

The logo for PERFORMANT features the word in a white, sans-serif font. The letter 'O' is replaced by a blue circular icon containing a white stylized arrow that curves upwards and to the right.

## INVESTOR PRESENTATION

2025 Company Overview

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# FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's outlook for revenues and adjusted EBITDA in 2025 as well as illustrative future revenues and adjusted EBITDA margins, our commercial client growth strategy, our estimated revenue from commercial programs implemented, our ability to implement our first state government contract, our ability to scale our business through contract awards and implementations and the expected benefits of integrating workflow efficiencies, including through investment in artificial intelligence software, natural language processing technologies and other technology initiatives. These forward-looking statements are based on current expectations, estimates, assumptions, and projections that are subject to change and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the Company's ability to generate revenue following long implementation periods associated with new customer contracts; client relationships and the Company's ability to maintain such client relationships; many of the Company's customer contracts are subject to periodic renewal, are not exclusive, do not provide for committed business volumes; anticipated trends and challenges in the Company's business and competition in the markets in which it operates; the Company's indebtedness and compliance, or failure to comply, with restrictive covenants in the Company's credit agreement; opportunities and expectations for growth in the various markets in which the Company operates; the Company's ability to hire and retain employees with specialized skills that are required for its business; downturns in domestic or global economic conditions and other macroeconomic factors; the Company's ability to generate sufficient cash flows to fund our ongoing operations and other liquidity needs; the impact of public health emergencies, such as the COVID-19 pandemic, on the Company's business and operations, opportunities and expectations for the markets in which the Company operates; the impacts of a failure of the Company's operating systems or technology infrastructure or those of third-party vendors and subcontractors; the impacts of a cybersecurity breach or related incident to the Company or any of the Company's third-party vendors and subcontractors; the adaptability of the Company's technology platform to new markets and processes; the Company's ability to invest in and utilize our data and analytics capabilities to expand its capabilities; the Company's growth strategy of expanding in existing markets and considering strategic alliances or acquisitions; the Company's ability to maintain, protect and enhance its intellectual property; expectations regarding future expenses; expected future financial performance; and the Company's ability to comply with and adapt to industry regulations and compliance demands.

More information on potential factors that could affect the Company's financial condition and operating results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's annual report on Form 10-K for the year ended December 31, 2024 and subsequently filed reports on Forms 10-Q and 8-K. The forward-looking statements are made as of the date of this presentation and the Company does not undertake to update any forward-looking statements to conform these statements to actual results or revised expectations.

PHLT  
Nasdaq listed

~\$220M  
Market cap<sup>2</sup>

900+  
FTEs

\$4-5B  
Serviceable Revenue  
Opportunity



## Mission

We are driven by a singular purpose—to transform the healthcare ecosystem by **addressing more than \$300 billion<sup>1</sup>** in healthcare payment integrity. Our unwavering mission is to pioneer innovative solutions that redirect these funds towards enhancing patient care—an effort that aligns with the current administration’s commitment to rooting out **fraud, waste, and abuse**.

## What is Healthcare Payment Integrity?

Payment Responsibility

Clinical Appropriateness

Billing Accuracy

Contract Compliance

## Why does it exist?

Complex Coding

New Reimbursement Models

Disparate Data

Evolving Demographics

<sup>1</sup>Source: JAMA "Waste in the US Health Care System: Estimated Costs and Potential for Savings"

<sup>2</sup>As of 12/31/2024

# Complex Industry Leads to Complex Solutions

Performant has the tools to address multiple payment errors and growing medical costs



## COMPLEX CODING

Multiple coding standards to adhere to



## NEW REIMBURSEMENT MODELS

Complicated contract arrangements



## DISPARATE DATA

- Providers lack information about payer contracts and patient coverage
- Includes structured, unstructured and reference data



## EVOLVING DEMOGRAPHICS

Ageing demographic and growing population covered by insurance

# PERFORMANT



## CLAIMS-BASED SERVICES

- Is this billed and coded accurately?
- Does this meet coding standards?
- Is this contract compliant?



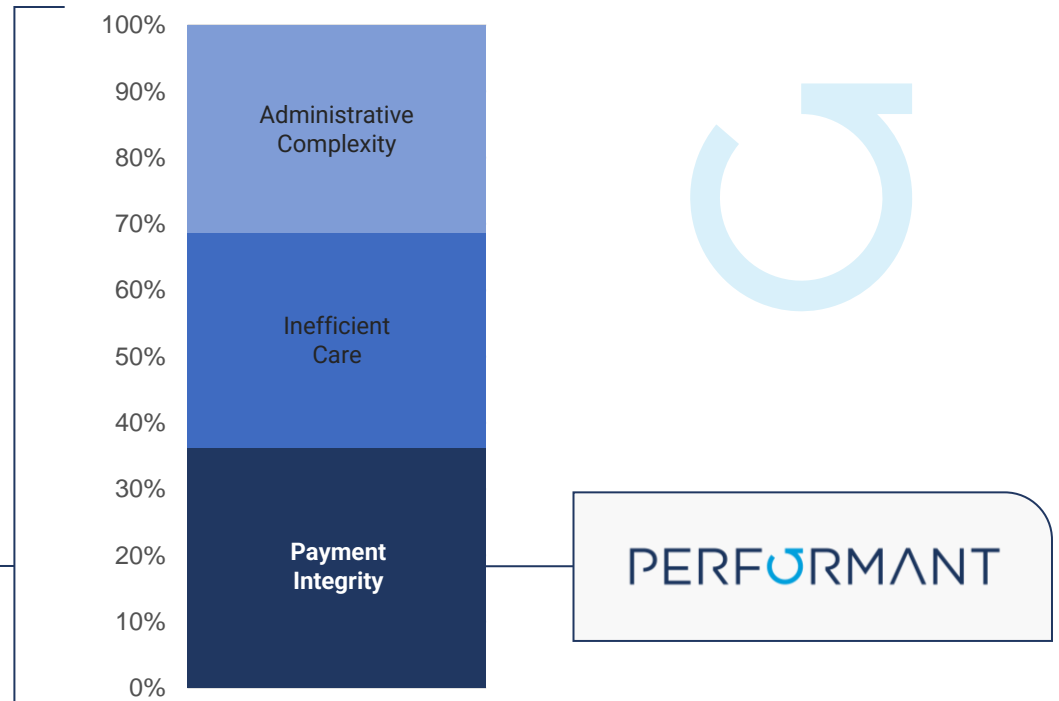
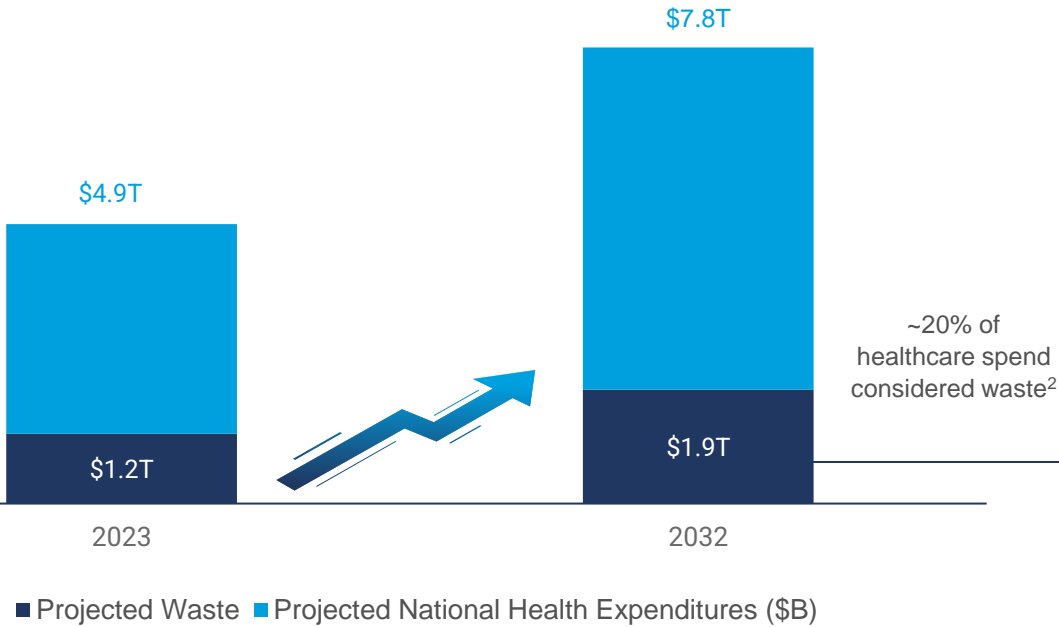
## ELIGIBILITY-BASED SERVICES

- Is the correct party paying this claim?

# Emerging Leader In Large And Growing Market

Saved clients over \$2B in last three years

## Projected National Health Expenditures<sup>1</sup>

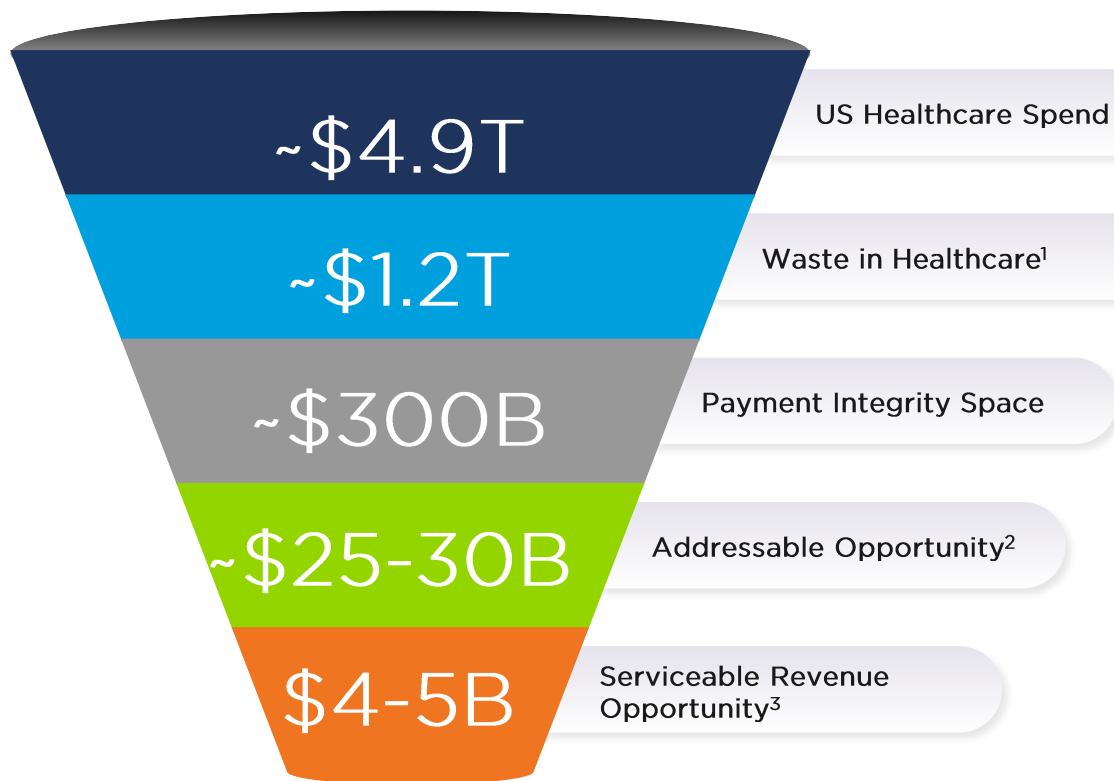


<sup>1</sup>Source: CMS, National Health Expenditure Data Projections - 2022

<sup>2</sup>Source: JAMA "Waste in the US Health Care System: Estimated Costs and Potential for Savings" - 2019

# Market Sizing

Claims processing is complex and inefficient, resulting in a meaningful market opportunity



\$4-5B Serviceable Revenue Opportunity

Federal Government

State Government

Commercial

Federal Government

\$500M-1B  
Addressable

State Government

\$300-500M  
Addressable

Commercial

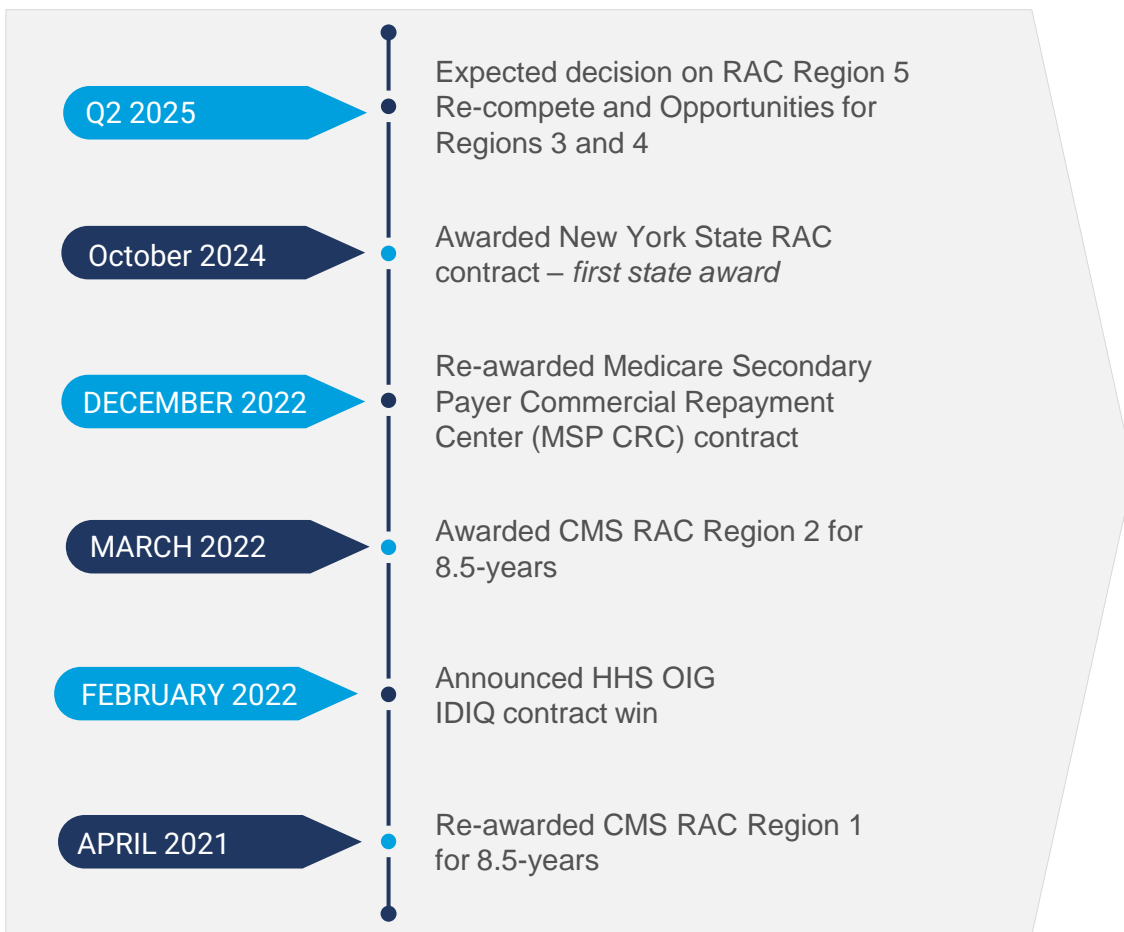
\$3.2-3.5B  
Addressable

<sup>1</sup>Source: JAMA "Waste in the US Health Care System: Estimated Costs and Potential for Savings" - 2019  
<sup>2</sup>Management estimates of addressable inaccurate payments; exclusion examples include inhouse work and structurally not addressable  
<sup>3</sup>Management estimates based on blended hit and fee rates

# Significant Government Backbone

Started with Government and has become a bellwether for commercial payers

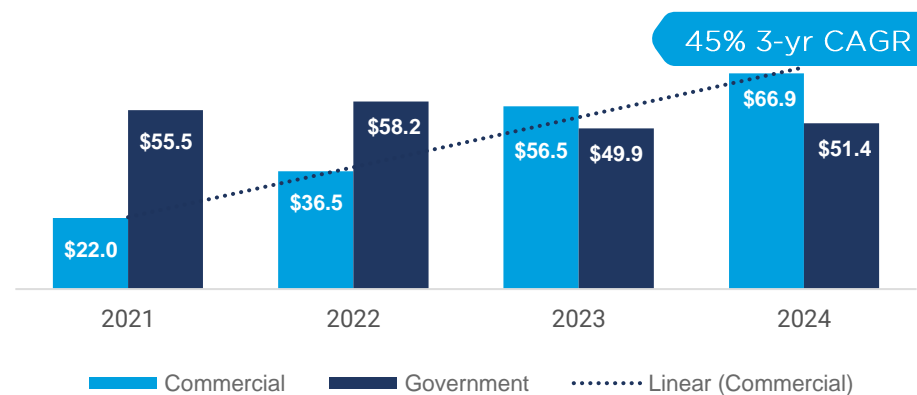
## Headline Federal Government Wins



## Led to Meaningful Commercial Traction



## Commercial vs Government Revenue Growth



# Unique Approach

Components required to effectively address payment integrity are complex—Performant offers a fresh approach



## CLIENT-CENTRIC BUSINESS MODEL

- Shared savings business model
- Business process outsourcing
- Customizable solutions
- Focus on independence and quality



## PROPRIETARY DATA ASSETS

- 200+ million lives of eligibility data
- 10+ years of claims, rules, and contract data



## TECHNOLOGY STACK

- Purpose built for healthcare claims
- Advanced workflow, data analytics, and automation features



## INDUSTRY EXPERTISE AND INNOVATION

- Medical directors, data analysts and payment integrity experts working together on real world solutions
- Concerted focus on developing new payment integrity concepts to increase client savings and reduce pain points





# Payment Integrity Landscape

*High barriers to entry and consolidation results in less competition*



# Multiple Avenues Of Growth

Successful track record of growth



## LAND AND EXPAND

### Expand Concepts

- ✓ Adopt new products

### Cross-Sell Services

- ✓ Sell audit services to existing eligibility clients

### Add Volume

- ✓ Add Medicare Advantage line of business
- ✓ Add new region for a national payer



## NEW CLIENTS

### National (8M+ members)

- ✓ Currently have 5 of top 7 as clients

### Middle Market (500k-8M members)

- ✓ Currently have approximately 20% of market as clients



## ADJACENT MARKETS

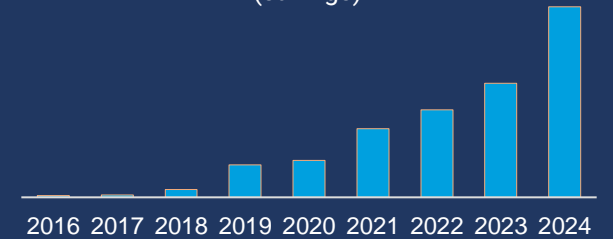
- ✓ Tackle other buckets of healthcare waste through M&A

## INNOVATION

- ✓ SaaS development for smaller health plans
- ✓ AI & NLP workflow gains



## Land and Expand Example: (savings) +\$100m



### Initial Partnership: National Payer

- › Acute & DME Audit products for Medicare Advantage lives

### Growing Partnership

- › 2019 – Added Managed Medicaid lives
- › 2020 – Added new Audit product type
- › 2020 – Cross-sold Eligibility product
- › 2023 – Added new Eligibility product
- › 2023 – Added new Audit product type

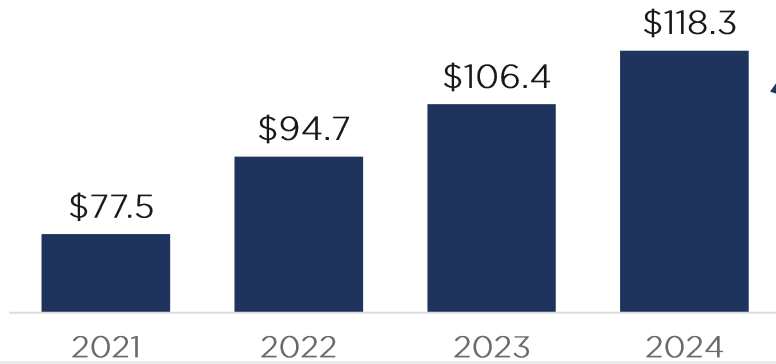
### New Clients

Implemented 4 new logos in 2024

# Financial Highlights

*Demonstrates Strong Growth and Operational Rigor*

## STRONG HEALTHCARE REVENUE GROWTH Healthcare Revenues



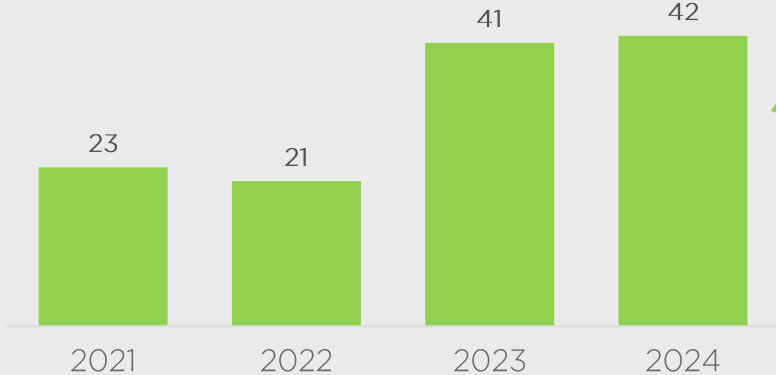
Strategic focus on healthcare growth and penetrating this massive market

## COST CONSCIOUS Operational Expenses



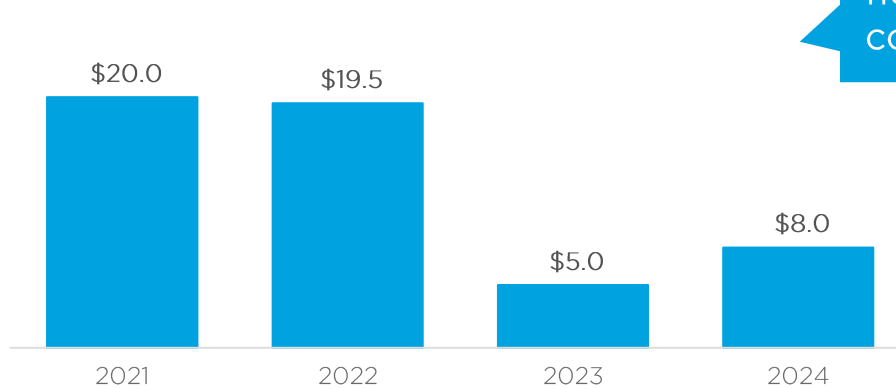
Maintained operational discipline to generate efficiencies while growing

## INVESTED FOR FUTURE GROWTH Commercial Implementations



Unique offering has led to strong sales, fueling tomorrow's growth

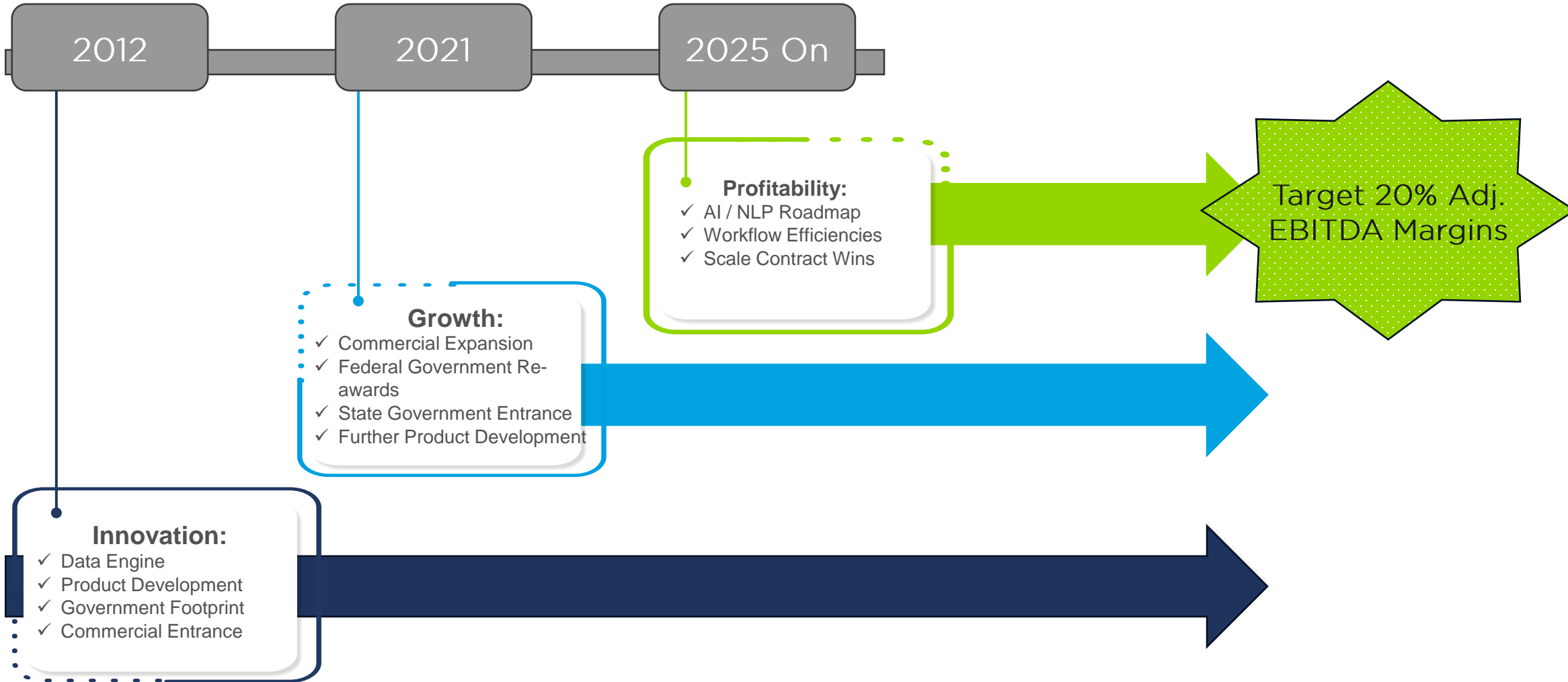
## NIMBLE CAPITAL STRUCTURE Debt on Balance Sheet



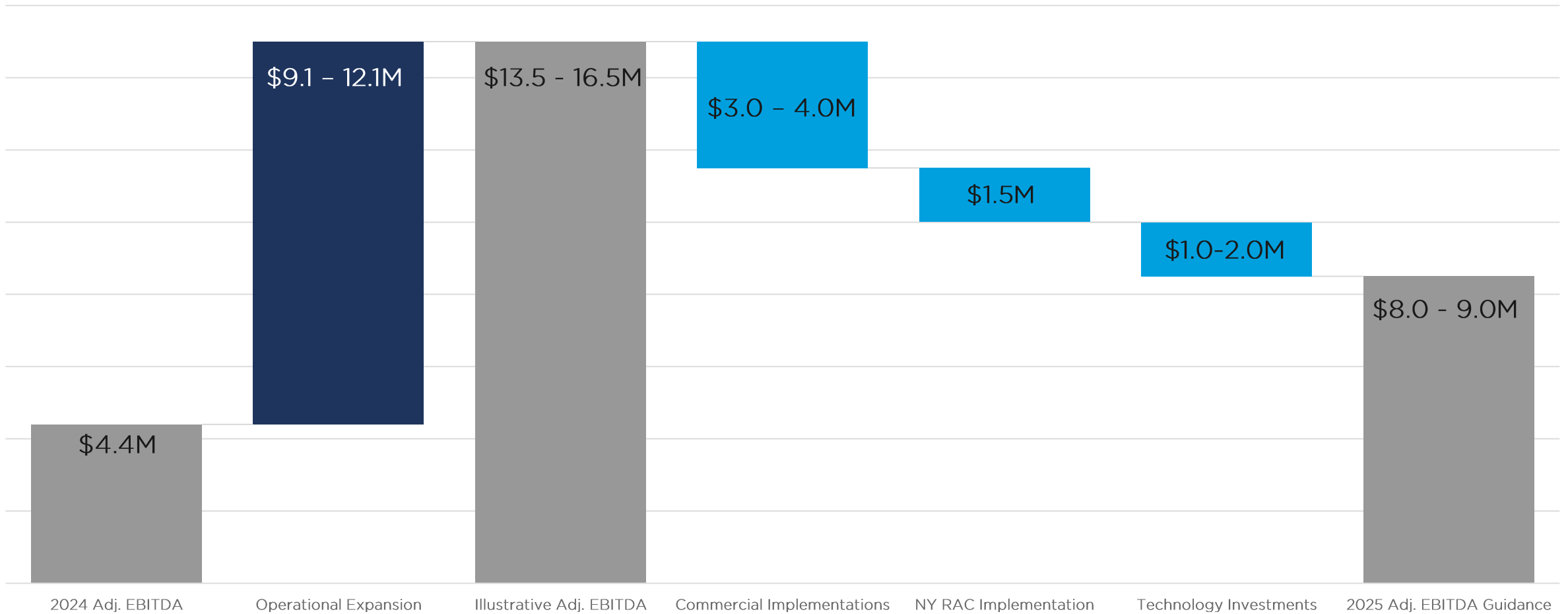
Financial flexibility to continue to grow

# Performant Healthcare Evolution

Started as a Division now a disruptive and scaling business



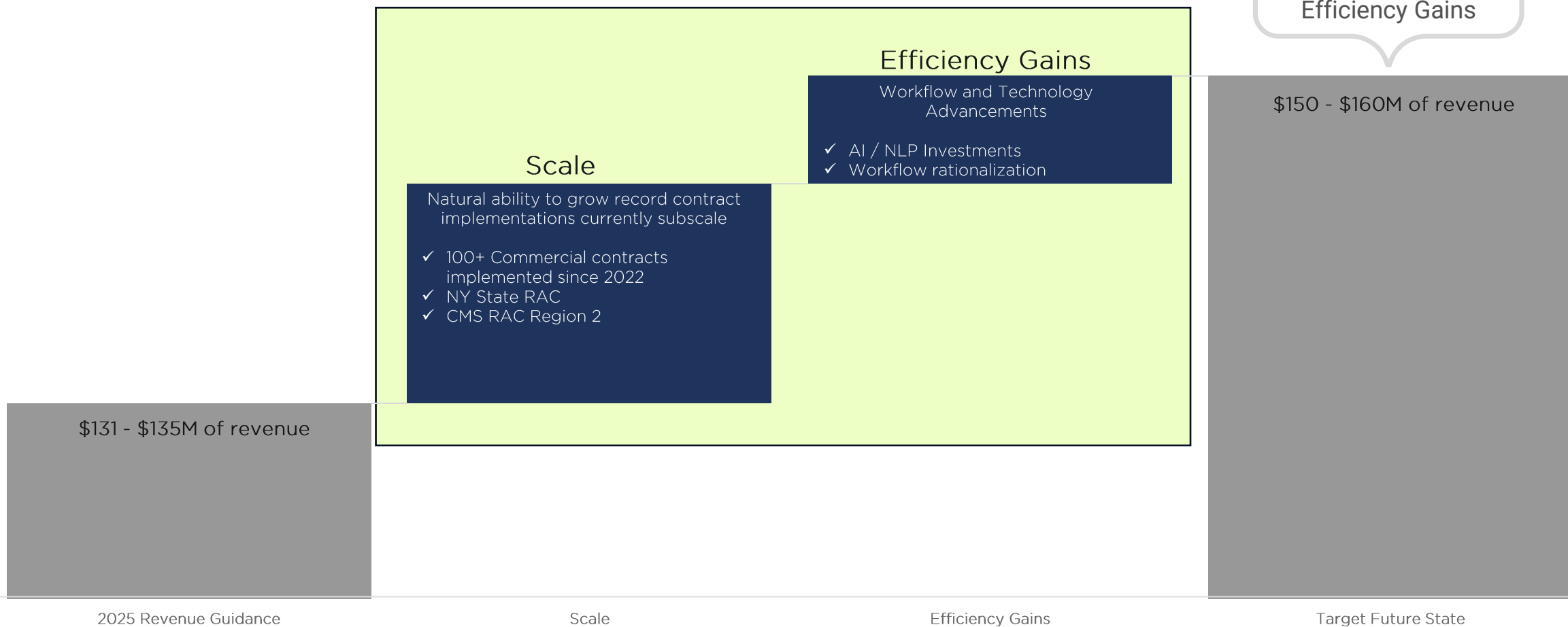
Discrete investments and Record new implementations masking profitability potential



# Margin Expansion

Path to Adj. EBITDA Margin Expansion

Scaled adj. EBITDA margin potential built off scale and Efficiency Gains



# Investment Highlights

Why Performant

PERFORMANT



Best-in-class platform utilizes proprietary technology and AI to gain efficiencies and margin expansion



**~200M**  
eligible lives in PHLT data assets



Industry leading player in a multi-billion dollar, growing, highly monitored and increasingly complex healthcare payment integrity industry



**\$300B+**  
Payment Integrity Space



Strong sales and implementation pipeline provides confidence and visibility into future revenue growth as continued market share gains demonstrate our ability to compete in a highly competitive market



**45%+**  
3-year commercial healthcare revenue CAGR



Asset-light model with diverse, long-term client relationships that have resulted in attractive and visible operating leverage that can drive toward 20%+ EBITDA margins



**~300bps**  
Adj. EBITDA margin expansion expected in 2025



Dynamic management team with combined +100 years of experience and deep ties to government and private payers across the healthcare landscape with sticky relationships



**900+**  
Professionals focused on payment integrity

# APPENDIX





# Illustrative Contract Ramp

Example of investment required to ramp with a contract (\$/M)

## CLAIMS BASED

~47% of 2024 healthcare revenue

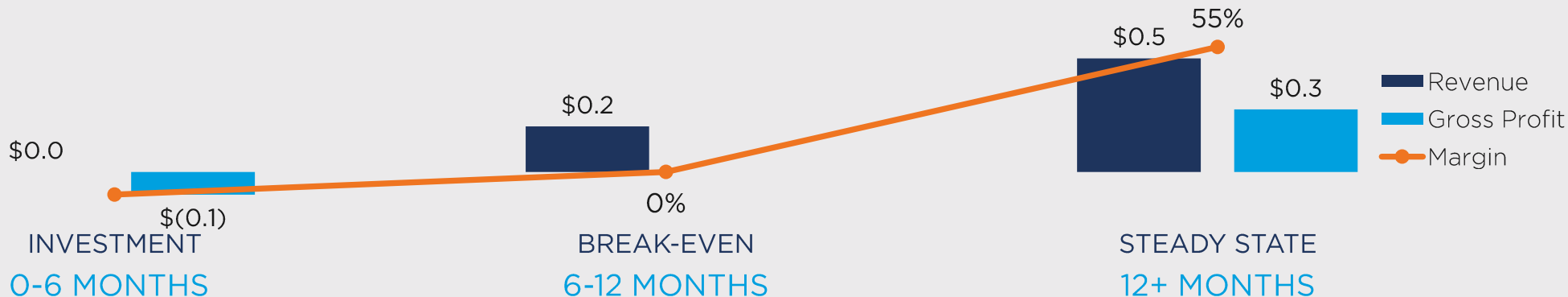
- Access to client systems
- Implement client policies and customizations
- Letter series and provider education
- Volume growth and recoveries begin to offset



## ELIGIBILITY BASED

~53% of 2024 healthcare revenue

- Access to client data and systems
- Implement client into our proprietary data assets
- Payer outreach, setup, and coordination
- Testing



# Major Contract Wins and Ramp Illustration

Example of revenue and profitability ramp for major contract wins

	2024	2025	2026	2027	2028
2022 Commercial Implementations (20 @ ~\$10m ACV)					
CMS RAC Region 2					
2023 Commercial Implementations (41 @ ~\$18m ACV)					
2024 Commercial Implementations (42 @ ~\$18m+ ACV)					
NY State Medicaid RAC					



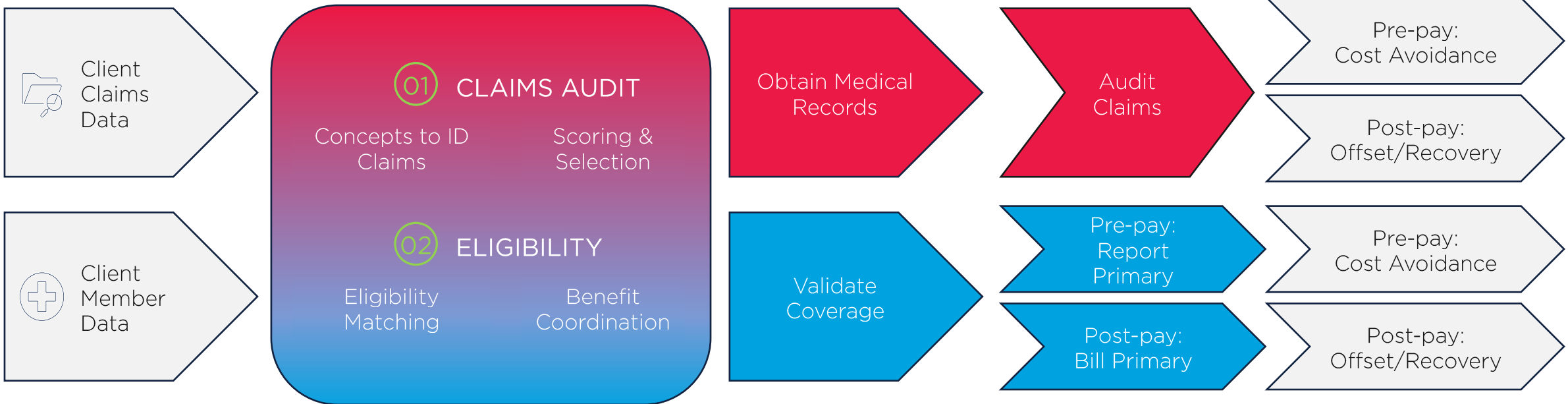
# Payment Integrity: Medical Cost Savings

1 in 5 medical claims are processed incorrectly



## 02 ELIGIBILITY

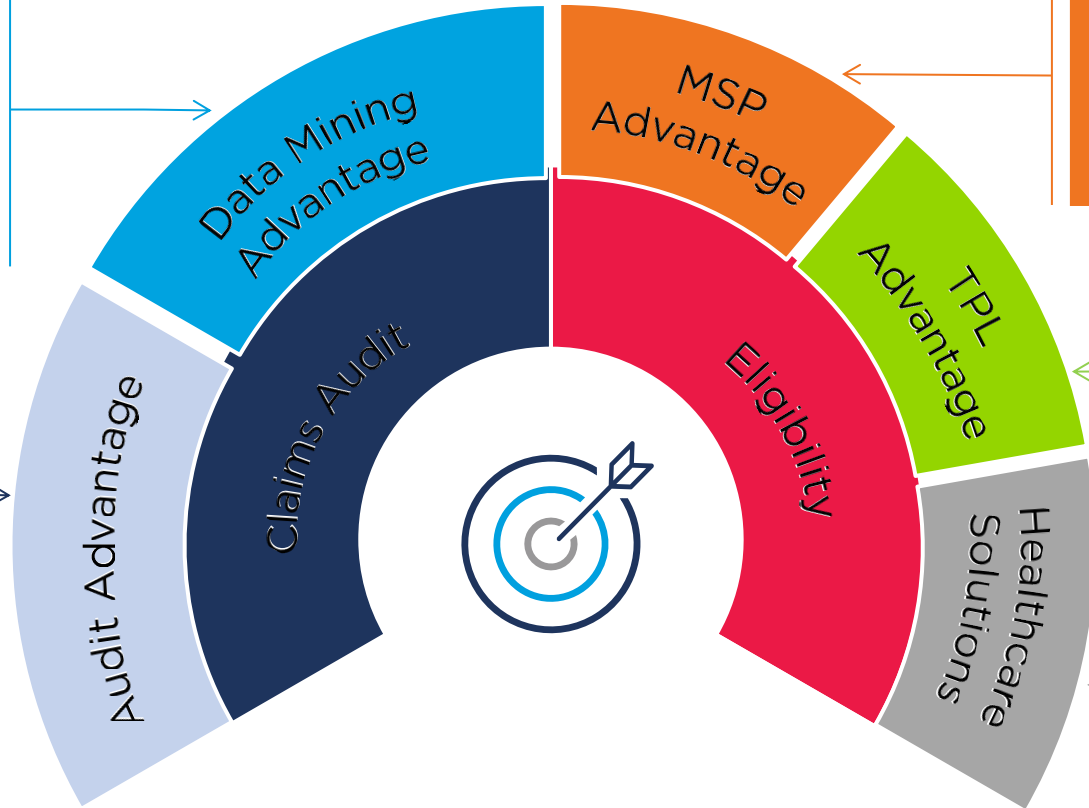
## 01 CLAIMS AUDIT



Note: Health Insurance Companies Process 1 in 5 Claims Wrong (capturebilling.com)

- No Medical Records
- COB & Eligibility
  - Provider Billing & Coding
  - Contract Compliance
  - System, Benefits & Policy

- Medical Records
- DRG, Readmissions, Short Stay/Place of Service
  - Outpatient APC, APG, ASC and Other
  - DME, HIT, Home Health, Hospice
  - High-Cost Drugs, Clinical Labs, Genetic Testing



- Premium Accuracy
- Payer Reclamation
- Provider Recovery
- Cost Avoidance

- Payer Reclamation
- Rx Reclamation
- Provider Recovery
- Cost Avoidance

- Aged or Referred Debt
- Par/Non-Par
- Medicare Supplement

Claims or Audit-Based Reviews	
<i>Corrects claims that were billed inaccurately</i>	
\$56.4MM	~23%
2024 Revenue	3-Year CAGR

Eligibility-Based Reviews	
<i>Identifies other insurance and coordinates coverage responsibility</i>	
\$61.9MM	~8%
2024 Revenue	3-Year CAGR

# CONSOLIDATED BALANCE SHEET

(In thousands, except per share amounts)

	As of December 31,	
	2024	2023
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,292	\$ 7,252
Restricted cash	—	81
Trade accounts receivable, net of allowance for credit losses	14,165	17,584
Contract assets	10,876	10,879
Prepaid expenses and other current assets	3,991	3,651
Income tax receivable	34	335
Total current assets	38,358	39,782
Property, equipment, and software, net	14,021	9,724
Goodwill	47,372	47,372
Debt issuance costs	416	631
Right-of-use assets	826	531
Other assets	781	990
Total assets	\$ 101,774	\$ 99,030
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Accrued salaries and benefits	\$ 8,502	\$ 7,924
Accounts payable	482	727
Other current liabilities	2,091	2,385
Contract liabilities	753	493
Estimated liability for appeals and disputes	517	601
Deferred asset acquisition payments	1,243	—
Lease liabilities	383	250
Total current liabilities	13,971	12,380
Long-term loan payable	8,000	5,000
Deferred asset acquisition payments	2,686	—
Lease liabilities	462	295
Other liabilities	156	648
Total liabilities	25,275	18,323
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Common stock, \$0.0001 par value. Authorized, 500,000 shares at December 31, 2024 and 2023, respectively; issued and outstanding, 78,309 and 76,920 shares at December 31, 2024 and 2023, respectively	8	8
Additional paid-in capital	151,688	146,001
Accumulated deficit	(75,197)	(65,302)
Total stockholders' equity	76,499	80,707
Total liabilities and stockholders' equity	\$ 101,774	\$ 99,030

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Revenues	\$ 34,766	\$ 32,567	\$ 122,981	\$ 113,743
Operating expenses:				
Salaries and benefits	26,710	23,308	100,431	90,447
Other operating expenses	8,745	7,349	32,050	29,424
Total operating expenses	35,455	30,657	132,481	119,871
Income (loss) from operations	(689)	1,910	(9,500)	(6,128)
Gain on sale of certain recovery contracts	—	—	—	3
Interest expense	(307)	(785)	(1,105)	(1,974)
Interest income	99	154	359	240
Loss before (benefit from) income taxes	(897)	1,279	(10,246)	(7,859)
Provision for (benefit from) income taxes	(399)	24	(351)	(340)
Net income (loss)	\$ (498)	\$ 1,255	\$ (9,895)	\$ (7,519)
Net income (loss) per share attributable to common shareholders				
Basic	\$ (0.01)	\$ 0.02	\$ (0.13)	\$ (0.10)
Diluted	\$ (0.01)	\$ 0.02	\$ (0.13)	\$ (0.10)
Weighted average shares				
Basic	78,300	76,896	77,500	76,156
Diluted	78,300	77,361	77,500	76,156

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(unaudited)

	For the Years Ended December 31,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net loss	\$ (9,895)	\$ (7,519)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Loss on disposal of assets	63	129
Depreciation and amortization	6,598	5,187
Right-of-use assets amortization	333	1,526
Stock-based compensation	5,881	3,936
Amortization of debt issuance costs	230	347
Loss on debt extinguishment	—	510
Gain on sale of certain recovery contracts	—	(3)
Changes in operating assets and liabilities:		
Trade accounts receivable	3,419	(1,790)
Contract assets	3	581
Prepaid expenses and other current assets	(340)	14
Income tax receivable	301	2,788
Other assets	190	10
Accrued salaries and benefits	578	986
Accounts payable	(245)	(535)
Contract liabilities and other current liabilities	(34)	188
Estimated liability for appeals and disputes	(84)	(505)
Lease liabilities	(328)	(1,759)
Other liabilities	(492)	(231)
Net cash provided by operating activities	6,178	3,860
<b>Cash flows from investing activities:</b>		
Purchase of property, equipment, and software	(7,010)	(4,143)
Proceeds from sale of certain recovery contracts	—	3
Net cash used in investing activities	(7,010)	(4,140)
<b>Cash flows from financing activities:</b>		
Repayment of long-term loan payable	—	(19,500)
Debt issuance costs paid	(15)	(1,156)
Taxes paid related to net share settlement of stock awards	(194)	(196)
Borrowings from revolving loan	3,000	5,000
Net cash provided by (used in) financing activities	2,791	(15,852)
Net increase (decrease) in cash, cash equivalents and restricted cash	1,959	(16,132)
Cash, cash equivalents and restricted cash at beginning of year	7,333	23,465
Cash, cash equivalents and restricted cash at end of year	\$ 9,292	\$ 7,333
<b>Reconciliation of the consolidated statements of cash flows to the consolidated balance sheets:</b>		
Cash and cash equivalents	\$ 9,292	\$ 7,252
Restricted cash	—	81
Total cash, cash equivalents and restricted cash at end of period	\$ 9,292	\$ 7,333
<b>Non-cash investing activities:</b>		
Deferred asset acquisition payments	\$ 3,929	\$ —
<b>Supplemental disclosures of cash flow information:</b>		
Cash (received) paid for income taxes	\$ (94)	\$ (3,052)
Cash paid for interest	\$ 670	\$ 1,291

## RECONCILIATION OF NON-GAAP RESULTS

(In thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
<b>Reconciliation of Adjusted EBITDA:</b>				
Net income (loss)	\$ (498)	\$ 1,255	\$ (9,895)	\$ (7,519)
Provision for (benefit from) income taxes	(399)	24	(351)	(340)
Interest expense <sup>(1)</sup>	307	785	1,105	1,974
Interest income	(99)	(154)	(359)	(240)
Stock based compensation	1,759	1,121	5,881	3,936
Depreciation and amortization	1,354	1,382	6,598	5,187
Severance expenses <sup>(3)</sup>	(8)	100	656	346
Non-core operating expenses <sup>(4)</sup>	701	15	737	52
Gain on sale of certain recovery contracts <sup>(5)</sup>	—	—	—	(3)
Adjusted EBITDA	<u>\$ 3,117</u>	<u>\$ 4,528</u>	<u>\$ 4,372</u>	<u>\$ 3,393</u>

(1) Represents interest expense and amortization of debt issuance costs related to our Credit Agreement and prior credit agreement.

(2) Represents amortization of debt issuance costs related to our Credit Agreement and prior credit agreement.

(3) Represents severance expenses incurred in connection with a reduction in force for our nonhealthcare services.

(4) Represents payments primarily related to legacy recovery business.

(5) Represents gain on the sale of certain non-healthcare recovery contracts.

(6) Represents tax adjustments assuming a marginal tax rate of 27.5% at full profitability.

(7) The Net loss for the three months ended December 31, 2024 was (\$498), while the computation of adjusted net income results in adjusted net income of \$1,321. Therefore, the calculation of the adjusted earnings per diluted share for the three months ended December 31, 2024 includes dilutive common share equivalents of 1,584 added to the basic weighted average shares of 78,300. Similarly, net income for the three months ended December 31, 2023 was \$1,255, and the computation of adjusted net income results in adjusted net income of \$3,597. Therefore, the calculation of the adjusted earnings per diluted share for the three months ended December 31, 2023 includes dilutive common share equivalents of 465 added to the basic weighted average shares of 76,896.



## RECONCILIATION OF NON-GAAP RESULTS (CONT'D)

(In thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
<b>Reconciliation of Adjusted Net Income (Loss):</b>				
Net income (loss)	\$ (498)	\$ 1,255	\$ (9,895)	\$ (7,519)
Stock based compensation	1,759	1,121	5,881	3,936
Amortization of debt issuance costs <sup>(2)</sup>	57	601	230	857
Severance expenses <sup>(3)</sup>	(8)	100	656	346
Non-core operating expenses <sup>(4)</sup>	701	15	737	52
Gain on sale of certain recovery contracts <sup>(5)</sup>	—	—	—	(3)
Tax adjustments <sup>(6)</sup>	(690)	505	(2,064)	(1,427)
Adjusted net income (loss)	<u>\$ 1,321</u>	<u>\$ 3,597</u>	<u>\$ (4,455)</u>	<u>\$ (3,758)</u>

(1) Represents interest expense and amortization of debt issuance costs related to our Credit Agreement and prior credit agreement.

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## QUARTERLY AND ANNUAL REVENUE CONTRIBUTION BY LINE OF BUSINESS

(In thousands, except per share amounts)

	For the Three Months Ended				For the Year Ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
	(in thousands)				
Eligibility-based	\$ 13,388	\$ 14,264	\$ 16,070	\$ 18,138	\$ 61,860
Claims-based	12,412	13,661	14,217	16,141	56,431
Healthcare Total	25,800	27,925	30,287	34,279	118,291
Customer Care / Outsourced Services	1,534	1,437	1,232	487	4,690
Total	\$ 27,334	\$ 29,362	\$ 31,519	\$ 34,766	\$ 122,981

	For the Three Months Ended				For the Year Ended
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2023
	(in thousands)				
Eligibility-based	\$ 12,480	\$ 14,131	\$ 18,165	\$ 16,403	\$ 61,179
Claims-based	10,412	9,798	10,325	14,730	45,265
Healthcare Total	22,892	23,929	28,490	31,133	106,444
Recovery	19	14	—	—	33
Customer Care / Outsourced Services	2,818	1,542	1,472	1,434	7,266
Total	\$ 25,729	\$ 25,485	\$ 29,962	\$ 32,567	\$ 113,743

	For the Three Months Ended				For the Year Ended
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022
	(in thousands)				
Eligibility-based	\$ 14,214	\$ 12,417	\$ 13,142	\$ 13,511	\$ 53,284
Claims-based	9,150	9,339	10,377	12,516	41,382
Healthcare Total	23,364	21,756	23,519	26,027	94,666
Recovery	118	7	41	75	241
Customer Care / Outsourced Services	3,601	3,918	3,618	3,140	14,277
Total	\$ 27,083	\$ 25,681	\$ 27,178	\$ 29,242	\$ 109,184