loss of contracts ~~. In fiscal year 2021~~ , **and materially adversely impact our** ~~we experienced a low single digit rate decrease as a result of COVID- 19 related budget pressure borne by the State of Colorado. In June 2022, we completed negotiations relating to the capitated fee rates with government payors in the State of Colorado, which resulted in a mid- single digit rate increase applicable for the fiscal year ended June 30, 2022. See Item 1A. Risk Factors, " Risks Related to Our Business — Our business strategy may not realize expected~~ results. **If** ~~" 32If~~ we fail to manage our operations effectively, we may be unable to execute our business plan, maintain effective levels of service and participant satisfaction or adequately address competitive challenges. We have experienced, and may continue to experience, ~~and~~ organizational change and growth, which has placed, and may continue to place, significant demands on our management and our operational and financial resources. For example, we completed our conversion from a not- for- profit to a for- profit organization in 2016 and completed our IPO in 2021. Additionally, our organizational structure continues to become more complex as we expand our operational, financial and management controls, as well as our reporting systems and procedures as a public company. We may require significant capital expenditures and the allocation of valuable management resources to grow and evolve our operational and financial operations and grow. We must ~~effectively increase our headcount,~~ ensure our personnel have the necessary licenses and competencies and continue to effectively train and manage our employees. 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 efficient manner. **As our participant base grows following the lifting of sanctions in the states of California and Colorado, we will need to maintain the best practices we developed during our recent audits.** If we fail to effectively manage our potential growth and change or fail to ensure that the level of care and services provided by our employees complies with regulatory and contractual requirements, and levels of patient service and satisfaction, our brand and reputation, could suffer, adversely affecting our ability to attract and retain participants and employees and lead to the need for corrective actions. ~~Results of audits conducted by CMS and other regulators resulted in suspensions of new enrollments in the states of California and Colorado due to deficiencies detected in the audits related to participant care. See Item 1A. Risk Factors " Risks Related to Our Business — We face inspections, reviews, audits and investigations under federal and state government programs and contracts. These audits require corrective actions and have resulted in adverse findings that have negatively affected and may continue to affect our business, including our results of operations, liquidity, financial condition and reputation " for more information.~~ The healthcare ~~industry~~ **Industry** is highly competitive and, if we are not able to compete effectively, our business could be harmed. We compete directly with national, regional and local providers of healthcare for participants and clinical providers. We also compete directly with payors and other alternate managed care programs for participants. There are many other companies and individuals currently providing healthcare services, many of which have been in business longer and / or have substantially more resources. Given the regulatory environment, there may be high barriers to entry for PACE providers; however, since there are relatively modest capital expenditures required for providing healthcare services, there are less substantial financial barriers to entry in the healthcare industry generally. Other companies could enter the healthcare industry in the future and divert some or all of our business. Our ability to compete successfully varies from location to location and depends on a number of factors, including the number of payors who run competitive programs in the local market, our local reputation for quality participant care, the commitment and expertise of our medical staff or contracted ~~health~~ **healthcare** ~~care~~ providers, our local service offerings and community programs, the cost of care in each locality, and the physical appearance, location and condition of our centers. If we are unable to attract participants to our centers our revenue and profitability will be adversely affected. Some of our competitors may have greater brand recognition and be more established in their respective communities than we are, and may have greater financial and other resources than we have. Further, our current or potential competitors may be acquired by third parties with greater available resources. Competing providers 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 participants, potential participants and referral sources. Furthermore, while we budget for routine capital expenditures at our centers to keep them competitive in their respective markets, to the extent that competitive forces cause those expenditures to increase in the

future, our financial condition may be negatively affected. In addition, our contracts with government payors are not exclusive for PACE programs in California, and competitors in California could seek to establish contracts with the state Medicaid agency and CMS to serve PACE eligible participants in our service areas. For example, the service area for our Sacramento, California center, opened July 1, 2020, overlaps with an existing PACE program in the region. Additionally, ~~once restrictions on our ability to enroll participants as a result of the audits of our centers in Sacramento, California and Colorado and on our ability to open de novo centers as a result of actions taken by other states or us, are lifted or resolved,~~ as we expand into new geographies, we may encounter competitors with stronger local community relationships or brand recognition, which could give those competitors an advantage in attracting new participants. Individual physicians, physician groups and companies in other healthcare industry segments, some of which have greater financial, marketing and staffing resources, may become competitors in providing ~~health~~ **healthcare** ~~care~~ services, and this competition may have a material adverse effect on our business operations and financial position. ~~33Our~~ -- **Our** presence is currently limited to Colorado, California, New Mexico, Pennsylvania and Virginia, and we may not be able to successfully establish a presence in new geographic markets. We currently operate in Colorado, California, New Mexico, Pennsylvania and Virginia ~~. As described in Item 1A. Risk Factors, " Risks Related to Our Business — We face inspections, reviews, audits~~ and **are moving forward with pursuit of licensure** ~~investigations under federal and state government programs and contracts. These audits require~~ **required** ~~corrective actions and have resulted in adverse findings that have negatively affected and may continue to affect our business, including our results of operations, liquidity, financial condition and reputation, " as we continue to resolve current audits by CMS and other regulatory authorities, our ability~~ to open **two** de novo centers in **Florida** ~~current or new markets is uncertain~~ and **one de novo** ~~may be delayed. While we continue to provide services in our current centers~~ **center in California** ~~, there can be no assurance when or if we will expand our operations into new geographic markets~~. For the year ended June 30, ~~2022~~ **2023** , approximately half of our revenue was driven by our businesses in Colorado. As a result, our exposure to many of the risks described in these risk factors are not mitigated by a diversification of geographic focus. To continue to expand our operations to other regions of the United States, we will have to devote resources to identifying and exploring such perceived opportunities. Thereafter, we will have to, among other things, recruit and retain qualified personnel, develop new centers and establish new relationships or contracts with physicians and other healthcare and services providers. In addition, we will be required to comply with laws and regulations of states that may differ from the ones in which we currently operate, and could face competitors with greater knowledge of such local markets. We anticipate that further geographic expansion will require us to make a substantial investment of management time, capital and / or other resources. There can be no assurance that we will be able to continue to expand our operations in any new geographic markets. Competition for physicians and other clinical personnel or other factors could increase our labor costs and adversely affect our revenue, profitability and cash flows. Our operations are dependent on the efforts, abilities and experience of our physicians and clinical personnel. We compete with other healthcare providers, primarily hospitals and other centers, in attracting physicians, nurses and medical staff to support our centers, and recruiting and retaining qualified management and support personnel responsible for the daily operations of each of our centers. In some markets, the lack of availability of clinical personnel, such as nurses and mental health professionals, has become a significant operating issue facing all healthcare providers ~~, which situation was further exacerbated by the COVID- 19 pandemic~~ . This shortage has required us to enhance wages and benefits to recruit and retain qualified personnel or to contract for more expensive temporary personnel. For the years ended June 30, **2023 and** 2022 ~~and 2021~~ , our total center- level employee costs represented 18. **8 % and 18.** 5 ~~% and 17. 7~~ %, respectively, of our revenue. We also depend on the available labor pool of semi- skilled and unskilled workers in each of the markets in which we operate ~~. A sustained labor shortage, caused by the COVID- 19 pandemic or as a result of general macroeconomic conditions, could have a material adverse effect on our business, prospects and conditions~~ . Our labor costs have increased due to higher wage rates associated with the increased competitive labor market. Because the vast majority of our revenue consists of prospective monthly capitated, or fixed, payments per participant, 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 consumer price index basket update from Medicare, our results of operations and cash flows will likely be adversely affected. Any union activity at our centers that may occur 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 to allow for faster elections and absentee ballots 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. Our failure to recruit and retain or contract with qualified management and medical personnel, or to control our labor costs, could have a material adverse effect on our business, prospects, results of operations and financial condition. Security breaches, loss of data and other disruptions have in the past and could in the future compromise sensitive information related to our business or our participants, or prevent us from accessing critical information and expose us to liability, and could adversely affect our business and our reputation. In the ordinary course of our business, we create, receive, maintain, transmit, collect, store, use, disclose, share and process (collectively, " Process ") sensitive data, including protected health information (" PHI ") and other types of personal data or personally identifiable information (collectively, " PII " and, together with PHI, " PHI / PII ") relating to our ~~34employees~~ -- **employees** , participants and others. We also Process and contract with third- party service providers to Process sensitive information, including PHI / PII, confidential information and other proprietary business information. We manage and maintain PHI / PII and other sensitive data and information using our on premise systems, and we plan to implement cloud- based computing center systems in the future. Third- party service providers that serve our participants may Process PHI / PII data either in their own on- site systems, at managed or co- located data centers, or in the cloud. We are highly dependent on information technology networks and systems, including the internet, to securely Process PHI / PII and other sensitive data and information. Security breaches of this infrastructure, whether ours or of our third- party service providers, including physical or electronic break- ins, computer viruses, ransomware, attacks by

hackers and similar breaches, and employee or contractor error, negligence or malfeasance, have occurred in the past, and have in the past and could in the future, create system disruptions, shutdowns or unauthorized access, acquisition, use, disclosure or modifications of such data or information, and could cause PHI / PII to be accessed, acquired, used, disclosed or modified without authorization, to be made publicly available, or to be further accessed, acquired, used or disclosed. We use third- party service providers for important aspects of the Processing of employee and participant PHI / PII and other confidential and sensitive data and information, and therefore rely on third parties to manage functions that have material cybersecurity risks. Because of the sensitivity of the PHI / PII and other sensitive data and information that we and our service providers Process, 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. We have implemented certain administrative, physical and technological safeguards to address these risks; however, such policies and procedures may not address certain HIPAA requirements or address situations that could lead to increased privacy or security risks, and agreements with contractors and other third- party service providers who handle this PHI / PII and other sensitive data and information for us. However, some PACE organizations that we have acquired in the past or may acquire in the future may not have implemented such agreements with their third- party service providers, which may expose us to legal claims or proceedings, liability, and penalties. We may be required to expend significant capital and other resources to protect against security breaches, to safeguard the privacy, security, and confidentiality of PHI / PII and other sensitive data and information, to investigate, contain, remediate, and mitigate actual or potential security breaches, and / or to report security breaches to participants, employees, regulators, media, credit bureaus, and other third parties in accordance with applicable law and to offer complimentary credit monitoring, identity theft protection, and similar services to participants and / or employees where required by law or otherwise appropriate. Cyber- attacks are becoming more sophisticated, and frequent, and we or our third- party service providers may be unable to anticipate these techniques or to implement adequate protective measures against them or to prevent future attacks. The remote work environment ~~as a result of COVID- 19~~ has increased these risks. We exercise limited control over our third- party service providers and, in the case of some third- party service providers, may not have evaluated the adequacy of their security measures, which increases our vulnerability to problems with services they provide. A security breach, security incident, or privacy violation that leads to unauthorized use, disclosure, access, acquisition, loss or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or integrity of, participant or employee information, including PHI / PII that we or our third- party service providers ~~Process~~ **process** , could harm our reputation and business, compel us to comply with breach notification laws, cause us to incur significant costs for investigation, containment, remediation, mitigation, fines, penalties, settlements, notification to individuals, regulators, media, credit bureaus, and other third parties, complimentary credit monitoring, identity theft protection, training and similar services to participants and / or employees where required by law or otherwise appropriate, for measures intended to repair or replace systems or technology and to prevent future occurrences. We may also be subject to potential increases in insurance premiums, resulting in increased costs or loss of revenue . If we or our third-..... that could result from a security incident . In February 2021, we became aware that a former third- party service provider of acquired organizations was the victim of a ransomware attack that occurred in December 2020. We understand that this attack resulted in the unauthorized access and exfiltration of the PHI / PII of over 2, 000 of our current and former participants. **We** ~~The third- party service provider engaged outside counsel and a forensic investigator to assist. To date, the service provider has reported this incident to affected participants, their personal representatives or their next of kin, the U. S. Department of Health and Human Rights Office for Civil Rights (" OCR "), media outlets, state regulators, and others, as required. Participants affected by the incident have been offered the opportunity to enroll in credit monitoring service at the service provider' s expense. To date, the service provider has advised that they have not received any reports or concerns regarding misuse or potential identity theft issues. However, it is possible that OCR and / or state regulators could nonetheless initiate investigations of the Company and / or the former third- party service provider in connection with the incident, that the Company could be subject to civil penalties, resolution agreements, monitoring or similar agreements, or third- party claims against the Company, including class- action lawsuits. Although this attack was against a former third- party service- provider, we remain responsible under HIPAA for our participant' s PHI / PII, and any failure on our part to comply with HIPAA in connection with such data could subject us to civil penalties, resolution agreements, monitoring or similar agreements or other enforcement action. The Company~~ confirmed that this former third- party service provider ~~has~~ **had** removed the PHI / PII of our participants from its servers, and the service provider ~~has~~ advised that all vulnerabilities in its environment and lack of security controls **had been resolved. In attacks such as this, including to third- party service- providers, we remain responsible under HIPAA for our participant' s PHI / PII, and any failure on our part to comply with HIPAA in connection with such data could subject us to civil penalties, resolution agreements, monitoring or similar agreements or other enforcement action. If we or our third- party service providers are unable to prevent or mitigate security breaches, security incidents or privacy violations in the future, or if we or our third- party service providers are unable to implement satisfactory remedial measures with respect to known or future security incidents, or if it is perceived that we** have been ~~resolved 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 participants,loss of reputation,adverse impacts on participant and investor confidence,financial loss,governmental investigations or other actions,regulatory or contractual penalties,and other claims and liability.In addition,security breaches and incidents and other compromise or inappropriate access to,or acquisition or processing of,PHI / PII or other sensitive data or information can be difficult to detect,and any delay in identifying such breaches or incidents or in providing timely notification of such incidents may lead to increased harm and increased penalties. ~~35While~~ -- **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 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 and other business systems. Our business is highly dependent on maintaining effective information systems as well as the integrity and timeliness of the data we use to serve our participants, support our care teams and operate our business. Because of the large amount of data that we collect and manage, it is possible that hardware or software 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 significant inaccuracies. **In fiscal year 2022, we began upgrading our electronic medical records system in our centers. We expect adoption and integration of the new system to continue into fiscal year 2024. Even though we expect to realize benefits from the adoption of this new system, any expected benefits will be gradual and there could be inefficiencies as operators learn the new system. In addition, the introduction of a new system can lead to errors and loss of data.** If our data were found to be inaccurate or unreliable due to **error or** fraud ~~or other error~~, or if we, or any of the third- party service providers we engage, were to fail to maintain information systems **, including our new electronic medical records system,** and data integrity effectively, we could experience operational disruptions that may impact our participants and providers and hinder our ability to provide services, retain and attract participants, manage our participant risk profiles, establish reserves, report financial results timely and accurately and maintain regulatory compliance, among other things. Our information technology strategy and execution are critical to our continued success. We must continue to invest in long- term solutions that will enable us to anticipate participant needs and expectations, enhance the participant 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 technology systems that support our business processes in a cost- efficient and resource- efficient manner, including through maintaining relationships with third- party providers of technology. 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 participant engagement in ~~health~~ **healthcare** ~~care~~ require new and enhanced technologies, including more sophisticated applications for mobile devices. Connectivity among technologies is becoming increasingly important. Our failure to effectively invest in and properly maintain the uninterrupted operation and data integrity of our information technology and other business systems could adversely affect our results of operations, financial position and cash flow. A failure to accurately estimate incurred but not reported medical expenses or the risk scores of our participants could adversely affect our results of operations. External provider costs include estimates of future medical claims that have been incurred by the participant 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 ~~36independent~~ -- **independent** assessment by a nationally recognized actuarial firm. Positive or negative adjustments, if necessary, are made when the assumptions used to determine our claims liability change and when actual claim costs are ultimately determined. Due to 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 excessive or inadequate in the future and we may be obligated to repay certain amounts to CMS. 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. In addition, our operational and financial results will experience some variability depending upon the time of year in which they are measured. For example, medical costs vary seasonally depending primarily on the weather because certain illnesses, such as the influenza virus, are far more prevalent during colder months of the year ~~. It is still uncertain if the virus that causes COVID- 19 will follow seasonal patterns and whether, as a result, the seasonality of our results will change in the future~~. Historically, we have seen higher levels of per- participant medical costs in the second and third quarters of our fiscal year. Our use of " open source " software could adversely affect our ability to offer our 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. Such litigation could be costly and time consuming, divert the attention of management, and the outcomes may not be favorable. While the use of open source software may reduce development costs and speed up the development process, it may also present certain risks that may be greater than those associated with the use of third- party commercial software. For example, open source software is generally provided without any warranties or other contractual protections regarding infringement or the quality of the code, including the existence of security vulnerabilities. We lease approximately half of our centers and may experience risks relating to lease termination, lease expense escalators, lease extensions and special charges. We currently lease ~~eight~~ **seven** of our ~~18~~ **17** centers. Our leases typically have terms of nine years, and generally provide for renewal or extension options for an average total potential term of approximately 25 years. Each of our lease agreements provides that the lessor may terminate the lease, subject to applicable cure provisions, for a number of reasons, including the defaults in any payment of rent, taxes or other payment obligations or the breach of any other covenant or agreement in the lease. If a lease agreement is terminated, there can be no assurance that we will be able to enter into a new lease agreement on similar or better terms or at all. Our lease obligations often include annual fixed rent escalators ranging between 2 % and 3 %. These escalators could impact our ability to satisfy certain obligations and financial covenants. If the results of our operations do not increase at or above the escalator rates, it would place an additional burden on our results of operations, liquidity and financial position. If we continue to expand, we may have leases with different start dates, and it is likely that some number of our leases will expire each year. Our lease agreements often provide for renewal or extension options. There can be no assurance that these rights will be exercised in the future or that we will be able to satisfy the

conditions precedent to exercising any such renewal or extension. In addition, if we are unable to renew or extend any of our leases, we may lose the center subject to that lease agreement. If we are not able to renew or extend our leases at or prior to the end of the existing lease terms, or if the terms of such options are unfavorable or unacceptable to us, our business, financial condition and results of operation could be adversely affected. ~~37Leasing~~ -- **Leasing** centers pursuant to binding lease agreements may limit our ability to exit markets. For instance, if one center under a lease has a delayed opening or becomes unprofitable, we have been and may be required to continue making payments under such lease agreement or continue operating such center. We could incur special charges relating to the closing operations of such facility, including lease termination costs, impairment charges and other special charges that would reduce our profits and could have a material adverse effect on our business, financial condition or results of operations. Our failure to pay the rent or otherwise comply with the provisions of any of our lease agreements could result in an " event of default " under such lease agreement and also could result in a cross default under other lease agreements and agreements for our indebtedness. Upon an event of default, remedies available to our landlords generally include, without limitation, terminating such lease agreement, repossessing and reletting the leased properties and requiring us to remain liable for all obligations under such lease agreement, including the difference between the rent under such lease agreement and the rent payable as a result of reletting the leased properties, or requiring us to pay the net present value of the rent due for the balance of the term of such lease agreement. The exercise of such remedies could have a material adverse effect on our business, financial position, results of operations and liquidity. We **began operating as a for- profit company in 2016** ~~believe that our people are our best product. This culture is vital to our success,~~ and ~~if we are~~ **have limited operating history as a for- profit company. Accordingly, our historical and recent financial and business results may** not **be representative of what they** ~~successful in attracting, hiring, and retaining purpose- driven talent to deliver quality participant care, our business~~ may be ~~harmed~~ **in the future** . We **were originally formed** ~~believe that people are our product and that it is the most important element~~ in **2007 as a not- for- profit company and converted to a for- profit company in 2016. Due to our relatively limited operating history as a for- profit company, our historical and recent financial and business results may not be representative of** what **they may be in the** ~~we do — this extends from our staff to our participants. Our culture~~ - **future** ~~has been~~ **. We have encountered** and will continue to **encounter significant risks and uncertainties frequently experienced by new companies in rapidly changing and highly regulated industries, such as determining appropriate investments for our limited resources, competition from other providers, acquiring and retaining participants, hiring, integrating, training and retaining skilled personnel, unforeseen expenses and challenges in forecasting accuracy. Although we have expanded our footprint outside of Colorado into other geographies, we cannot provide assurance that we will** be **able** ~~a critical contributor~~ to **expand into new geographies** ~~our~~ - **or that any new centers we open or acquire, or new geographies we enter will be** ~~success~~ **successful . If our assumptions regarding risks and uncertainties that we use to plan our business are incorrect or change** as ~~a PACE provider. Subject to labor market constraints,~~ we ~~expect~~ **gain more experience operating a for- profit business or due** to **changes in our industry, or if** ~~continue to hire additional personnel to deliver on the mission at InnovAge. If~~ we do not **address these challenges successfully,** ~~continue to develop and evolve our corporate culture or~~ **our** ~~maintain~~ **operating** and **financial results** ~~preserve our core values as we grow, we may be unable to foster the collaborative environment that underpins the integrated care delivery model, which~~ could ~~harm~~ **differ materially from** our **expectations and our reputation and** business **could suffer materially** . Our centers have been and may be negatively impacted by public health emergencies, such as the COVID- 19 pandemic, weather and other factors beyond our control. Our results of operations have been and may in the future be negatively impacted by adverse conditions affecting our centers, including severe weather events such as tornadoes, hurricanes and widespread winter storms, earthquakes, public health concerns such as contagious disease outbreaks, epidemics and pandemics, such as the COVID- 19 pandemic, violence or threats of violence or other factors beyond our control that cause disruption in provision of participant services, displacement of our participants, employees and care teams, or force certain of our centers to close temporarily. Our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster. In certain geographic areas, we have a large concentration of centers that may be simultaneously affected by ~~pandemics~~ **health emergencies** , such as the COVID- 19 pandemic, adverse weather conditions or other events. Our future operating results may be adversely affected by these and other factors that disrupt the operation of our centers. Risks Related to Regulation Allegations of failure and failure to adhere to all ~~of~~ the complex government laws and regulations that apply to our business have had and could in the future have material adverse effect on our business, results of operations, financial condition, cash flows, reputation and stock price. Our operations are subject to extensive federal, state and local government laws and regulations, such as: ~~•~~ **• Federal** Medicare, **federal and state** Medicaid, and **federal and state** PACE statutes and regulations **, which are continuously changing and evolving** ; ~~•~~ **•** federal and state anti- kickback **and self- referral** laws, which prohibit, among other things, the knowing and willful offer, payment, solicitation or receipt of any bribe, kickback or remuneration, whether in cash or in kind, for referring an individual, in return for ordering, leasing, purchasing or recommending or arranging for or to induce the referral of an individual or the ordering, purchasing or leasing of items ~~38or~~ **or** services covered, in whole or in part, by federal healthcare programs, such as Medicare and Medicaid, or by any payor; ~~•~~ **•** the federal civil false claims laws, including the FCA and associated regulations, which impose civil penalties through governmental, whistleblower or qui tam actions, on individuals or entities for, among other things, knowingly submitting false or fraudulent claims for payment to the government or knowingly making, or causing to be made, a false statement in order to have a claim paid. When an entity is determined to have violated the FCA, the government may impose civil fines and penalties ranging from $ ~~12~~ **13** , ~~537~~ **508** to $ ~~25~~ **27** , ~~076~~ **018** for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs; ~~•~~ **•** the federal false claims laws, which impose criminal penalties on individuals who make or present a false, fictitious, or fraudulent claim to the government that the individual knew was false, fictitious, or fraudulent, and was made with the specific intent to violate the law or with a consciousness of wrongdoing; ~~•~~ **•** state false claims laws,

which generally follow the FCA and apply to claims submitted to state healthcare programs, and state health insurance fraud laws that impose penalties for the submission of false or fraudulent claims by providers to commercial insurers or other payors of healthcare services; • the federal Civil Monetary Penalties Statute and associated regulations, which impose civil fines for, among other things, the offering or transfer of remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know such remuneration is likely to influence the beneficiary' s selection of a particular provider or supplier of services reimbursable by Medicare or a state healthcare program, unless an exception applies, and which authorize assessments and program exclusion for various forms of fraud and abuse involving the Medicare and Medicaid programs; • the federal ~~health~~ **healthcare** ~~care~~ fraud statute and its implementing regulations, which created federal criminal laws that prohibit, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters; • federal and state laws regarding the collection, use disclosure and, protection of personal identifiable information or PII and protected health information or PHI (e. g., HIPAA, CCPA) and the storage, handling, shipment, disposal and / or dispensing of pharmaceuticals and blood products and other biological materials, and many other applicable state and federal laws and requirements; • state and federal statutes and regulations that govern workplace health and safety; • federal and state laws and policies that require healthcare providers to maintain licensure, certification or accreditation to provide services to patients or to enroll and participate in the Medicaid programs, to report certain changes in their operations to the agencies that administer these programs and, in some cases, to re- enroll in these programs when changes in direct or indirect ownership occur; • federal and state scope of practice and other laws pertaining to the provision of services by qualified ~~health~~ **healthcare** ~~care~~ providers **, including those pertaining to the provision of services by nurse practitioners and physician assistants in certain settings and requirements for physician supervision of those services** ; • **state laws restricting the corporate practice of medicine; and** • federal or state consumer protection laws that regulate various trade practices (e. g. consumer communications or consumer- facing activities) ~~; and • federal and state laws pertaining to the provision of services by nurse practitioners and physician assistants in certain settings, including physician supervision of those services~~ . In addition to the above, PACE contracts also impose complex and extensive requirements upon our operations. ~~39Federal~~ -- **Federal** and state manuals, policies, and other guidance may also affect our operations. The various laws, regulations **,** and agency guidance that apply or relate to our operations are often subject to varying interpretations, and additional laws and regulations potentially affecting healthcare organizations continue to be promulgated and issued. A violation or departure from any of the legal requirements applicable to our business may result in, among other things, government audits, decreased payment rates, significant fines and penalties, the potential loss of licensure or certification, recoupment efforts or retractions of reimbursement previously paid, voluntary repayments, exclusion from governmental healthcare programs, written warnings, corrective action plans, monitoring, reputational harm, suspension of new enrollment or the restriction of current enrollment, the withholding of payments under the PACE program agreement, and termination of the PACE program agreement. These legal requirements may be civil or administrative in nature. We are subject to federal and state regulations that require PACE organizations to maintain fiscally sound operations, as defined by CMS and applicable state agencies. We submit regular financial reports to governmental authorities and are subject to routine financial reviews and audits by both CMS and state agencies. For example, federal and state governments evaluate our assets and liabilities, cash flows, and net operating surpluses against specific regulatory requirements. From time to time, federal and state authorities may identify aspects of the finances of our PACE organizations that do not comply with federal or state requirements and may require us to submit clarifications and / or take action to adjust the capitalization or other financial status of such entities. **As state agencies promulgate additional regulations applicable to PACE and issue sub- regulatory guidance, we will have to allocate sufficient resources to ensure compliance with both federal and state regulations.** We endeavor to comply with all legal requirements. We further endeavor to structure all of our relationships with physicians, providers, and other third parties to comply with state and federal anti- kickback laws and other applicable healthcare laws. We utilize considerable resources to monitor laws and regulations and implement necessary changes. However, the laws and regulations in these areas are complex, changing and often subject to varying interpretations, and any failure to satisfy applicable laws and regulations could have a material adverse impact on our business, results of operations, financial condition, cash flows and reputation. We may face penalties, including penalties under the FCA, if we fail to report and return government overpayments within 60 days of when the overpayment is identified and quantified. See Item 1A. Risk Factors, " Risks Related to Our Business — We are subject to legal proceedings, enforcement actions and litigation, malpractice and privacy disputes, which are costly to defend and could materially harm our business and results of operations. " Additionally, the federal government has used the FCA to prosecute a wide variety of alleged false claims and fraud allegedly perpetrated against Medicare, Medicaid **,** and other federally funded ~~health~~ **healthcare** ~~care~~ programs. Moreover, amendments to the federal Anti- Kickback Statute in the ACA make claims tainted by Anti- Kickback Statute violations subject to liability under the FCA, including qui tam or whistleblower suits. In recent years, the number of suits brought in the medical industry by private individuals has increased dramatically. Given the high volume of claims processed by our various operating units, the potential is high for substantial penalties in connection with any alleged FCA violations. In addition to the provisions of the FCA, 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. If any of our operations are found to violate these or other 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, termination or exclusion of our participation in government payment programs; • 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 licenses required to operate healthcare centers, complete certain limited lab testing or administer prescription drugs in the states in which we operate; • criminal or civil liability, fines, damages or monetary penalties for violations of healthcare fraud and abuse laws, including the Anti- Kickback Statute, Civil Monetary Penalties

Statute and FCA, or other failures to meet regulatory requirements; • ~~40~~ • enforcement actions by governmental agencies or state attorneys general and / or state law claims for monetary damages by patients or employees who believe their PHI / PII has been impermissibly used or disclosed or not properly safeguarded, or their rights with respect to PHI / PII have been protected, in violation of federal or state health privacy laws, including, for example and without limitation, HIPAA, CCPA **as amended by the CPRA** , 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, monitoring agreements or corrective action plans 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, real estate leases and consulting agreements; and •~~-~~• harm to our reputation, which could negatively impact our business relationships, affect our ability to attract and retain participants and healthcare professionals, affect our ability to obtain financing and decrease access to new business opportunities, among other things. We are, from time to time, and may in the future **continue to** be, a party to various lawsuits, demands, claims, governmental investigations, ~~and~~ audits (including investigations or other actions resulting from our obligation to self- report suspected violations of law) **,** and other legal matters. Responding to subpoenas, requests for information, investigations and other lawsuits, claims **,** and legal proceedings as well as defending ourselves in such matters ~~will~~ **has** ~~require~~ **required** management' s attention and ~~cause~~ **caused** 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 such matters could result in, among other things, substantial financial penalties or awards against us, substantial payments made by us, harm to our reputation, required changes to our business practices, exclusion from future participation in the Medicare, Medicaid and other healthcare programs and, in certain cases, criminal penalties, any of which could have a material adverse effect on our business. It is possible that criminal proceedings may be initiated against us and / or individuals in our business in connection with investigations by the federal government. The results of such lawsuits cannot be predicted. Qui tam actions are filed under seal and impose a mandatory duty on the U. S. Department of Justice to investigate such allegations, and because qui tam suits are filed under seal, we could be subject to suits of which we are not aware or have been ordered by the presiding court not to discuss or disclose. We, our healthcare professionals **,** and the centers in which we operate, are subject to various federal, state and local licensing, certification and other laws and regulations, relating to, among other things, the quality of medical care, equipment, privacy of health information, physician relationships, telehealth, personnel and operating policies and procedures. Failure to comply with these licensing and certification laws, regulations and standards could result in cessation of our services, prior payments by government payors being subject to recoupment, corrective action plans, the suspension of participant enrollment or 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 endeavor to comply with federal, state and local licensing and certification laws and regulations and standards as we interpret them, the laws and regulations in these areas are complex, changing and often subject to varying interpretations. Any failure to satisfy applicable laws and regulations could have a material adverse impact on our business, results of operations, financial condition, cash flows **,** and reputation. If we are unable to effectively adapt to changes in the healthcare industry, including changes to laws and regulations regarding or affecting 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 administrative agencies 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 assure our ~~41stockholders~~ -- **stockholders** as to 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. Since nearly all of our revenue is derived from government payors, we are always subject to regulatory changes. Federal and state legislators routinely introduce and consider proposed legislation that would impact Medicare, Medicaid, and PACE funding and operations, and state and federal agencies also consider and implement regulations and guidance that impact our business. We cannot predict with certainty what impact any federal and state healthcare legislation or regulation will have on us, but such changes could impose new and / or more stringent regulatory requirements on our activities or result in reduced capitated payments, any of which could adversely affect our business, financial condition, and results of operations. 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 community centers. It is possible that the changes to Medicare, Medicaid or other governmental healthcare program reimbursement policies may serve as precedent to possible changes in other government payors' programs in a manner that adversely impacts the capitation payment arrangements with us. Similarly, changes in private payor reimbursement policies could lead to adverse changes in Medicare, Medicaid and other governmental healthcare programs, which could have a material adverse effect on our business, financial condition and results of operations. While we believe that we have structured our agreements and operations in material compliance with applicable healthcare laws and regulations, there can be no assurance that regulators will agree with our approach or that we will be able to successfully address changes in the current legislative and regulatory environment. We believe that our business operations materially comply with applicable healthcare laws and regulations. However, 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. Laws regulating the corporate practice of medicine could restrict the manner in which we are permitted to conduct our business, and the failure to comply with such laws could subject us

to penalties or require a restructuring of our business. Some of the states in which we currently operate have laws that prohibit business entities, such as us, from practicing medicine, employing physicians **or other clinicians** to practice medicine, exercising control over medical decisions by physicians or **other clinicians or** engaging in certain arrangements, such as fee-splitting, with physicians **or other clinicians** (such activities generally referred to as the " corporate practice of medicine "). In some states, these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. For example, in Pennsylvania, the statutes that pertain to the employment of ~~health~~ **healthcare** ~~care~~ practitioners by ~~health~~ **healthcare** ~~care~~ centers do not explicitly include a PACE organization in the list of ~~health~~ **healthcare** ~~care~~ centers by which a ~~health~~ **healthcare** ~~care~~ practitioner may be employed. Other states in which we may operate in the future may also generally prohibit the corporate practice of medicine. 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. Penalties for violations of the corporate practice of medicine vary by state and may result in physicians being subject to disciplinary action, as well as forfeiture of revenues 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. Some of the relevant laws, regulations **,** and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation. State laws or regulations prohibiting the corporate practice of medicine may contemplate the employment of physicians by certain types of entities ~~,~~ but may not provide a specific exemption for PACE organizations. State laws and regulations are subject to change. Regulatory authorities and other parties may assert that our employment of physicians in some states means that we are engaged in the prohibited corporate practice of medicine. If this were to occur, we could be subject to civil and / or criminal penalties, ~~42our~~ -- **our** agreements with physicians could be found legally invalid and unenforceable (in whole or in part) or we could be required to restructure our arrangements with respect to the physicians that care for our participants, in each case in one or more of the jurisdictions in which we operate. Any of these outcomes may have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. Our use, disclosure, and other ~~Processing~~ **processing** of PHI / PII is subject to HIPAA, CCPA **as amended by the CPRA** and other federal and state privacy and security regulations, and our failure to comply with those laws and regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, a material adverse effect on our participant base and revenue. Numerous state and federal laws and regulations govern the collection, dissemination, use, disclosure, destruction, retention, privacy, confidentiality, security, availability, integrity and other ~~Processing~~ **processing** of PHI / PII. These laws and regulations include HIPAA. HIPAA establishes a set of national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses **,** and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services. A business associate is any person or entity (other than members of a covered entity' s workforce) that performs a service for or on behalf of a covered entity involving the use or disclosure of protected health information. HIPAA requires covered entities, such as ourselves, and their business associates to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical and technical safeguards to protect such information. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims. HIPAA imposes mandatory penalties for certain violations. Under a notice of enforcement discretion issued by HHS in 2019, penalties for violations of HIPAA and its implementing regulations start at $ 100 (not adjusted for inflation) per violation and are not to exceed approximately $ 63, 000 (not adjusted for inflation) per violation, subject to a cap of approximately $ 1. 9 million (not adjusted for inflation) for violations of the same standard in a single calendar year. However, a single breach incident can result in violations of multiple standards. **In addition, HIPAA provides for criminal penalties of up to $ 250, 000 and ten years in prison, with the severest penalties for obtaining and disclosing PHI with the intent to sell, transfer or use such information for commercial advantage, personal gain or malicious harm.** HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us 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. In addition, HIPAA mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA covered entities and business associates for compliance with the HIPAA Privacy and Security Standards. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the civil monetary penalty fine paid by the violator. HIPAA further requires that individuals 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 individuals or more, it must be reported to HHS without unreasonable delay, and in no case later than 60 calendar days after discovery, and HHS will automatically investigate the breach and post the name of the entity on its public breach portal. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually. Breaches affecting more than 500 residents in the same state or jurisdiction must also be reported to the local media. **Looking ahead, it is possible that the ADPPA, a landmark federal privacy bill with significant bipartisan support, may gain traction. Although ADPPA would not apply to health data covered by HIPAA, it would apply to other health data, such as health data controlled by certain entities in the digital health space.** In addition to HIPAA, numerous other federal and state laws and regulations protect the confidentiality, privacy, availability, integrity and security of individually identifiable information. State statutes and regulations

vary from state to state, and these laws and regulations in many cases are more restrictive than, and may not be preempted by, HIPAA and its implementing rules. These laws and regulations are often uncertain, contradictory, and subject to changing or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future. For example, the CCPA provides certain exceptions for PHI, but is still applicable ~~43to~~ **to** certain PII we ~~Process~~ **process** in the ordinary course of our business. The effects of the CCPA are wide-ranging and afford consumers certain rights with respect to PII, including a private right of action for data breaches involving certain personal information of California residents. **In addition** ~~The California voters also passed, on November 3, 2020~~ , the California Privacy Rights Act **of 2020** , or CPRA, which **went** ~~will come~~ into effect ~~on~~ January 1, 2023, ~~and will expand~~ **expands** ~~the rights of consumers under~~ the CCPA ~~and create~~ **' s requirements, including by adding** a new ~~enforcement~~ **right for individuals to correct their personal information and establishing a new regulatory** agency ~~. As new data security laws are implemented, we may not be able to timely comply with such requirements, or such requirements may not be compatible with our current processes. Changing our processes could be time consuming and expensive, and failure~~ to implement **and enforce the** ~~required changes in a timely manner could subject us to liability for non- compliance. Consumers may also be afforded a private right of action for certain violations of privacy laws~~ - **law** . Other states, including Colorado **, Connecticut, Utah,** and Virginia, have enacted similar privacy laws that impose new obligations or limitations in areas affecting our business and we continue to assess the impact of this state legislation on our business as additional information and guidance becomes available. Efforts at the federal level to enact similar laws have been ongoing. **As new data security laws are implemented, we may not be able to timely comply with such requirements, or such requirements may not be compatible with our current processes. Changing our processes could be time consuming and expensive, and failure to implement required changes in a timely manner could subject us to liability for non- compliance. Consumers may also be afforded a private right of action for certain violations of privacy laws.** This complex, dynamic legal landscape regarding privacy, data protection, and information security creates significant compliance issues for us and potentially restricts our ability to ~~Process~~ **process** data and may expose us to additional expense, adverse publicity **,** and liability. While we believe we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations, and we have implemented measures to require our third- party service providers to maintain reasonable data privacy and security measures, we cannot guarantee that these efforts will be adequate, and we may be subject to cybersecurity, ransomware or other security incidents. Further, it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of our third- party service providers. If we or these third parties are found to have violated such laws, rules or regulations, it could result in regulatory investigations, litigation awards or settlements, government- imposed fines, orders requiring that we or these third parties change our or their practices, or criminal charges, which could adversely affect our business. Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices, systems and compliance procedures in a manner adverse to our business. We also publish statements to our participants that describe how we handle and protect PHI. If federal or state regulatory authorities, such as the FTC, 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. The FTC sets expectations for failing to take appropriate steps to keep consumers' personal information secure, or failing to provide a level of security commensurate to promises made to individual about the security of their personal information (such as in a privacy notice) may constitute unfair or deceptive acts or practices in violation of Section 5 (a) of the Federal Trade Commission Act (" FTC Act "). The FTC expects a company' s data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Individually identifiable health information is considered sensitive data that merits stronger safeguards. With respect to privacy, the FTC also sets expectations that companies honor the privacy promises made to individuals about how the company handles consumers' personal information; any failure to honor promises, such as the statements made in a privacy policy or on a website, may also constitute unfair or deceptive acts or practices in violation of the FTC Act. While we do not intend to engage in unfair or deceptive acts or practices, the FTC has the power to enforce promises as it interprets them, and events that we cannot fully control, such as data breaches, may be result in FTC enforcement. Enforcement by the FTC under the FTC Act can result in civil penalties or enforcement actions. Any of the foregoing consequences could seriously harm our business and our financial results. Risks Related to Our Indebtedness Our existing indebtedness could adversely affect our business and growth prospects. As of June 30, ~~2022~~ **2023** , we had total outstanding debt of (i) $ ~~71~~ **67** . ~~2~~ **5** million principal amount under the Term Loan Facility (as defined in Note ~~8~~ **7** , " Long-term Debt " to the consolidated financial statements), and (ii) $ 2. ~~4~~ **3** million principal amount under the convertible term loan. Our indebtedness, or any additional indebtedness we may incur, could require us to divert funds identified for other purposes for debt service, impairing 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, or on terms satisfactory to us or at all. ~~44Our~~ -- **Our** indebtedness and the cash flow needed to satisfy our debt have important consequences, including: ●-● limiting funds otherwise available for financing our capital expenditures and pursuing our growth strategies by requiring us to dedicate a portion of our cash flows from operations to the repayment of debt and the interest on this debt; ●-● making us more vulnerable to rising interest rates; and ●-● making us more vulnerable in the event of a downturn in our business. Our level of indebtedness may place us at a competitive disadvantage to our competitors that are not as highly leveraged. Fluctuations in interest rates can increase borrowing costs. Increases in interest rates may directly impact the amount of interest we are required to pay and reduce earnings accordingly. 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 necessary to grow and maintain our businesses. 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. The terms of the 2021 Credit Agreement restrict our current and future operations, particularly our ability to respond to changes or to take certain actions. The 2021 Credit Agreement (as defined in Note ~~8~~ 7 , " Long- term Debt " to the consolidated financial statements) 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, guarantees and advances; • consolidate, merge, liquidate or dissolve; • sell, transfer, lease 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 restrictive covenants in the 2021 Credit Agreement require us to satisfy certain financial condition tests. Our ability to satisfy those tests can be affected by events beyond our control. A breach of the covenants or restrictions under the 2021 Credit Agreement could result in an event of default under such document. Such a default may allow the creditors to accelerate the related debt and terminate all commitments to extend credit thereunder and may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. 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; • ~~45~~ 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 participant services 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. If we raise additional equity financing, our security holders may experience significant dilution of their ownership interests. If we engage in additional debt financing, we may be required to accept terms that restrict our operational flexibility and 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 2021 Credit Agreement may 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 participant services; • continue to expand our business either by increasing enrollment or building de novo centers; • hire, train and retain employees; • respond to competitive pressures or unanticipated working capital requirements; or • pursue acquisition opportunities. In addition, if we issue additional equity to raise capital, your interest in the Company will be diluted. Risks Related to Our Common Stock Our Principal Shareholders control us, and their interests may conflict with ours or yours in the future. Our Principal Shareholders own approximately 86 % of our common stock, which means that, based on their combined percentage voting power held, the Principal Shareholders together control the vote of all matters submitted to a vote of our shareholders, which enables them to control the election of the members of the Board and all other corporate decisions. This concentration of ownership may delay, deter or prevent acts that would be favored by our other shareholders. The interests of the Principal Shareholders may not always coincide with our interests or the interests of our other shareholders. Even when the Principal Shareholders cease to own shares of our stock representing a majority of the total voting power, for so long as the Principal Shareholders continue to own a significant percentage of our stock, the Principal Shareholders will still be able to significantly influence the composition of our Board and the approval of actions requiring shareholder approval. Accordingly, for such period of time, the Principal Shareholders will 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 Principal Shareholders continue to own a significant percentage of our stock, the Principal Shareholders will be able to cause or prevent a change of control of us or a change in the composition of our Board and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of us and ultimately might affect the market price of our common stock. In addition, this concentration of ownership may adversely affect the trading price of our common stock because investors may perceive disadvantages in owning shares in a company with significant stockholders. ~~46In~~ **In** addition, we are party to a Director Nomination Agreement (defined herein) with the Principal Shareholders that provides the Principal Shareholders the right to designate: (i) all of the nominees for election to our Board for so long as the Principal Shareholders collectively beneficially own at least 40 % of the Original Amount (as defined therein); (ii) 40 % of the nominees for election to our Board for so long as the Principal Shareholders collectively beneficially own less than 40 % but at least 30 % of the Original Amount; (iii) 30 % of the nominees for election to our Board for so long as the Principal Shareholders collectively beneficially own less than 30 % but at least 20 % of the Original Amount; (iv) 20 % of the nominees for election to our Board for so long as the Principal Shareholders collectively beneficially own less than 20 % but at least 10 % of the Original Amount; and (v) one of the nominees for election to our Board for so long as the Principal Shareholders collectively beneficially own at least 5 % of the Original Amount. If TCO Group Holdings, L. P., the investment vehicle through which the Principal Shareholders hold their investment is dissolved, then each of the Principal Shareholders will be permitted to nominate (i) up to three directors so long as

it owns at least 25 % of the Original Amount, (ii) up to two directors so long as it owns at least 15 % of the Original Amount and (iii) one director so long as it owns at least 5 % of the Original Amount. The Principal Shareholders may also assign such right to their affiliates. The Director Nomination Agreement also provides for certain consent rights for each of the Principal Shareholders so long as such shareholder owns at least 5 % of the Original Amount, including for any increase to the size of our Board. Additionally, the Director Nomination Agreement prohibits us from increasing or decreasing the size of our Board without the prior written consent of the Principal Shareholders for so long as either of our Principal Shareholders holds at least 5 % of the total outstanding voting power. The Principal Shareholders 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 Principal Shareholders and their affiliates may engage in activities where their interests conflict with our interests or those of our other shareholders, 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 neither the Principal Shareholders, 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 her or his director and officer capacities) or its affiliates 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 Principal Shareholders 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, the Principal Shareholders may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks to you. We are a " controlled company " within the meaning of the rules of Nasdaq and, as a result, we qualify for, and intend to continue relying on, exemptions from certain corporate governance requirements. Therefore, you do not have the same protections as those afforded to stockholders of companies that are subject to such governance requirements. The Principal Shareholders control a majority of the voting power of our outstanding common stock. As a result, we are a " controlled company " within the meaning of the corporate governance standards of the Nasdaq Global Select Market (" Nasdaq "). Under these rules, a company of which more than 50 % of the voting power for the election of directors is held by an individual, group or another company is a " controlled company " and may elect not to comply with certain corporate governance requirements, including: ● ● the requirement that a majority of our Board consist of independent directors; ● ● the requirement that ~~we have~~ **nominees to our Board are to be selected, or recommended for the Board' s selection, either by independent directors constituting** a **majority of the Board' s independent directors or by a** ~~nominating~~ **nominations** ~~and corporate governance~~ committee that is composed entirely of independent directors ~~with a written charter addressing the committee' s purpose and responsibilities~~ ; ● ● the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and ● ● the requirement for an annual performance evaluation of the ~~nominating~~ **Board** and **its** ~~corporate governance and compensation~~ committees. ~~47We~~ **We** currently utilize and intend to continue utilizing **certain of** these exemptions as long as they are available to us **, and in** ~~. As a result of these~~ -- **the future, we could utilize additional** exemptions ~~, we do not have a majority of independent directors on our Board, our Compensation, Nominating and Governance Committee does not consist entirely of independent directors and our Compensation, Nominating and Governance Committee may not be subject to annual performance evaluations~~ . Accordingly, you do not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq. We qualify as an " emerging growth company " and a " smaller reporting company " and we have elected to comply with reduced public company reporting requirements, which could make our common stock less attractive to investors. We are an " emerging growth company, " as defined in the JOBS Act and a " smaller reporting company " as defined by the Exchange Act. For as long as we continue to qualify as an emerging growth company, we are eligible for certain exemptions from various public company reporting requirements. These exemptions include, but are not limited to, (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, (iii) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved, and (iv) an extended transition period to comply with new or revised accounting standards applicable to public companies. Additionally, as long as we qualify as a smaller reporting company, we are required to present only the two most recent fiscal years of audited financial statements in our Annual Reports on Form 10- K. We could be an emerging growth company for up to five years after the first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933, as amended (the " Securities Act "), which first occurred in March 2021. However, if certain events occur prior to the end of such five- year period, including if we become a " large accelerated filer, " our annual gross revenue exceeds $ 1. ~~07~~ **235** billion or we issue more than $ 1. 0 billion of non- convertible debt in any three- year period, we would cease to be an emerging growth company prior to the end of such five- year period. Additionally, even after we no longer qualify as an " emerging growth company, " we may still qualify as a " smaller reporting company " if the market value of our common stock held by non- affiliates is below $ 250 million (or $ 700 million if our annual revenue is less than $ 100 million) as of December 31 in any given year, which would allow us to continue taking advantage of these exemptions. Our proxy statement for fiscal year 2023 will include reduced disclosure regarding executive compensation. In addition, we have chosen to take advantage of the extended transition period to comply with new or revised accounting standards applicable to public companies. As a result, the information that we provide to holders of our common stock may be different than you might receive from other public reporting companies in which you hold equity interests. We cannot predict if investors will find our common stock less attractive as a result of reliance on these exemptions. If some investors find our common stock less attractive as a result of any choice we make to reduce disclosure, there may be a less active trading market for our common stock and the market price for our common stock may be more volatile. The requirements of being a public company may strain our resources and distract our management, which could make

it difficult to manage our business, particularly after we no longer qualify as an " emerging growth company " or a " smaller reporting company. " As a ~~new~~ **newer** 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, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs, made some activities more difficult, time- consuming and costly and increase demand on our systems and resources, particularly after we no longer qualify as an " emerging growth company " or " smaller reporting company. " 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. Furthermore, the need to continue establishing the corporate infrastructure demanded of a public company may divert our management' s attention from implementing our business 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 ~~48accounting~~ **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. 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 invest in 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 controls over financial reporting in order to comply with Section 404 of the Sarbanes- Oxley Act. We may not complete our analysis of our internal controls over financial reporting in a timely manner, or 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. In addition, because of our status as an emerging growth company, you will not be able to depend on any attestation from our independent registered public accountants as to our internal controls over financial reporting for the foreseeable future. As a public company, 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 controls over financial reporting in our annual reports. This assessment includes disclosure of any material weaknesses identified by management in our internal controls over financial reporting. We are also required to disclose changes made in our internal controls and procedures on a quarterly basis. To comply with these requirements, we have and may further need to undertake various costly and time- consuming actions, such as implementing new controls and procedures and hiring additional accounting or internal audit staff. The process of designing and implementing internal controls over financial reporting required to comply with this requirement is time- consuming, costly and complicated. If during the evaluation and testing process we identify one or more other material weaknesses in our internal controls over financial reporting, our management will be unable to assert that our internal controls 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. Even if our management concludes that our internal controls 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. However, our independent registered public accounting firm will not be required to attest formally to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act until we no longer qualify as an " emerging growth company, " as defined in the JOBS Act or a " smaller reporting company " as defined by the Exchange Act. Accordingly, you will not be able to depend on any attestation concerning our internal controls over financial reporting from our independent registered public accountants for the foreseeable future. The existence of any material weaknesses or significant deficiency in internal controls over financial reporting would require management to devote significant time and incur significant expenses to remediate any such issue and management may not be able to remediate the issue in a timely manner. The existence of any material weaknesses or significant deficiency could cause us to reissue our financial statements, fail to meet reporting deadlines or undermine shareholders' confidence in our reported financial statements, all of which could materially and adversely impact our stock price. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 of the Sarbanes- ~~49Oxley~~ **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 executive management team does not have extensive experience managing a public company. Our executive management team does not have extensive 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. 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 Principal Shareholders' beneficial ownership of a combined 86 % of our common stock, our Director Nomination Agreement, 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 without the consent of our Board or the Principal Shareholders, even if doing so might be beneficial to our shareholders. Among other things, these provisions: ● 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 shareholders; ● provide for a classified board of directors with staggered three- year terms; ● prohibit shareholder action by written consent from and after the date on which the Principal Shareholders beneficially own, in the aggregate, less than 35 % of our common stock then outstanding; ● provide that, from and after the date on which the Principal Shareholders beneficially own less than 50 % of our common stock then outstanding, any amendment, alteration, rescission or repeal of our bylaws by our shareholders will require the affirmative vote of the holders of at least 662 / 3 % in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class; and ● establish advance notice requirements for nominations for elections to our Board or for proposing matters that can be acted upon by shareholders at shareholder meetings, provided, however, that at any time when a Principal Shareholder beneficially owns at least 5 % of our common stock then outstanding, such advance notice procedure will not apply to such Principal Shareholder. 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 (excluding the Principal Shareholders and any of their direct or indirect transferees and any group as to which such persons are a party) who acquires at least 85 % of our common stock for a period of three years from the date such person acquired such common stock, unless Board or shareholder 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 you and other shareholders to elect directors of your choosing and cause us to take other corporate actions you ~~50desire~~ **desire**, including actions that you 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 shareholders 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 shareholders 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 you to realize value in a corporate transaction. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our shareholders and the federal district courts of the United States as the exclusive forum for litigation arising under the Securities Act, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us. 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 (or, if the Court of Chancery does not have jurisdiction, the United States District Court for the District of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of fiduciary duty owed by, or other wrongdoing by, any our directors, officers, employees or agents to us or our stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (iii) any action asserting a claim against the us or any of our directors or officers or other employees arising pursuant to any provision of the DGCL or our certificate of incorporation or our Bylaws (as either may be amended, restated, modified, supplemented or waived from time to time), (iv) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws, (v) any action asserting a claim against us or any of our directors or officers or other employees governed by the internal affairs doctrine or (vi) any action asserting an " internal corporate claim " as that term is defined in Section 115 of the DGCL. Our certificate of incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce a duty or liability created by the Securities Act or the rules and regulations thereunder; accordingly, we cannot be certain that a court would enforce such provision. 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; however, our shareholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. The forum selection provisions 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. If the enforceability of our forum selection provision were to be challenged, we may incur additional costs associated with resolving such a challenge. While we currently have no basis to expect any such challenge would be successful, if a court were to find our forum selection provision to be inapplicable or unenforceable, we may incur additional costs associated with having to litigate in other jurisdictions, which could have an adverse effect on our

business, financial condition and results of operations and result in a diversion of the time and resources of our employees, management and Board. Our **quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may be driven by a variety of factors, many of which are outside of our control, including, but not limited to: • our ability to execute our growth strategy, including our ability to identify and successfully complete acquisition and expand via de novo centers within existing and new markets; • our inability to control expenses and increases to the cost of care, including as a result of the composition of our participant pool, macroeconomic factors such as such as labor shortages, high inflation, and COVID- 19; • the results of current and future, routine and non- routine inspections, reviews, audits and investigations under federal and state government programs and contracts, and any resulting sanctions or remediation efforts as a result of such government actions; and • legal proceedings, enforcement actions and litigation, malpractice and privacy disputes to which we are currently and may in the future be party to. The impact of any one of the factors discussed above or any other factors discussed in this " Risk Factors " section, or the cumulative effects of a combination of such factors, could result in significant fluctuations and unpredictability in our quarterly and annual operating results. As a result of such variability and unpredictability, we may also fail to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results could fall short of our expectations or any guidance we provide. We may also fail to meet the expectations of industry or financial analysts or investors for any period. If the guidance we provide falls short or we are unable to meet the expectations of analysts or investors, the trading price of our common stock could decline substantially. Our** operating results and stock price are volatile. The price of our common stock has significantly fluctuated since our IPO ~~and our quarterly operating results are likely to fluctuate~~ **ranging from a high of $ 26. 04** in ~~the future~~ **March 2021 to a low of $ 3. 5 in September 2022** . In addition, securities markets worldwide 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 **continue to** subject the market price of our shares to wide price fluctuations regardless of our operating performance. ~~Our~~ **In addition, our** operating results and the trading price of our shares may fluctuate in response to various factors, including: ~~•~~ • developments and results of ~~current~~ audits, sanctions, investigations and litigation; ~~•~~ • market conditions in our industry or the broader stock market; ~~• 51 •~~ actual or anticipated fluctuations in our quarterly financial and operating results; ~~•~~ • 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 key personnel; ~~•~~ • regulatory or political developments; ~~•~~ • litigation and governmental investigations; ~~•~~ • changing economic conditions; ~~•~~ • investors' perception of us and our prospects; ~~•~~ • events beyond our control such as inflationary pressures, increased interest rates, weather, public health events, such as the COVID- 19 pandemic ~~and Monkeypox~~ , and war, including uncertainties surrounding the Russia and Ukraine ~~conflict~~ **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 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~~ **institute** securities class action litigation against the company that issued the stock. Such ~~a lawsuit~~ **lawsuits** ~~was~~ **have been** filed against the Company ~~on October 14, 2021 and amended on June 21, 2022~~ . The outcome of ~~this lawsuit~~ **these proceedings** is unknown. ~~This and future lawsuits brought against us could~~ **See Part I, Item 3 " Legal Proceedings " for more information. We** incur substantial costs defending **against** ~~the~~ **these** ~~lawsuit~~ **lawsuits** . Such lawsuits also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation. A significant portion of our total outstanding shares may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well. Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, 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. As of June 30, ~~2022~~ **2023** , we had 135, ~~532~~ **639** , ~~811~~ **845** outstanding shares of common stock. All of the shares of common stock sold in our IPO are available for sale in the public market. In addition, we have registered shares of common stock that we may issue under our equity compensation plans. Such shares can be freely sold in the public market upon issuance, subject to vesting, and Rule 144 under the Securities Act. The market price of our **common** stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them. Additionally, we are party to a registration rights agreement with TCO Group Holdings, L. P., the investment vehicle through which the Principal Shareholders hold their investment, which requires us to effect the registration of the Principal Shareholders' shares in certain circumstances. The Principal Shareholders are also entitled to participate in certain of our registered offerings, subject to the restrictions in the registration rights agreement. These registration rights would facilitate the resale of such securities into the public market, and any such resale would increase the number of shares of our common stock available for public trading. ~~52In~~ **In** the future, we may also issue our securities in connection with investments or acquisitions. The number of shares issued in connection with an investment or acquisition could constitute a material portion of our then- outstanding common stock. Because we have no ~~current~~ plans to pay regular cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it. 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. 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, analysts have in the past downgraded, and may in the future 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. Future offerings of debt or equity securities by us may materially adversely affect the market price of our common stock. In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional shares of our common stock or offering debt or other equity securities, including senior or subordinated notes, debt securities convertible into equity or shares of preferred stock. In addition, we may seek to expand operations in the future to other markets which we would expect to finance through a combination of additional issuances of equity, corporate indebtedness and / or cash from operations. Issuing additional shares of our common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders or reduce the market price of our common stock or both. Upon liquidation, holders of such debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing or nature of our future ~~53offerings~~ -- **offerings** . Thus, holders of our common stock bear the risk that our future offerings may reduce the market price of our common stock and dilute their stockholdings in us. General Risk Factors If we are not able to maintain and enhance our reputation and brand recognition, our business and results of operations will be harmed. We believe that maintaining and enhancing the InnovAge reputation and its brand recognition is critical to our relationships with our stakeholders and to our ability to attract new participants. 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. 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. We have made efforts to protect our brand through trademark registration, but we cannot guarantee that these efforts will prevent third parties from infringing our trademarks or using trademarks confusingly similar to ours, nor can we guarantee we will be successful in obtaining or maintaining trademark registrations that we believe are important to our business. If we cannot stop third parties from using trademarks confusingly similar to ours, patients and others could be confused and our reputation could be harmed. In addition, factors such as failing to meet the expectations of or provide quality medical care for our participants, adverse cyber or data security events, adverse publicity or litigation involving or surrounding us, one of our centers or our management, such as news articles and market rumors with respect to ~~our ongoing~~ audits, litigation and other processes described ~~above~~ **in these risk factors** , have **diminished** and may in the future diminish our reputation or that of our management and **have** harmed **and may in the future harm** our brand, making it substantially more difficult for us to attract new participants. Similarly, because our existing participants and their families often act as references for us with prospective new participants, any existing participant or family member of a participant that questions the quality of our care could impair our ability to secure additional new participants. In addition, negative publicity resulting from any adverse government payor audit could further injure our brand and reputation. If we do not successfully enhance our reputation and brand recognition, our business may not grow and we could lose our relationships with participants, which would harm our business, results of operations and financial condition. ~~We~~ **Disruptions in our disaster recovery systems or business continuity planning could limit our ability to operate our business effectively. Our information technology systems facilitate our ability to conduct our business. While we** have **disaster recovery systems** and ~~expect to continue experiencing increased expenditures in the future. We have and expect to continue making significant investments in growing our~~ business ~~and increasing~~ **continuity plans in place, any disruptions in our disaster recovery systems** ~~our~~ - **or** ~~participant base~~ **the failure of these systems to operate as expected could** , ~~expanding~~ - **depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively monitor and control** our operations ~~, hiring additional employees and operating as a public company~~ . ~~As a result~~ **Despite our implementation** of ~~these increased expenditures~~ **a variety of security measures** , ~~we may not succeed in increasing~~ **our information technology systems could be subject to physical** ~~our~~ - **or electronic break- ins** ~~revenue sufficiently to maintain our current profit margins. To date~~ , ~~we have financed our operations principally~~ **ransomware and other cybersecurity incidents and similar disruptions** from **unauthorized tampering** ~~the sale of our~~ - **or** ~~equity, revenue from our participant services and the incurrence of indebtedness. We may not continue to generate positive cash flow from~~

~~operations, access sufficient capital or sustain our current levels of profitability in~~ any **weather** ~~given period, and our limited operating history as a for- profit company may make it difficult for you to rely on our historical results as indicative of future performance. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing and highly regulated --~~ **related** ~~industries~~ **disruptions in Denver** , **Colorado** ~~including increasing expenses as we continue to grow our business. Our operating expenses have and we expect them to continue to increase over the next several years as we continue to hire additional personnel , expand~~ **where** our **headquarters is located** ~~operations and infrastructure, and continue to provide services to an increasing number of participants~~ . In addition ~~to~~ **, in** the ~~expected costs to grow~~ **event that a significant number of** our **management personnel were unavailable in the event of a disaster, our ability to effectively conduct** business **could** ~~, we also are incurring and expect to incur additional legal, accounting and other expenses as a newly public company. These investments may~~ be **adversely affected** ~~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, our profitability could decline in future periods . If our growth rate were to decline significantly or become negative~~ **Negative** ~~, it~~ **publicity regarding the managed healthcare industry generally** could adversely affect our ~~financial condition and~~ results of operations **or business** . **Negative publicity regarding** ~~If we are not able to maintain positive cash flow in~~ the ~~long term~~ **managed healthcare industry generally** , ~~we~~ **or the PACE 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: • ~~require~~ requiring ~~additional financing~~ us to change our integrated healthcare services model; • increasing the regulatory** , **including compliance, burdens under** which **we operate, which, in turn,** 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. Accordingly, we may not be able to maintain our current levels of profitability, and we may incur losses in the future, which could~~ negatively impact the ~~value~~ **manner in which we provide services and increase our costs** of **providing services; • adversely affecting our ability to market our products** ~~our -~~ **or** ~~common stock~~ **services through the imposition of further regulatory restrictions or guidelines regarding the manner in which plans and providers market to PACE enrollees; or • adversely affecting our ability to attract and retain participants** . ~~54~~