

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2025
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to ____.
Commission File No. 001-37392



Astrana Health, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

95-4472349
(I.R.S. Employer
Identification Number)

1668 S. Garfield Avenue, 2nd Floor, Alhambra, California 91801
(Address of principal executive offices and zip code)

(626) 282-0288
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value per share	ASTH	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of August 7, 2025, there were 56,060,330 shares of common stock of the registrant, \$0.001 par value per share, issued and outstanding, which includes 6,132,802 treasury shares that are owned by Allied Physicians of California, a Professional Medical Corporation d.b.a. Allied Pacific of California IPA ("APC"), a consolidated affiliate of Astrana Health, Inc. These shares are legally issued and outstanding but treated as treasury shares for accounting purposes.

Astrana Health, Inc.

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Glossary

The following abbreviations or acronyms that may be used in this document shall have the adjacent meanings set forth below:

ACO REACH	ACO Realizing Equity, Access, and Community Health
ADSC	Advanced Diagnostic and Surgical Center, Inc.
AHMC	AHMC Healthcare Inc.
AHMS	Advanced Health Management Systems, L.P.
AHM	Astrana Health Management, Inc. (f/k/a Network Medical Management Inc.)
APC	Allied Physicians of California, a Professional Medical Corporation
APC-LSMA	APC-LSMA Designated Shareholder Medical Corporation
Astrana	Astrana Health Inc. (f/k/a Apollo Medical Holdings, Inc.)
Astrana Medical	Astrana Health Medical Corporation (f/k/a AP-AMH Medical Corporation)
Astrana Care Partners Medical	Astrana Care Partners Medical Corporation (f/k/a AP-AMH 2 Medical Corporation)
CFC	Community Family Care Medical Group IPA, Inc.
CHS	Collaborative Health Systems, LLC, Golden Triangle Physician Alliance, and Heritage Physician Networks
CMS	Centers for Medicare & Medicaid Services
DMHC	California Department of Managed Health Care
IPA	Independent Practice Association
Prospect	Prospect Medical Holdings, Inc.
Sun Labs	Sun Clinical Labs
VIE	Variable Interest Entity

INTRODUCTORY NOTE

Unless the context dictates otherwise, references in this Quarterly Report on Form 10-Q to the “Company,” “we,” “us,” “our,” and similar words are references to Astrana Health, Inc., a Delaware corporation (“Astrana”), and its consolidated subsidiaries and affiliated entities, as appropriate, including its consolidated variable interest entities (“VIEs”).

This Quarterly Report on Form 10-Q includes the financial statements for the quarter ended June 30, 2025, and provides management’s discussion and analysis of the Company’s financial condition, results of operations, and other required disclosures, as mandated by the Securities and Exchange Commission (the “SEC”).

The Centers for Medicare & Medicaid Services (“CMS”) have not reviewed any statements contained in this Report, including statements describing the Company’s participation in the ACO Realizing Equity, Access, and Community Health Model (“ACO REACH Model”) and in the Medicare Shared Savings Program (“MSSP”).

Trade names and trademarks of Astrana and its subsidiaries referred to herein, and their respective logos, are our property. This Quarterly Report on Form 10-Q may contain additional trade names and/or trademarks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies’ trade names and/or trademarks, if any, to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any statements about our business, financial condition, operating results, plans, objectives, expectations, and intentions; any projections of earnings, revenue, earnings before interest, taxes, depreciation, and amortization (“EBITDA”), Adjusted EBITDA, or other financial items, such as our projected capitation from CMS, our forward-looking guidance, and our future liquidity; any statements of any plans, strategies, and objectives of management for future operations, such as the material opportunities that we believe exist for our Company; any statements concerning proposed services, developments, mergers, or acquisitions; any statements relating to our completed acquisition of certain businesses and assets of Prospect Medical Holdings, Inc. (“Prospect”); any statements with respect to dividends or stock repurchases and timing, methods, and payment of same; any statements regarding the outlook of the ACO REACH Model, the MSSP, or strategic transactions; any statements relating to delayed payments under, or potential cuts to, Medicaid and/or Medicaid programs and/or changes in federal or state funding policies; any statements regarding management’s view of future expectations and prospects for us; any statements about prospective adoption of new accounting standards or effects of changes in accounting standards; any statements regarding our ability to maintain effective internal control over financial reporting and disclosure controls and procedures; any statements regarding potential changes to our tax structure; any statements regarding future economic conditions or performance; any statements relating to the potential impact of cybersecurity breaches or disruptions to our management information systems or widespread outages, interruptions, or other failures of operational, communication, and other systems; any statements of belief; any statements of assumptions underlying any of the foregoing; and other statements that are not historical facts. Forward-looking statements may be identified by the use of forward-looking terms, such as “anticipate,” “could,” “can,” “may,” “might,” “potential,” “predict,” “should,” “estimate,” “expect,” “project,” “believe,” “think,” “plan,” “envision,” “intend,” “continue,” “target,” “seek,” “contemplate,” “budgeted,” “will,” or “would,” and the negative of such terms, other variations on such terms or other similar or comparable words, phrases, or terminology. These forward-looking statements present our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q and are subject to change.

Forward-looking statements involve risks and uncertainties, many of which are difficult to predict, are outside of our control, and are based on the current beliefs, expectations, and certain assumptions of management. Some or all of such beliefs, expectations, and assumptions may not materialize or may vary significantly from actual results. Such statements are qualified by important economic, competitive, governmental, and technological factors that could cause our business, strategy, or actual results or events to differ materially from those in our forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the “SEC”) on March 14, 2025, including the risk factors discussed under the heading “Risk Factors” in Part I, Item 1A thereof, and those discussed in this Form 10-Q under the heading “Risk Factors” in Part II, Item 1A. Although we believe the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change. Significant risks and uncertainties could cause actual conditions, outcomes, and results to differ materially from those indicated by such statements. Any forward-looking statement made by the Company in this Form 10-Q speaks only as of the date it is made. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by any applicable securities laws.

PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ASTRANA HEALTH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	June 30, 2025	December 31, 2024
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 339,703	\$ 288,455
Investment in marketable securities	2,417	2,378
Receivables, net (including amounts with related parties)	348,730	275,990
Income taxes receivable	7,893	19,316
Other receivables	8,655	29,496
Prepaid expenses and other current assets	21,754	22,861
Total current assets	729,152	638,496
Non-current assets		
Property and equipment, net	17,800	14,274
Intangible assets, net	105,737	118,179
Goodwill	416,917	419,253
Income taxes receivable, non-current	15,943	15,943
Loans receivable, non-current	48,370	51,266
Investments in other entities – equity method	38,454	39,319
Investments in privately held entities	8,896	8,896
Operating lease right-of-use assets	30,631	32,601
Other assets	30,450	16,667
Total non-current assets	713,198	716,398
Total assets⁽¹⁾	\$ 1,442,350	\$ 1,354,894

	June 30, 2025	December 31, 2024
	(Unaudited)	
Liabilities, Mezzanine Deficit, and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 119,661	\$ 106,142
Fiduciary accounts payable	4,734	8,223
Medical liabilities	287,691	209,039
Operating lease liabilities	5,319	5,350
Current portion of long-term debt	12,500	9,375
Other liabilities	29,841	27,479
Total current liabilities	459,746	365,608
Non-current liabilities		
Deferred tax liability	2,593	4,555
Operating lease liabilities, net of current portion	28,714	30,654
Long-term debt, net of current portion and deferred financing costs	401,057	425,299
Other long-term liabilities	12,294	14,610
Total non-current liabilities	444,658	475,118
Total liabilities⁽¹⁾	904,404	840,726
Commitments and contingencies (Note 11)		
Mezzanine deficit		
Noncontrolling interest in Allied Physicians of California, a Professional Medical Corporation ("APC")	(233,582)	(202,558)
Stockholders' equity		
Preferred stock, \$0.001 par value per share; 5,000,000 shares authorized, and zero shares issued and outstanding as of June 30, 2025 and December 31, 2024	—	—
Common stock, \$0.001 par value per share; 100,000,000 shares authorized, 49,138,631 and 47,929,872 shares issued and outstanding, excluding 9,903,953 and 10,603,849 treasury shares, as of June 30, 2025 and December 31, 2024, respectively	49	48
Additional paid-in capital	463,203	426,389
Retained earnings	302,209	286,283
Total stockholders' equity	765,461	712,720

	June 30, 2025	December 31, 2024
	(Unaudited)	
Non-controlling interest	6,067	4,006
Total equity	771,528	716,726
Total liabilities, mezzanine deficit, and stockholders' equity	\$ 1,442,350	\$ 1,354,894

⁽¹⁾ The Company's condensed consolidated balance sheets include the assets and liabilities of its consolidated VIEs. The condensed consolidated balance sheets include total assets that can be used only to settle obligations of the Company's consolidated VIEs totaling \$691.0 million and \$712.3 million as of June 30, 2025 and December 31, 2024, respectively, and total liabilities of the Company's consolidated VIEs for which creditors do not have recourse to the general credit of the primary beneficiary of \$230.3 million and \$207.9 million as of June 30, 2025 and December 31, 2024, respectively. These VIE balances do not include \$152.6 million of investment in affiliates and \$35.1 million of amounts due from affiliates as of June 30, 2025, and \$224.9 million of investment in affiliates and \$48.1 million of amounts due to affiliates as of December 31, 2024, as these are eliminated upon consolidation and not presented within the condensed consolidated balance sheets. See Note 15 — "Variable Interest Entities (VIEs)" for further details.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASTRANA HEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue				
Capitation, net	\$ 614,108	\$ 442,574	\$ 1,198,071	\$ 808,484
Risk pool settlements and incentives	15,402	18,408	29,893	35,785
Management fee income	2,577	1,604	4,887	5,682
Fee-for-service, net	17,878	19,959	32,769	35,896
Other revenue	4,843	3,720	9,576	4,774
Total revenue	654,808	486,265	1,275,196	890,621
Operating expenses				
Cost of services, excluding depreciation and amortization	576,839	412,805	1,125,900	743,204
General and administrative expenses	50,725	35,953	94,623	74,675
Depreciation and amortization	6,904	7,441	13,752	12,537
Total expenses	634,468	456,199	1,234,275	830,416
Income from operations	20,340	30,066	40,921	60,205

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Other income (expense)				
Income (loss) from equity method investments	381	902	(486)	1,534
Interest expense	(7,382)	(8,587)	(14,690)	(16,172)
Interest income	2,336	3,513	4,647	7,509
Unrealized gain (loss) on investments	14	(123)	(30)	976
Other income (loss)	1,136	6,126	(3,934)	1,849
Total other (expense) income, net	(3,515)	1,831	(14,493)	(4,304)
Income before provision for income taxes	16,825	31,897	26,428	55,901
Provision for income taxes	6,609	10,031	9,991	17,173
Net income	10,216	21,866	16,437	38,728
Net income attributable to non-controlling interest	793	2,695	322	4,722
Net income attributable to Astrana Health, Inc.	<u>\$ 9,423</u>	<u>\$ 19,171</u>	<u>\$ 16,115</u>	<u>\$ 34,006</u>
Earnings per share – basic	\$ 0.19	\$ 0.40	\$ 0.33	\$ 0.72
Earnings per share – diluted	\$ 0.19	\$ 0.40	\$ 0.33	\$ 0.71

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASTRANA HEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF MEZZANINE DEFICIT AND STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE DATA)
(UNAUDITED)

	Mezzanine Deficit – Non-controlling Interest in APC	Common Stock Outstanding		Additional Paid-in Capital	Retained Earnings	Non-controlling Interest	Stockholder s' Equity
		Shares	Amount				
Balance at January 1, 2025	\$ (202,558)	47,929,872	\$ 48	\$ 426,389	\$ 286,283	\$ 4,006	\$ 716,726
Net (loss) income	(1,564)	—	—	—	6,692	1,093	7,785
Purchase of non-controlling interest	—	—	—	—	—	(28)	(28)
Shares issued for vesting of restricted stock awards	—	388,173	1	(4,053)	—	—	(4,052)
Repurchase of subsidiary's shares	(1,316)	—	—	—	—	—	—
Share-based compensation	—	—	—	7,867	—	—	7,867
Issuance of shares for Employee Stock Purchase Plan ("ESPP")	—	10,683	—	301	—	—	301
Dividends	(27,295)	699,896	—	21,935	(95)	—	21,840
Balance at March 31, 2025	\$ (232,733)	49,028,624	\$ 49	\$ 452,439	\$ 292,880	\$ 5,071	\$ 750,439
Net (loss) income	(849)	—	—	—	9,423	1,642	11,065
Sale of non-controlling interest	—	—	—	—	—	38	38
Shares issued for vesting of restricted stock awards	—	110,007	—	(1,001)	—	—	(1,001)
Share-based compensation	—	—	—	11,765	—	—	11,765
Dividends	—	—	—	—	(94)	(684)	(778)
Balance at June 30, 2025	<u>\$ (233,582)</u>	<u>49,138,631</u>	<u>\$ 49</u>	<u>\$ 463,203</u>	<u>\$ 302,209</u>	<u>\$ 6,067</u>	<u>\$ 771,528</u>

	Mezzanine Deficit – Non-controlling Interest in APC	Common Stock Outstanding		Additional Paid-in Capital	Retained Earnings	Non-controlling Interest	Stockholder s' Equity
		Shares	Amount				
Balance at January 1, 2024	\$ (205,883)	46,843,743	\$ 47	\$ 371,037	\$ 243,134	\$ 2,433	\$ 616,651
Net income	326	—	—	—	14,835	1,701	16,536
Purchase of non-controlling interest	—	—	—	—	—	(25)	(25)
Sale of non-controlling interest	—	—	—	—	—	150	150
Shares issued for vesting of restricted stock awards	—	5,149	—	(2,407)	—	—	(2,407)
Share-based compensation	—	—	—	5,748	—	—	5,748
Issuance of shares for business acquisition	—	631,712	1	21,951	—	—	21,952
Acquisition of non-controlling interest	—	(22,340)	—	(856)	—	321	(535)
Dividends	—	—	—	—	—	(95)	(95)
Balance at March 31, 2024	\$ (205,557)	47,458,264	\$ 48	\$ 395,473	\$ 257,969	\$ 4,485	\$ 657,975
Net income	1,245	—	—	—	19,171	1,450	20,621
Shares issued for vesting of restricted stock awards	—	83,285	—	(1,177)	—	—	(1,177)
Share-based compensation	—	—	—	7,390	—	—	7,390
Dividends	—	—	—	—	—	(1,801)	(1,801)
Balance at June 30, 2024	<u>\$ (204,312)</u>	<u>47,541,549</u>	<u>\$ 48</u>	<u>\$ 401,686</u>	<u>\$ 277,140</u>	<u>\$ 4,134</u>	<u>\$ 683,008</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASTRANA HEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 16,437	\$ 38,728
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,752	12,537
Amortization of debt issuance cost	1,740	917
Share-based compensation	19,519	13,138
Non-cash lease expense	2,559	2,632
Deferred tax	(1,961)	(7,259)
Other	3,910	4,581
Changes in operating assets and liabilities, net of business combinations	51,571	(36,109)
Net cash provided by operating activities	107,527	29,165
Cash flows from investing activities		
Payments for business acquisition, net of cash acquired	—	(114,585)
Purchase of investment – equity method	—	(5,968)
Purchase of call option issued in conjunction with equity method investment	—	(3,907)
Issuance of loan receivable	(1,050)	(21,000)
Purchases of property and equipment	(4,490)	(3,205)
Other	2,069	(2,299)
Net cash used in investing activities	(3,471)	(150,964)
Cash flows from financing activities		
Dividends paid	(6,233)	(1,896)
Borrowings on long-term debt	412,000	170,320
Repayment of long-term debt	(431,357)	(11,000)
Deferred financing cost	(17,241)	—
Taxes paid from net share settlement of restricted stock	(5,053)	(3,584)
Other	(4,924)	(237)
Net cash (used in) provided by financing activities	(52,808)	153,603
Net increase in cash, cash equivalents, and restricted cash	51,248	31,804

	Six Months Ended June 30,	
	2025	2024
Cash, cash equivalents, and restricted cash, beginning of period	289,102	294,152
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 340,350</u>	<u>\$ 325,956</u>
Supplemental disclosures of cash flow information		
Cash paid for income taxes	\$ 4,728	\$ 35,742
Cash paid for interest	\$ 13,535	\$ 14,613
Supplemental disclosures of non-cash investing and financing activities		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 7,110	\$ 7,661
Common stock issued in business combination	\$ —	\$ 21,952
Draw on letter of credit through Revolver Loan	\$ —	\$ 4,732
Dividend paid in the form of common stock	\$ 21,935	\$ —

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total amounts of cash, cash equivalents, and restricted cash shown in the condensed consolidated statements of cash flows (in thousands):

	June 30,	
	2025	2024
Cash and cash equivalents	\$ 339,703	\$ 325,310
Restricted cash ⁽¹⁾	647	646
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 340,350</u>	<u>\$ 325,956</u>

⁽¹⁾ Restricted cash is included in other assets on the condensed consolidated balance sheets.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASTRANA HEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Description of Business

Overview

Unless the context dictates otherwise, references in these notes to the financial statements to the “Company,” “we,” “us,” “our,” and similar words are references to Astrana Health, Inc. (“Astrana”) and its consolidated subsidiaries and affiliated entities, as appropriate, including its consolidated variable interest entities (“VIEs”).

Headquartered in Alhambra, California, Astrana is a leading provider-centric, technology-powered, risk-bearing healthcare company. Leveraging its proprietary end-to-end technology solutions, Astrana operates an integrated healthcare delivery platform that enables providers to successfully participate in value-based care arrangements, thus empowering them to deliver accessible, high-quality care to patients in a cost-effective manner. Together with Astrana’s affiliated physician groups and consolidated subsidiaries and VIEs, the Company provides value-based care enablement services and care delivery with its consolidated care partners to serve patients of whom the majority are covered by private or public insurance provided through Medicare, Medicaid, and health maintenance organizations (“HMOs”), with a small portion of its revenue coming from non-insured patients. The Company provides care coordination services to each major constituent of the healthcare delivery system, including patients, families, primary care physicians, specialists, acute care hospitals, alternative sites of inpatient care, physician groups, and health plans. The Company’s physician network consists of primary care physicians, specialist physicians, physician and specialist extenders, and hospitalists.

On July 1, 2025, the Company completed the previously announced acquisition of Prospect Health Plan, Inc., substantially all the assets of certain direct and indirect subsidiaries of PHP Holdings, LLC, and Foothill Regional Medical Center, pursuant to the Asset and Equity Purchase Agreement, dated November 8, 2024 (collectively, “Prospect”) (such acquisition, the “Prospect Transaction”). Prospect is a value-based, integrated care delivery network which coordinates the delivery of high-quality care, with a network of over 11,000 providers across Southern California, Texas, Arizona, and Rhode Island. Prospect enables providers to deliver payer-agnostic, patient-centered care across Medicare Advantage, Medicaid, and Commercial lines of business. Prospect also operates a California Restricted Knox-Keene-licensed health plan, a management services organization, a specialty pharmacy, and a fully-accredited acute care hospital. See Note 19 — “Subsequent Events” for additional information.

Segments

The Company’s three reportable segments are Care Partners, Care Delivery, and Care Enablement, which are described as follows:

Care Partners

The Company’s Care Partners segment is focused on building and managing high-quality and high-performance provider networks by partnering with, empowering, and investing in strong provider partners aligned on a shared vision for coordinated care delivery. By leveraging the Company’s unique Care Enablement platform and ability to recruit, empower, and incentivize physicians to manage total cost of care effectively, the Company is able to organize partnered providers into successful multi-payer, risk-bearing organizations that take on varying levels of risk based on total cost of care across membership in all lines of business, including Medicare Advantage, Medicaid, Commercial, Exchange, and Medicare fee for service (“FFS”). The Company’s healthcare delivery entities consist of a network of risk-bearing organizations (“RBOs”) that encompass independent practice associations (“IPAs”), accountable care organizations (“ACOs”), and state-specific entities such as Restricted Knox-Keene licensed health plans in California. These entities are tasked with coordinating and providing high-quality care to patients within Astrana’s ecosystem. This helps provide a seamless continuity of care among patients in different age groups, stages of life, and life circumstances.

Care Delivery

The Company's Care Delivery segment is a patient-centric, data-driven care delivery organization focused on delivering high-quality and accessible care to all patients. The Company's Care Delivery organization includes primary care, multi-specialty care, and ancillary care services. This segment includes the following:

- Primary care clinics, including post-acute care services;
- Specialty care clinics and inpatient services, including cardiac care, endocrinology, and ophthalmology, as well as hospitalist and intensivist services; and
- Ancillary service providers, such as urgent care centers, outpatient imaging centers, ambulatory surgery centers, and full-service labs.

Care Enablement

The Company's Care Enablement segment represents a comprehensive platform that integrates clinical, operational, financial, and administrative information, all powered by the Company's proprietary technology suite. This platform enhances the delivery of high-quality, value-based care to patients and helps lead to superior clinical and financial outcomes. The Company provides solutions to payers and providers, including independent physicians, provider and medical groups, and ACOs. The Company's platform meets providers and payers wherever they are on the spectrum of total cost of care, offering solutions for fee-for-service entities to providers open to taking upside and downside risks on professional and institutional spending, and across all patient types, including Medicare, Medicaid, Commercial, and Exchange patients. This segment includes the Company's wholly owned subsidiaries that operate as management services organizations ("MSOs"), which enter into long-term management and/or administrative services agreements with RBOs and other providers. By leveraging the Company's Care Enablement platform, providers and payers can improve their ability to deliver high-quality patient care and achieve better patient outcomes.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated balance sheet at December 31, 2024, has been derived from the Company's audited consolidated financial statements, but does not include all annual disclosures required by generally accepted accounting principles in the United States of America ("U.S. GAAP"). The accompanying unaudited condensed consolidated financial statements as of June 30, 2025, and for the three and six months ended June 30, 2025 and 2024, have been prepared in accordance with U.S. GAAP for interim financial statements and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes to the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on March 14, 2025. In the opinion of management, all material adjustments (consisting of normal recurring adjustments as well as intercompany accounts and transactions, which have been eliminated) considered necessary for a fair presentation have been made to make the condensed consolidated financial statements not misleading, as required by Regulation S-X, Rule 10-01. Operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025, or any future periods.

Principles of Consolidation

The condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024, and the condensed consolidated statements of income for the three and six months ended June 30, 2025 and 2024, include Astrana's wholly owned subsidiaries and consolidated VIEs. All intercompany transactions and balances have been eliminated in consolidation.

The unaudited condensed consolidated interim financial statements have been prepared under the assumption that users of the interim financial data have either read, or have access to, our audited consolidated financial statements for the fiscal year ended December 31, 2024.

Reclassifications

Certain amounts disclosed in prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications were made to reclass receivables, net - related parties within receivables, net, restricted cash within other assets, dividend payable and finance lease liabilities within other liabilities, and finance lease, net of current portion within other long-term liabilities on the accompanying consolidated balance sheet as of December 31, 2024. The reclassifications were also made to reclass unrealized gain on investments and income from equity method investments to other within cash flow net cash provided by operating activities, proceeds from repayment of promissory notes, including those with related parties and purchase of marketable securities to other within cash flow used in investing activities, and payment of finance lease obligations, proceeds from sale of non-controlling interest, and purchase of non-controlling interest to other within cash flow provided by financing activities for the six months ended June 30, 2024. The reclassification had no effect on net income, earnings per share, retained earnings, cash flows provided by (used in) operating, investing, or financing activities, or total assets.

Use of Estimates

The preparation of the condensed consolidated financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the condensed consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include collectability of receivables, recoverability of long-lived and intangible assets, business combination and goodwill valuation and impairment assessment, accrual of medical liabilities (incurred but not reported ("IBNR") claims), determination of hospital shared-risk and health plan shared-risk revenue and receivables (including estimations of affiliated hospitals' claims costs which involves assumptions for IBNR, such as utilization of healthcare services, historical payment patterns, cost trends, seasonality, changes in membership, and other factors), income tax-valuation allowance, share-based compensation, and right-of-use assets and lease liabilities. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ materially from those estimates and assumptions.

Business Combinations

The Company uses the acquisition method of accounting for all business combinations, which requires assets and liabilities of the acquiree to be recorded at fair value, to measure the fair value of the consideration transferred, including contingent consideration, to be determined on the acquisition date, and to account for acquisition-related costs separately from the business combination which are expensed as incurred.

Cash and Cash Equivalents

The Company's cash and cash equivalents primarily consist of money market funds and certificates of deposit. The Company considers all highly liquid investments that are both readily convertible into known amounts of cash and mature within 90 days from their date of purchase to be cash equivalents.

The Company maintains its cash in deposit accounts with several banks, which at times may exceed the insured limits of the Federal Deposit Insurance Corporation ("FDIC"). The Company believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents and restricted cash. As of June 30, 2025 and December 31, 2024, the Company's deposit accounts with banks exceeded the FDIC's insured limit by approximately \$356.0 million and \$332.2 million, respectively. The Company has not experienced any losses to date and performs ongoing evaluations of these financial institutions to limit the Company's concentration of risk exposure.

Receivables, Other Receivables, and Loan Receivables

The Company's receivables are comprised of accounts receivable, capitation and fee-for-service receivables, risk pool settlements, incentive receivables, management fee income, other receivables, and receivables from related parties. Accounts receivables are recorded and stated at the amount expected to be collected.

The Company's receivables from related parties are comprised of hospital-shared risk pool settlements, management fee income, and other receivables. Receivables from related parties are recorded and stated in the amount expected to be collected. As of June 30, 2025 and December 31, 2024, receivables from related parties were \$58.5 million and \$50.3 million, respectively (see Note 12 — "Related-Party Transactions").

Capitation receivables relate to each health plan's capitation revenue and are usually received by the Company in the month following the month of service. Capitation receivables also include receivables from the Centers for Medicare and Medicaid Services ("CMS") related to the Company's participation in the ACO REACH model. Fee-for-service receivables consist of amounts due from third-party payers, hospitals and patients for patient care services. Risk pool settlements and incentive receivables mainly consist of the Company's hospital shared-risk pool receivable, which is recorded quarterly based on reports received from the Company's hospital partners and management's estimate of the Company's portion of the estimated risk pool surplus for open performance years. Settlement of risk pool surplus or deficits occurs approximately 18 months after the risk pool performance year is completed.

Other receivables consist of amounts due from the seller associated with acquisitions and stop-loss insurance premium reimbursements.

The Company maintains reserves for potential credit losses on the receivables. Management reviews the composition of the Company's receivables and analyzes historical bad debts, customer concentrations, customer creditworthiness, current economic trends, and changes in customer payment patterns to evaluate the adequacy of these reserves. The Company also regularly analyzes the ultimate collectability of accounts receivable after certain stages of the collection cycle using a look-back analysis to determine the amount of receivables subsequently collected, and adjustments are recorded when necessary. Reserves are recorded based on historical trends. Any change in such an estimate of reserves is recorded in the period when such change is identified.

Receivables are recorded when the Company is able to determine amounts receivable under applicable contracts and agreements based on information provided, and collection is reasonably likely to occur. The Company continuously monitors its receivables collections, and it expects that the historical credit loss experienced across its receivable portfolio is materially similar to any current expected credit losses that would be estimated under the current expected credit losses ("CECL") model.

The Company's loan receivables consist of promissory notes that accrue interest per annum and are recorded and stated at amortized cost plus accrued interest. Interest income is accrued based on the outstanding principal amounts. On April 24, 2025, the senior secured promissory note with BASS Medical Group was amended and restated to update the terms of the note to include terms of repayment, whereby the principal balance shall be payable in monthly installments of \$250,000 until January 11, 2031, the maturity date. As of June 30, 2025 and December 31, 2024, the balance of the Company's aggregate loans receivable was \$52.5 million and \$51.4 million, respectively, of which the current portion was \$4.1 million and \$0.1 million, respectively. The current portion of loans receivable is presented within prepaid expenses and other current assets in the condensed consolidated balance sheets.

The Company assesses outstanding loans receivable under the CECL model by assessing the party's ability to pay by reviewing their interest payment history quarterly, financial history annually, the value of any collateral, and reassessing any identified insolvency risk. As of June 30, 2025, the promissory notes are expected to be collected by their maturity dates.

Concentrations of Credit Risks

The Company disaggregates revenue from contracts by service type and payer type. This level of detail provides useful information pertaining to how the Company generates revenue by significant revenue streams and by type of direct contracts, as used by our chief operating decision makers (“CODMs”). The condensed consolidated statements of income present disaggregated revenue by service type. The following table presents disaggregated revenue generated by each payer type (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Commercial	\$ 46,049	\$ 44,187	\$ 93,278	\$ 92,916
Medicare	403,111	243,125	790,995	488,070
Medicaid	192,621	180,350	365,802	261,611
Other third parties	13,027	18,603	25,121	48,024
Revenue	<u>\$ 654,808</u>	<u>\$ 486,265</u>	<u>\$ 1,275,196</u>	<u>\$ 890,621</u>

The Company had major payers from its Care Partners segment that contributed the following percentages of net revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Payer A	31.9%	28.9%	32.4%	31.2%
Payer B	17.6%	15.4%	16.5%	14.5%
Payer C ⁽¹⁾	10.3%	12.0%	10.4%	10.6%

⁽¹⁾ For the three and six months ended June 30, 2024, Payer C also includes subsidiary health plans.

The Company had major payers that contributed to the following percentages of receivables, net, receivables – related parties, and other receivables:

	As of June 30, 2025	As of December 31, 2024
Payer A	50.8%	38.9%
Payer D	15.9%	16.1%
Payer E	12.0%	18.3%

Revenue Recognition

The Company receives payments from the following sources for services rendered:

- Commercial insurers;
- Federal government under the Medicare program administered by CMS;
- State governments under Medicaid and other programs;
- Other third-party payers (e.g., hospitals and IPAs); and
- Individual patients and clients.

Revenue primarily consists of the following:

- Capitation revenue;
- Risk pool settlements and incentives;
- Management fee income; and
- FFS revenue.

Revenue is recorded in the period in which services are rendered or the period in which the Company is obligated to provide services. The form of billing and related collection risk for such services may vary by type of revenue and the customer.

Income Taxes

Federal and state income taxes are computed at currently enacted tax rates less tax credits using the asset and liability method. Deferred taxes are adjusted for both items that do not have tax consequences and for the cumulative effect of any changes in tax rates from those previously used to determine deferred tax assets or liabilities. Tax provisions include amounts that are currently payable, changes in deferred tax assets and liabilities that arise because of temporary differences between the timing of when items of income and expense are recognized for financial reporting and income tax purposes, changes in recognition of tax positions, and any changes in the valuation allowance caused by a change in judgment about the realizability of the related deferred tax assets. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company uses a recognition threshold of “more-likely-than-not” and a measurement attribute on all tax positions taken, or expected to be taken, in a tax return in order to be recognized in the condensed consolidated financial statements. Once the recognition threshold is met, the tax position is measured to determine the actual amount of benefit to recognize in the condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03, “Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40),” to provide disaggregated information about certain income statement costs and expenses. ASU 2024-03 is effective for the Company’s annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its condensed consolidated financial statement disclosures.

On May 12, 2025, the FASB issued ASU 2025-03, “Business Combinations (Topic 805) and Consolidation (Topic 810) — Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity,” to revise the guidance in ASC 805 on identifying the accounting acquirer in a business combination in which the legal acquiree is a VIE. The ASU is intended to improve comparability between business combinations that involve VIEs and those that do not. ASU 2025-03 is effective for the Company’s annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its condensed consolidated financial statement disclosures.

Other than the new standards discussed above, there have been no other recent accounting pronouncements not yet adopted that are expected to have significance, or potential significance, to the Company’s financial position, results of operations, and cash flows.

3. Business Combinations and Goodwill

As of June 30, 2025, the Company finalized the purchase price allocation for Advanced Health Management Systems, L.P. (“AHMS”) and is in the process of finalizing Collaborative Health Systems, LLC, Golden Triangle Physician Alliance, and Heritage Physician Networks (collectively, “CHS”). Therefore, the balances were subject to change as a result of any working capital adjustments, primarily for the finalization of medical liabilities and CHS’ participation in government savings programs for the 2024 performance year. As of June 30, 2025, measurement period adjustments impacted receivables, net, other receivables, accounts payable and accrued expenses, and medical liabilities with a net decrease of \$2.3 million to goodwill.

AHMS

On March 31, 2024, the Company, through its wholly owned subsidiary, purchased all of the outstanding general and limited partnership interests of AHMS. AHMS’s wholly owned subsidiary operates a Restricted Knox-Keene licensed health plan in Los Angeles, California. The total consideration for the acquisition was \$60.9 million, consisting of \$63.9 million cash funded upon the close date and \$3.0 million due from the seller based on estimated working capital adjustments. The consideration is subject to changes based on working capital adjustments, which are settled within one year from the close date as per the purchase agreement.

The following table summarizes the purchase price allocation of the fair value of assets acquired and liabilities assumed at the acquisition date (in thousands):

	AHMS	
Total purchase consideration:		
Cash paid	\$	63,935
Purchase price due from seller		(2,995)
	\$	60,940
Assets:		
Cash and cash equivalents	\$	33,950
Receivables		11,007
Prepaid expenses and other current assets		36
Intangible assets		23,600
Goodwill		25,571
Restricted cash		300
Total assets acquired	\$	94,464
Liabilities:		
Accounts payable and accrued expenses	\$	13,001
Medical liabilities		14,093
Deferred tax liability		6,430
Total liabilities assumed	\$	33,524
Total net assets acquired	\$	60,940

CHS

On October 4, 2024, the Company and its affiliated professional entity acquired all of the outstanding membership interests relating to CHS. CHS partners with independent primary care physicians and accountable care organizations to provide care for Medicare members and comprehensive support for its physician partners by providing management services, risk contracting, and population health capabilities, including actionable data and other tools, to deliver care coordination and closure of gaps in care. Total consideration for the acquisition was \$47.5 million, consisting of \$35.3 million cash funded upon the close date, \$6.9 million due to the seller based on estimated working capital adjustments, contingent consideration fair valued at \$5.2 million, and \$0.1 million of replacement restricted stock awards. The consideration is subject to changes based on working capital adjustments. See Note 18 — “Fair Value Measurements of Financial Instruments” for additional information on contingent consideration.

The following table summarizes the purchase price allocation of the fair value of assets acquired and liabilities assumed at the acquisition date (in thousands):

	CHS
Total purchase consideration:	
Cash paid	\$ 35,322
Purchase price due to seller	6,944
Contingent consideration	5,154
Common stock issued and replacement awards	118
	<u>\$ 47,538</u>
Assets:	
Cash and cash equivalents	\$ 4,556
Receivables	100,334
Other receivables	36,667
Prepaid expenses and other current assets	357
Intangible assets	14,200
Goodwill	9,976
Investments in other entities – equity method	2,846
Total assets acquired	<u>\$ 168,936</u>
Liabilities:	
Accounts payable and accrued expenses	\$ 67,027
Medical liabilities	54,449
Non-controlling interest	(78)
Total liabilities assumed	<u>\$ 121,398</u>
Total net assets acquired	<u>\$ 47,538</u>

The acquisitions were accounted for under the acquisition method of accounting. The fair value of the consideration for the acquired companies was allocated to acquired tangible and intangible assets and liabilities based on their fair values. The excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill. Transaction costs associated with business acquisitions are expensed as they are incurred.

At the time of acquisition, the Company estimates the amount of assets, including identifiable intangible assets, and liabilities based on a valuation and the facts and circumstances available at the time. The Company determines the final value of assets, including identifiable intangible assets, and liabilities as soon as information is available, but not more than one year from the date of acquisition.

The Company had no impairment of its goodwill or indefinite-lived intangible assets during the three and six months ended June 30, 2025 and 2024.

The change in the carrying value of goodwill for the six months ended June 30, 2025 was as follows (in thousands):

	Amount
Balance at January 1, 2025	\$ 419,253
Adjustments	(2,336)
Balance at June 30, 2025	\$ 416,917

Unaudited Pro Forma Financial Information

The *pro forma* financial information in the table below presents the combined results of the Company and the acquisitions that occurred during the year ended 2024, as if the acquisitions had occurred on January 1, 2024. The *pro forma* information presented is shown for illustrative purposes only and is not necessarily indicative of future results of operations of the Company, or results of operations of the Company that would have actually occurred had the transactions been in effect for the periods presented.

	Three Months Ended June 30,	Six Months Ended June 30,
<i>(in thousands, except per share amounts)</i>	2024	2024
Total revenue	\$ 693,823	\$ 1,372,463
Net income attributable to Astrana Health, Inc.	\$ 9,875	\$ 29,045
Net income per share – basic	\$ 0.21	\$ 0.61
Net income per share – diluted	\$ 0.21	\$ 0.61

4. Intangible Assets, Net

At June 30, 2025, intangible assets, net, consisted of the following (in thousands):

	Useful Life (Years)	Gross June 30, 2025	Accumulated Amortization	Net June 30, 2025
Indefinite lived assets:				
Trademarks and licenses	N/A	\$ 4,050	\$ —	\$ 4,050
Amortized intangible assets:				
Network relationships	10-21	171,917	(118,875)	53,042
Member relationships	7-14	73,077	(29,373)	43,704
Other ⁽¹⁾	5-20	26,010	(21,069)	4,941
		<u>\$ 275,054</u>	<u>\$ (169,317)</u>	<u>\$ 105,737</u>

⁽¹⁾ Other consists of management contracts, a patient management platform, trade name/trademarks, and developed technology.

At December 31, 2024, intangible assets, net, consisted of the following (in thousands):

	Useful Life (Years)	Gross December 31, 2024	Accumulated Amortization	Net December 31, 2024
Indefinite lived assets:				
Trademarks and licenses	N/A	\$ 4,050	\$ —	\$ 4,050
Amortized intangible assets:				
Network relationships	10-21	171,917	(114,046)	57,871
Member relationships	7-14	73,077	(22,406)	50,671
Other ⁽¹⁾	5-20	26,010	(20,423)	5,587
		<u>\$ 275,054</u>	<u>\$ (156,875)</u>	<u>\$ 118,179</u>

⁽¹⁾ Other consists of management contracts, a patient management platform, trade name/trademarks, and developed technology.

For the three months ended June 30, 2025 and 2024, the Company recognized amortization expense of \$6.2 million and \$6.9 million, respectively, in depreciation and amortization in the accompanying condensed consolidated statements of income. For the six months ended June 30, 2025 and 2024, the Company recognized amortization expense of \$12.4 million and \$11.3 million, respectively, in depreciation and amortization in the accompanying condensed consolidated statements of income. The Company determined that there was no impairment of its finite-lived intangible or long-lived assets during the six months ended June 30, 2025 and 2024.

Future amortization expense is estimated to be as follows for the years ending December 31 (in thousands):

	Amount
2025 (excluding the six months ended June 30, 2025)	\$ 12,215
2026	20,295
2027	16,808
2028	14,077
2029	11,397
Thereafter	26,895
Total	<u>\$ 101,687</u>

5. Investments in Other Entities

Equity Method

The Company has invested in several entities in the healthcare industry similar to the Care Partners, Care Delivery and Care Enablement segments. The Company holds a range of 25% – 51% equity interest in these investments. These investments are accounted for under the equity method as the Company has the ability to exercise significant influence, but not control over operations. For the three and six months ended June 30, 2025, the Company recorded income from equity method investments of \$0.4 million and a loss of \$0.5 million, respectively, within the accompanying condensed consolidated statements of income. For the three and six months ended June 30, 2024, the Company recorded income from equity method investments of \$0.9 million and \$1.5 million, respectively, within the accompanying condensed consolidated statements of income. The following table summarizes the Company's equity method investments as of June 30, 2025 and December 31, 2024:

	% of Ownership	June 30, 2025	December 31, 2024
LaSalle Medical Associates – IPA line of business	25%	\$ 12,849	\$ 13,128
CAIPA MSO, LLC	30%	15,110	14,612
I Health, Inc.	25%	6,175	6,077
Other ⁽¹⁾	25% - 51%	4,320	5,502
		<u>\$ 38,454</u>	<u>\$ 39,319</u>

⁽¹⁾ Other consists of smaller equity method investments including those from the CHS acquisition.

The Company records its investments in certain non-consolidated VIEs within investments in other entities – equity method in the accompanying condensed consolidated balance sheets. These entities were determined to be VIEs but are not consolidated. Despite providing financial support to these entities, the Company lacks a controlling financial interest and is not the primary beneficiary. Thus, these VIEs are accounted for under the equity method of accounting. The Company recognizes its share of the investee's earnings or losses under the hypothetical-liquidation-at-book-value method. As of June 30, 2025, the Company's maximum exposure to loss was \$2.0 million, which represents the carrying value of the Company's investments in the non-consolidated VIEs.

Equity method investments are subject to impairment evaluation. No impairment loss was recorded related to equity method investments for the three and six months ended June 30, 2025 and 2024.

Investments in Privately Held Entities

The Company accounts for certain equity investments using the cost basis, adjusted for observable price changes and impairments, when there is no readily determinable fair value. Observable price changes and impairments are recognized in net

income. As of June 30, 2025, and December 31, 2024, our investments in privately held entities were \$8.9 million, respectively, for which a fair value is not readily determinable and we do not have significant influence. During the six months ended June 30, 2025 and 2024, there were no observable price changes to these investments.

6. Accounts Payable and Accrued Expenses

The Company's accounts payable and accrued expenses consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Accounts payable and other accruals	\$ 14,329	\$ 16,774
Capitation payable	18,048	10,639
Professional fees	10,297	5,809
Due to related parties	7,172	7,924
Accrued compensation	20,249	22,409
Other provider payable	49,566	42,587
Total accounts payable and accrued expenses	<u>\$ 119,661</u>	<u>\$ 106,142</u>

7. Medical Liabilities

The Company's medical liabilities consisted of the following (in thousands):

	June 30, 2025	June 30, 2024
Medical liabilities, beginning of period	\$ 209,039	\$ 106,657
Acquired	(6,134)	34,074
Components of medical care costs related to claims incurred:		
Current period	780,050	517,257
Prior periods	(1,874)	(1,182)
Total medical care costs	<u>778,176</u>	<u>516,075</u>
Payments for medical care costs related to claims incurred:		
Current period	(518,450)	(379,665)
Prior periods	(169,318)	(111,430)
Claims paid for acquired balance	(5,622)	(14,229)
Total paid	<u>(693,390)</u>	<u>(505,324)</u>
Medical liabilities, end of period	<u>\$ 287,691</u>	<u>\$ 151,482</u>

8. Credit Facility and Bank Loans

The Company's debt balance consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Term Loan	\$ 246,875	\$ 281,500
Revolver Loan	162,000	146,732
Promissory Note Payable	9,875	9,875
Total debt	418,750	438,107
Less: Current portion of debt	(12,500)	(9,375)
Less: Unamortized financing costs	(5,193)	(3,433)
Long-term debt	\$ 401,057	\$ 425,299

The estimated fair value of the Company's long-term debt was determined using Level 2 inputs primarily related to comparable market prices. As of June 30, 2025, and December 31, 2024, the carrying value was not materially different from fair value, as the interest rates on the Company's debt approximated rates currently available to the Company.

The following are the future commitments, as of June 30, 2025, of the Company's debt for the years ending December 31 (in thousands):

	Amount
2025 (excluding the six months ended June 30, 2025)	\$ 6,250
2026	12,500
2027	27,063
2028	18,750
2029	23,437
Thereafter	330,750
Total	\$ 418,750

Credit Facility

Second Amended and Restated Credit Agreement

On February 26, 2025, the Company entered into the Second Amended and Restated Credit Agreement (the "Second Amended and Restated Credit Agreement" and the credit facility thereunder, the "Second Amended and Restated Credit Facility") with Truist Bank, in its capacities as administrative agent for the lenders, issuing bank, swingline lender and a lender, and the banks and other financial institutions from time to time party thereto, to, among other things, amend and restate that certain amended credit agreement, dated June 16, 2021, by and among the Company, Truist Bank, and certain lenders thereto, in its entirety. The Second Amended and Restated Credit Agreement provides for (a) a five-year revolving credit facility ("Revolver Loan") to the Company of \$300.0 million, which includes a letter of credit sub-facility of up to \$100.0 million and a swingline loan sub-facility of \$25.0 million, (b) a five-year term loan A credit facility ("Term Loan") to the Company of \$250.0 million and (c) a five-year delayed draw term loan credit facility ("DDTL A") to the Company of \$745.0 million. The term loan A and revolving credit facilities were used to, among other things, refinance certain existing indebtedness of the Company and certain subsidiaries, pay

transaction costs and expenses arising in connection with the Second Amended and Restated Credit Agreement, and provide for working capital needs and other general corporate purposes, and, in addition to the foregoing, the revolving credit facility was used to finance certain future permitted acquisitions and permitted investments and capital expenditures. On July 1, 2025, the Company completed the previously announced Prospect Transaction. \$707.3 million from the delayed draw term loan facility was used to finance the acquisition (see Note 19 — “Subsequent Events”).

Amounts borrowed under the Second Amended and Restated Credit Agreement bear interest at an annual rate equal to either, at the Company’s option, (a) the rate for term Secured Overnight Financing Rate (“SOFR”) published by the CME Group Benchmark Administration Limited two days prior to the first day of the applicable interest period, plus a spread of 1.25% to 2.50%, as determined on a quarterly basis based on the Company’s leverage ratio, or (b) a base rate, plus a spread of 0.25% to 1.50%, as determined on a quarterly basis based on the Company’s leverage ratio. As of June 30, 2025, the Company had outstanding borrowings under the Revolver Loan and Term Loan of \$162.0 million and \$246.9 million, respectively, and the interest rate on both loans was 6.08%.

The Second Amended and Restated Credit Agreement, requires the Company to pay a commitment fee of 0.175% to 0.35% multiplied by the daily amount of the unused revolving commitments during the availability period, with such fee determined on a quarterly basis based on the Company’s leverage ratio, and a ticking fee on the delayed draw term loan facility of 0.175% to 0.35% multiplied by the average daily unused portion of delayed draw term loan commitments, with such fee determined on a quarterly basis based on the Company’s leverage ratio. The Company is also required to comply with two financial ratios, each calculated on a consolidated basis. The Company must maintain (commencing with the fiscal quarter ending June 30, 2025) (x) a maximum consolidated total net leverage ratio of not greater than (a) 5.00 to 1.00 as of the last day of each fiscal quarter ending prior to March 31, 2027, and (b) 4.50 to 1.00 as of the last day each fiscal quarter thereafter and (y) a minimum consolidated interest coverage ratio of not less than 2.50 to 1.00 as of the last day of each fiscal quarter. The Second Amended and Restated Credit Agreement requires the Company and its subsidiaries to comply with various affirmative covenants, including, without limitation, furnishing updated financial and other information, preserving existence and entitlements, maintaining properties and insurance, complying with laws, maintaining books and records, requiring any new subsidiary meeting a materiality threshold specified in the Second Amended and Restated Credit Agreement to become a guarantor thereunder and paying obligations.

The Second Amended and Restated Credit Agreement requires the Company and its subsidiaries to comply with, and to use commercially reasonable efforts to the extent permitted by law to cause certain material associated practices of the Company to comply with, restrictions on liens, indebtedness, and investments (including restrictions on acquisitions by the Company), subject to specified exceptions. The Second Amended and Restated Credit Agreement also contains certain negative covenants binding the Company and its subsidiaries, including restrictions on fundamental changes, dividends and distributions, dispositions, sales and leasebacks, transactions with affiliates, restrictive agreements, use of proceeds, amendments of organizational documents, accounting changes and prepayments, and modifications of subordinated debt.

The Company and its subsidiary, Astrana Health Management, Inc. (“AHM”), have granted the lenders a security interest in all of their assets, including stock and other equity issued by their subsidiaries, pursuant to the Amended and Restated Guaranty and Security Agreement, dated as of February 26, 2025, by and among the Company, as borrower, and AHM, as guarantor, in favor of Truist Bank, which amends and restates that certain guaranty and security agreement dated as of September 11, 2019, in its entirety. The Second Amended and Restated Credit Agreement contains certain customary events of default. If any event of default occurs and is continuing under the Second Amended and Restated Credit Agreement, the lenders may terminate their commitments, and may require the Company and its guarantors to repay outstanding debt and/or to provide a cash deposit as additional security for outstanding letters of credit. In addition, the agent, on behalf of the lenders, may pursue other remedies, including, without limitation, transferring pledged securities of the Company’s subsidiaries in the name of the agent and exercising all rights with respect thereto (including the right to vote and to receive dividends), collect on pledged accounts, instruments and other receivables, and other rights provided by law.

Deferred Financing Costs

The Company paid debt financing costs of \$22.2 million related to the issuance of the Second Amended and Restated Credit Agreement. Of the \$22.2 million debt financing, the Company expensed \$5.0 million within other expense on the accompanying condensed consolidated statements of income, and the remaining \$17.2 million is deferred and amortized over the life of the amended credit facility. As of June 30, 2025, unamortized deferred financing costs for the Revolver Loan, DDTL A, and Term Loan were \$5.8 million, \$8.4 million, and \$5.2 million, respectively. As of December 31, 2024, unamortized deferred financing costs for the Revolver Loan and Term Loan were \$0.9 million and \$3.4 million, respectively. Deferred financing costs associated with the Term Loan are presented as a direct reduction against the amounts borrowed on the Term Loan and amortized over the life of the loan using the effective interest rate method. Deferred financing costs associated with the Revolver Loan and the DDTL A are recognized in other assets in the accompanying condensed consolidated balance sheets and amortized over the life of the loans using the straight-line method. The deferred financing costs associated with the DDTL A will be presented as a direct reduction against the amounts borrowed and amortized using the effective interest rate method when the draw is made. Interest expense in the condensed consolidated statements of income includes amortization of deferred debt issuance costs.

Promissory Note Payable

I Health, Inc. Promissory Note Payable – Related Party

The Company has a promissory note payable to I Health, Inc. (“I Health”) (the “I Health Promissory Note”), with a principal of \$9.9 million as of both June 30, 2025 and December 31, 2024, respectively. The promissory note matures on March 31, 2027. Additionally, the Company holds a 25% equity interest in I Health and has a call option to purchase the remaining equity interest (the “I Health Call Option”) (see Note 18 — “Fair Value Measurements of Financial Instruments”). I Health may accelerate the maturity date if the Company does not exercise the I Health Call Option. The promissory note has an interest rate of 4.3% per annum on the principal amount. Accrued interest is payable on each anniversary of the promissory note payable. I Health is accounted for under the equity method based on the 25% equity ownership interest held by the Company (see Note 5 — “Investments in Other Entities — Equity Method”).

Effective Interest Rate

The Company’s average effective interest rate on its total debt during the six months ended June 30, 2025 and 2024, was 6.43% and 7.17%, respectively.

9. Mezzanine Deficit and Stockholders’ Equity

Mezzanine Deficit

APC

As the redemption feature of APC’s shares of common stock is not solely within the control of APC, the equity of APC does not qualify as permanent equity and has been classified as non-controlling interests in mezzanine or temporary equity. APC’s shares were not redeemable, and it was not probable that the shares would become redeemable as of June 30, 2025 and December 31, 2024.

Stockholders' Equity

As of June 30, 2025, 41,048 holdback shares have not been issued to certain former AHM shareholders who were AHM shareholders at the time of closing of the 2017 merger of Astrana with AHM, as they have yet to submit properly completed letters of transmittal to Astrana in order to receive their *pro rata* portion of Astrana common stock as contemplated under the 2017 merger agreement. Pending such receipt, such former AHM shareholders have the right to receive, without interest, their pro rata share of dividends or distributions with a record date after the effectiveness of the 2017 merger. The condensed consolidated financial statements have treated such shares of common stock as outstanding, given the receipt of the letter of transmittal is considered perfunctory, and the Company is legally obligated to issue these shares in connection with the 2017 merger.

Treasury Stock

As of June 30, 2025 and December 31, 2024, APC owned 6,132,802 and 7,132,698 shares of Astrana's common stock, respectively. While such shares of Astrana's common stock are legally issued and outstanding, they are treated as treasury shares for accounting purposes and excluded from shares of common stock outstanding in the condensed consolidated financial statements. APC's ownership in Astrana was 11.10% and 12.96% as of June 30, 2025 and December 31, 2024, respectively.

During the six months ended June 30, 2025, the Company repurchased 300,000 shares of the Company's common stock from APC, pursuant to a stock repurchase agreement dated January 17, 2025, for an aggregate purchase price of approximately \$10.6 million. There was no similar type of repurchase during the six months ended June 30, 2024. As of June 30, 2025 and December 31, 2024, the Company had repurchased 3,771,151 and 3,471,151 shares, respectively, of its common stock. These are included as treasury stock.

As of June 30, 2025 and December 31, 2024, the total treasury stock, including the Company's stock held by APC, was 9,903,953 and 10,603,849, respectively.

Dividends

During the six months ended June 30, 2025, the APC board approved the distribution of 699,896 of the Company's shares and a cash distribution of \$5.4 million to its shareholders. During the six months ended June 30, 2024, no dividends were declared to the APC shareholders.

10. Stock-Based Compensation

The following table summarizes the stock-based compensation expense recognized under all of the Company's stock plans for the three and six months ended June 30, 2025 and 2024, and associated with the issuance of restricted stock awards and units, shares under the employee stock purchase plan ("ESPP"), and vesting of stock options that are included in cost of service and general and administrative expenses in the accompanying condensed consolidated statements of income (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock options and ESPP	\$ 68	\$ 427	\$ 137	\$ 776
Restricted stock awards and units	11,641	6,963	19,382	12,362
Total stock-based compensation expense	<u>\$ 11,709</u>	<u>\$ 7,390</u>	<u>\$ 19,519</u>	<u>\$ 13,138</u>

Unrecognized compensation expense related to total share-based payments outstanding as of June 30, 2025, was \$52.8 million.

11. Commitments and Contingencies

Regulatory Matters

Laws and regulations governing the Medicare program and healthcare generally are complex and subject to interpretation. The Company believes it complies with all applicable laws and regulations and is unaware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medi-Cal programs.

As a risk-bearing organization, the Company is required to follow the regulations of the Department of Managed Health Care (“DMHC”). The Company must comply with a minimum working capital requirement, a tangible net equity (“TNE”) requirement, a cash-to-claims ratio, and claims payment requirements prescribed by the DMHC. TNE is defined as net assets less intangibles, less non-allowable assets (which include amounts due from affiliates), plus subordinated obligations.

Many of the Company’s payer and provider contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of medical services. Such differing interpretations may not come to light until a substantial period of time has passed following contract implementation. Liabilities for claims disputes are recorded when the loss is probable and can be estimated. Any adjustments to reserves are reflected in current operations.

Standby Letters of Credit and Surety Bonds

The Company established irrevocable standby letters of credit with Truist Bank under the Second Amended and Restated Credit Agreement for a total of \$25.0 million for the benefit of CMS and certain health plans as of June 30, 2025. Unless the institution provides notification that the standby letters of credit will be terminated prior to the expiration date, the letters will be automatically extended without amendment for additional one-year periods from the present or any future expiration date.

Certain IPAs consolidated by the Company established irrevocable standby letters of credit with Preferred Bank for a total of \$2.1 million for the benefit of certain health plans as of June 30, 2025. The loan under which the standby letters of credit can be issued had an original loan availability of \$4.1 million. The standby letters of credit are automatically extended without amendment for additional one-year periods from the present or any future expiration date, unless notified by the institution in advance of the expiration date that the letter will be terminated.

The Company currently has several surety bonds as required by CMS. The bonds total approximately \$46.4 million in the aggregate, as of June 30, 2025. The bonds expire on various dates through December 31, 2030.

Litigation

From time to time, the Company is involved in various legal proceedings and other matters arising in the normal course of its business. Currently, management does not believe the Company is a party to any legal proceedings that would have a material adverse effect on its operations. The Company continuously evaluates potential contingencies and will accrue liabilities as necessary. However, the resolution of any claim or litigation is inherently uncertain and could impact the Company’s financial condition, cash flows, or results of operations.

Liability Insurance

The Company believes that its insurance coverage is appropriate based upon the Company's claims experience and the nature and risks of the Company's business. In addition to the known incidents that have resulted in the assertion of claims, the Company cannot be certain that its insurance coverage will be adequate to cover liabilities arising out of claims asserted against the Company, the Company's affiliated professional organizations, or the Company's affiliated hospitalists in the future, where the outcomes of such claims are unfavorable. The Company believes that the ultimate resolution of all pending claims — including liabilities in excess of the Company's insurance coverage — will not have a material adverse effect on the Company's financial position, results of operations, or cash flows; however, there can be no assurance that future claims will not have such a material adverse effect on the Company's business. Contracted physicians are required to obtain their own insurance coverage.

Although the Company currently maintains liability insurance policies on a claims-made basis which are intended to cover malpractice liability and certain other claims, the coverage must be renewed annually, and may not continue to be available to the Company in future years at acceptable costs and on favorable terms.

12. Related-Party Transactions

Equity Method Investments

During the three months ended June 30, 2025 and 2024, the Company paid approximately \$2.2 million and \$1.4 million, respectively, to our equity method investments, for management fee services, provider services, and interest expense. During the six months ended June 30, 2025 and 2024, the Company paid approximately \$3.8 million and \$2.5 million, respectively, to our equity method investments, for management fee services, provider services, and interest expense. During the six months ended June 30, 2025, the Company received \$0.9 million from our equity method investments in management fees.

Astrana Board Members and Officers

During the three months ended June 30, 2025 and 2024, the Company incurred rent expenses of approximately \$1.3 million and \$0.8 million, respectively, from certain properties that are managed by Allied Pacific Holdings Investment Management, LLC. During the six months ended June 30, 2025 and 2024, the Company recognized approximately \$2.5 million and \$1.7 million, respectively, in rent expense from the same properties. As of June 30, 2025, and December 31, 2024, the Company's operating right-of-use asset balance included \$6.9 million and \$2.7 million, respectively, and the Company's operating lease liabilities included \$7.2 million and \$2.7 million, respectively, for certain properties that are managed by Allied Pacific Holdings Investment Management, LLC. The chief executive officer of Allied Pacific Holdings Investment Management, LLC is a member of the Company's board of directors.

The Company has a Simple Agreement for Future Equity ("SAFE") with Third Way Health. As of June 30, 2025, and December 31, 2024, the investment was \$6.0 million, respectively, and presented within investments in privately held entities on the condensed consolidated balance sheets. During the three months ended June 30, 2025 and 2024, the Company incurred approximately \$3.0 million and \$1.2 million, respectively, in expenses payable to Third Way Health for call center and credentialing services. During the six months ended June 30, 2025 and 2024, the Company incurred approximately \$5.2 million and \$1.7 million, respectively, in expenses for call center services. One of Astrana's officers is a board member of Third Way Health.

The Company has an agreement with AHMC Healthcare Inc. ("AHMC") for services provided to the Company. Revenue with AHMC consists of capitation, risk pool, and miscellaneous fees, and expenses consist of claims expense. One of the Company's directors is an officer of AHMC and two of the Company's directors serve on AHMC's board of directors.

The following tables set forth revenue recognized and fees incurred related to AHMC for the three and six months ended June 30, 2025 and 2024 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 4,574	\$ 12,857	\$ 11,345	\$ 22,777
Expenses	46,320	7,408	78,000	14,965
Net	<u>\$ (41,746)</u>	<u>\$ 5,449</u>	<u>\$ (66,655)</u>	<u>\$ 7,812</u>

The Company and AHMC have a risk-sharing agreement with certain AHMC hospitals to share the surplus and deficits of each of the hospital pools. Under this agreement, during the three months ended June 30, 2025 and 2024, the Company had recognized risk pool revenues of \$2.8 million and \$11.0 million, respectively. During the six months ended June 30, 2025 and 2024, the Company had recognized risk pool revenues of \$7.8 million and \$19.1 million, respectively. As of June 30, 2025 and December 31, 2024, \$55.1 million and \$47.7 million remained in outstanding risk pool receivables, respectively.

APC Board Members

During the three months ended June 30, 2025 and 2024, the Company paid an aggregate of approximately \$4.7 million and \$4.9 million, respectively, to board members for provider services, which included approximately \$0.6 million and \$0.6 million, respectively, to Astrana board members and officers who are also board members and officers of APC. During the six months ended June 30, 2025 and 2024, the Company paid an aggregate of approximately \$9.2 million and \$9.6 million, respectively, to board members for provider services, which included approximately \$1.2 million and \$1.4 million, respectively, to Astrana board members and officers who are also board members and officers of APC.

In addition, affiliates wholly owned by the Company's key personnel are reported in the accompanying condensed consolidated statements of income on a consolidated basis, together with the Company's subsidiaries, and therefore, the Company does not separately disclose transactions between such affiliates and the Company's subsidiaries as related-party transactions.

Intercompany Transactions

Because of corporate practice of medicine laws, the Company uses designated shareholder professional corporations, of which the sole shareholder is a member of the Company's key personnel, to engage in certain transactions and make intercompany loans from time to time.

For equity method investments and promissory note payable with related parties, see Note 5 — "Investments in Other Entities — Equity Method" and Note 8 — "Credit Facility and Bank Loans," respectively.

13. Income Taxes

The Company uses the liability method of accounting for income taxes as set forth in ASC 740 "Income Taxes". Under the liability method, deferred taxes are determined based on differences between the financial statement and tax bases of assets and liabilities using enacted tax rates.

On an interim basis, the Company estimates what its anticipated annual effective tax rate will be and records a quarterly income tax provision in accordance with the estimated annual rate, plus the tax effect of certain discrete items that arise during the quarter. As the fiscal year progresses, the Company refines its estimates based on actual events and financial results during the quarter. This process can result in significant changes to the Company's estimated effective tax rate. When this occurs, the income tax provision is adjusted during the quarter in which the estimates are refined so that the year-to-date provision reflects the estimated annual effective tax rate. These changes, along with adjustments to the Company's deferred taxes and related valuation allowance, may create fluctuations in the overall effective tax rate from quarter to quarter.

The Company's effective income tax rate for the six months ended June 30, 2025 and 2024, was 37.8% and 30.7%, respectively. The tax rate for the six months ended June 30, 2025, differed from the U.S. federal statutory rate primarily due to non-deductible expenses, state income taxes, and income from flow-through entities.

If recognized, \$1 million of the unrecognized tax benefits as of June 30, 2025, would reduce the annual effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes in the Company's condensed consolidated financial statements. For the period ended June 30, 2025, the Company had recognized \$48,000 of interest and penalties related to unrecognized tax benefits on its condensed consolidated balance sheets.

The Company is subject to U.S. federal income tax as well as state income tax in certain U.S. states. The Company and its subsidiaries' state and federal income tax returns are open to audit under the statute of limitations for the years ended December 31, 2020 through December 31, 2024, and for the years ended December 31, 2021 through December 31, 2024, respectively.

14. Earnings Per Share

Basic earnings per share are calculated using the weighted average number of shares of the Company's common stock issued and outstanding during a certain period and are calculated by dividing net income attributable to Astrana by the weighted average number of shares of the Company's common stock issued and outstanding during such period. Diluted earnings per share are calculated using the weighted average number of shares of common stock and potentially dilutive shares of common stock outstanding during the period, using the as-if converted method for secured convertible notes and preferred stock, and the treasury stock method for options and common stock warrants. The non-controlling interests in APC are allocated their share of Astrana's income from APC's ownership of Astrana common stock, and this is included in the net income (loss) attributable to non-controlling interest on the condensed consolidated statements of income, therefore, none of the shares of Astrana held by APC are considered outstanding for the purpose of basic or diluted earnings per share computation.

As of June 30, 2025 and December 31, 2024, the total treasury stock, including the Company's stock held by APC, was 9,903,953 and 10,603,849, respectively. These are treated as treasury shares for accounting purposes, and are not included in the number of shares of common stock outstanding used to calculate earnings per share.

The following potentially dilutive outstanding securities were excluded from the computation of diluted weighted average common shares outstanding because the assumed proceeds, as calculated under the treasury stock method, resulted in these awards being antidilutive or the conditions to issue such shares were not achieved as of June 30, 2025 and 2024, respectively:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Stock options	113,490	168,207	119,599	168,207
Restricted stock awards and units	812,780	54,280	611,258	156,277
Contingently issuable shares	1,085,413	943,385	1,103,156	943,385
Total potentially dilutive securities	<u>2,011,683</u>	<u>1,165,872</u>	<u>1,834,013</u>	<u>1,267,869</u>

Below is a summary of the earnings per share computations:

Three months ended June 30,	2025		2024	
Earnings per share – basic	\$	0.19	\$	0.40
Earnings per share – diluted	\$	0.19	\$	0.40
Weighted average shares of common stock outstanding – basic		49,187,885		47,615,096
Weighted average shares of common stock outstanding – diluted		49,470,677		47,978,491

Six months ended June 30,

	2025	2024
Earnings per share – basic	\$ 0.33	\$ 0.72
Earnings per share – diluted	\$ 0.33	\$ 0.71
Weighted average shares of common stock outstanding – basic	48,831,265	47,437,722
Weighted average shares of common stock outstanding – diluted	49,162,653	47,795,082

Below is a summary of the shares included in the diluted earnings per share computations:

Three months ended June 30,

	2025	2024
Weighted average shares of common stock outstanding – basic	49,187,885	47,615,096
Stock options	93,193	191,196
Restricted stock awards and units and ESPP shares	42,245	141,489
Contingently issuable shares	147,354	30,710
Weighted average shares of common stock outstanding – diluted	49,470,677	47,978,491

Six months ended June 30,

	2025	2024
Weighted average shares of common stock outstanding – basic	48,831,265	47,437,722
Stock options	103,026	190,073
Restricted stock awards and units and ESPP shares	86,150	136,407
Contingently issuable shares	142,212	30,880
Weighted average shares of common stock outstanding – diluted	49,162,653	47,795,082

15. Variable Interest Entities (VIEs)

The Company's condensed consolidated financial statements include its subsidiaries and consolidated VIEs. A VIE is defined as a legal entity whose equity owners do not have sufficient equity at risk, or, as a group, the holders of the equity investment at risk lack any of the following three characteristics: decision-making rights, the obligation to absorb losses, or the right to receive the expected residual returns of the entity. The primary beneficiary is identified as the variable interest holder that has both the power to direct the activities of the VIE that most significantly affect the entity's economic performance and the obligation to absorb expected losses or the right to receive benefits from the entity that could potentially be significant to the VIE.

Some states have laws that prohibit business entities with non-physician owners—such as Astrana and its subsidiaries—from practicing medicine, employing physicians to practice medicine, or exercising control over medical decisions by physicians. These laws are generally referred to as corporate practice of medicine laws. States that have corporate practice of medicine laws permit only physicians to practice medicine, exercise control over medical decisions, or engage in certain arrangements—such as fee-splitting—with physicians.

Due to these laws, the Company operates by maintaining long-term MSAs with its affiliated IPAs and medical groups, each of which is owned and operated by physicians only, and employs or contracts with additional physicians to provide medical services. AHM is a wholly owned subsidiary of the Company and has entered into MSAs with several affiliated IPAs, including APC. APC arranges for the delivery of healthcare services by contracting with physicians or professional medical corporations for primary care and specialty care services. The physicians in the IPA are exclusively in control of, and responsible for, all aspects of the practice of medicine for enrolled patients. In accordance with relevant accounting guidance, APC has been determined to be a VIE of AHM, as AHM is its primary beneficiary with the ability, through majority representation on the APC Joint Planning Board and otherwise, to direct the activities (excluding clinical decisions) that most significantly affect APC's economic

performance. Therefore, APC and its wholly owned subsidiaries and VIEs are consolidated in the accompanying financial statements.

Certain state laws prohibit a professional corporation that has more than one shareholder from being a shareholder in another professional corporation. As a result, the Company cannot directly own shares in other professional corporations. However, an exception to this regulation permits a professional corporation that has only one shareholder to own shares in another professional corporation. In reliance on this exception, the Company designated certain key personnel as the nominee shareholders of professional corporations that hold controlling and non-controlling ownership interests in several medical corporations. Via a Physician Shareholder Agreement with the nominee shareholder, the Company has the ability to designate another person to be the equity holder of the professional corporation. In addition, these entities are managed by the Company's wholly owned MSOs via MSA. In accordance with relevant accounting guidance, the professional corporations and their consolidated medical corporations are consolidated by the Company in the accompanying condensed financial statements.

Astrana Medical and Astrana Care Partners Medical were formed as designated shareholder professional corporations in May 2019 and July 2021, respectively, as designated shareholder professional corporations. The Company's Vice Chairman is the sole shareholder of Astrana Medical and Astrana Care Partners Medical. Via a Physician Shareholder Agreement, Astrana makes all the decisions on behalf of Astrana Medical and Astrana Care Partners Medical. Astrana has the obligation to absorb losses of, or the right to receive benefits from, Astrana Medical and Astrana Care Partners Medical. Therefore, Astrana Medical and Astrana Care Partners Medical are controlled by and consolidated by Astrana as the primary beneficiary of the VIEs.

The following table includes assets that can only be used to settle the liabilities of the Company's VIEs, and to which the creditors of Astrana have no recourse, and liabilities to which the creditors of the Company's VIEs have no recourse to the general credit of Astrana, as the primary beneficiary of the VIEs. These assets and liabilities, with the exception of investments in affiliates and amounts due to, or from, affiliates, which are eliminated upon consolidation, are included in the accompanying condensed consolidated balance sheets (in thousands).

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 157,097	\$ 158,922
Investments in marketable securities	2,306	2,259
Receivables, net (including amounts with related parties)	135,481	132,228
Other receivables	1,717	15,303
Prepaid expenses and other current assets	7,041	10,161
Amount due from affiliates ⁽¹⁾	35,141	—
Total current assets	338,783	318,873

	June 30, 2025	December 31, 2024
Non-current assets		
Property and equipment, net	5,848	5,875
Intangible assets, net	78,952	87,840
Goodwill	241,831	243,283
Income taxes receivable, non-current	15,943	15,943
Investments in other entities – equity method	15,114	15,442
Investment in a privately held entity	405	405
Investment in affiliates ⁽¹⁾	152,584	224,894
Operating lease right-of-use assets	26,197	21,585
Other assets	3,052	3,059
Total non-current assets	539,926	618,326
Total assets	\$ 878,709	\$ 937,199
Current liabilities		
Accounts payable and accrued expenses	\$ 34,374	\$ 43,800
Fiduciary accounts payable	4,734	8,223
Medical liabilities	116,878	105,486
Income tax payable	19,411	11,041
Operating lease liabilities	4,382	3,487
Other liabilities	12,290	2,509
Amount due to affiliates ⁽¹⁾	—	48,142
Total current liabilities	192,069	222,688
Non-current liabilities		
Deferred tax liability	9,642	11,237
Operating lease liabilities, net of current portion	25,004	21,012
Other long-term liabilities	3,538	1,139
Total non-current liabilities	38,184	33,388
Total liabilities	\$ 230,253	\$ 256,076

⁽¹⁾ Investment in affiliates includes APC's investment in Astrana. While such shares of Astrana's common stock are legally issued to APC and outstanding, they are treated as treasury shares for accounting purposes and excluded from shares of common stock outstanding in the condensed consolidated financial statements. Amounts due to, or from, affiliates are receivables or payables with Astrana's subsidiaries. As a result, these balances are eliminated upon consolidation and are not reflected on Astrana's condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024, respectively.

16. Leases

The Company has operating leases for corporate and medical offices. These leases have remaining lease terms ranging from three months to 21 years, some of which may include options to extend the leases for up to ten years, and some of which may include options to terminate the leases within one year. These leases consist of payments that are fixed or variable. Variable lease payments are based on an index or a rate such as the Consumer Price Index.

Operating lease costs for the three months ended June 30, 2025 and 2024 were \$3.6 million and \$3.1 million, respectively. Operating cash flows from operating leases for the three months ended June 30, 2025 and 2024 were \$3.2 million and \$2.7 million, respectively. Operating lease costs for the six months ended June 30, 2025 and 2024 were \$7.2 million and \$6.2 million, respectively. Operating cash flows from operating leases for the six months ended June 30, 2025 and 2024 were \$6.4 million and \$5.6 million.

Leases with an initial term of 12 months or less are not recorded on the condensed consolidated balance sheets.

Other information related to operating leases was as follows:

	Six Months Ended June 30,	
	2025	2024
Weighted Average Remaining Lease Term	6.99 years	6.52 years
Weighted Average Discount Rate	6.87%	6.56%

The following are future minimum lease payments under non-cancellable operating leases for the years ending December 31 (in thousands) below:

	Operating Leases
2025 (excluding the six months ended June 30, 2025)	\$ 3,675
2026	7,182
2027	6,634
2028	6,206
2029	5,118
Thereafter	14,955
Total future minimum lease payments	43,770
Less: imputed interest	9,737
Total lease liabilities	34,033
Less: current portion	5,319
Long-term lease liabilities	<u>\$ 28,714</u>

17. Segments

The Company determined its operating segments in accordance with ASC 280, “Segment Reporting” (“ASC 280”). Factors used in determining the reportable business segments include the nature of operating activities and the type of information presented to the Company's CODMS to evaluate all results of operations. The Company currently has three reportable segments consisting of: 1) Care Partners; 2) Care Delivery; and 3) Care Enablement (See Note 1 —“Description of Business”).

For the Company’s Care Partners segment, revenue is primarily comprised of capitation and risk pool settlements and incentives. Cost of service for this segment is primarily capitation and claims expenses.

For the Company’s Care Delivery segment, revenue is primarily earned based on fee-for-service reimbursements, capitation, and performance-based incentives. Cost of service for this segment is primarily medical supplies costs and salaries expense related to medical staff and clinic employees.

For the Company’s Care Enablement segment, revenue for is primarily comprised of management and software fees, charged as a percentage of gross revenue or on a per-member-per-month basis. Cost of service for this segment is primarily MSO salaries expense.

The Company's CODMs are its Chief Executive Officer and Chief Financial and Operating Officer. The CODMs evaluate the performance of the Company’s operating segments based on segment revenue growth and operating income. The CODMs use revenue growth and total segment operating income as a measure of the performance of operating businesses separate from non-operating factors. The Company’s operations are based in the United States. All revenues of the Company are derived from the United States. The CODMs do not evaluate the Company’s segments using asset information. The significant segment expenses that comprise operating income as a measure used by the CODMs in evaluating operating segment performance do not differ from the operating expenses as presented on the condensed consolidated statements of income.

In the normal course of business, the Company’s reportable segments enter into transactions with each other. While intersegment transactions are treated like third-party transactions to determine segment performance, the revenues recognized by a segment and expenses incurred by the counterparty are eliminated in consolidation and do not affect consolidated results.

Corporate costs are unallocated and primarily include corporate initiatives, corporate infrastructure costs, and corporate shared costs, such as finance, human resources, legal, and executives.

The following table presents information about the Company’s segments (in thousands):

	Three Months Ended June 30, 2025					
	Care Partners	Care Delivery	Care Enablement	Intersegment Elimination	Corporate Costs	Consolidated Total
Third-Party	\$ 631,442	\$ 20,014	\$ 3,352	\$ —	\$ —	\$ 654,808
Intersegment	—	18,380	37,549	(55,929)	—	—
Total revenues	631,442	38,394	40,901	(55,929)	—	654,808
Cost of services	536,266	27,873	31,130	(18,430)	—	576,839
General and administrative ⁽¹⁾	45,491	8,374	7,930	(37,511)	33,345	57,629
Total expenses	581,757	36,247	39,060	(55,941)	33,345	634,468
Income (loss) from operations	\$ 49,685	\$ 2,147	\$ 1,841	\$ 12 ⁽²⁾	\$ (33,345)	\$ 20,340

	Three Months Ended June 30, 2024					
	Care Partners	Care Delivery	Care Enablement	Intersegment Elimination	Corporate Costs	Consolidated Total
Third-Party	\$ 463,277	\$ 21,218	\$ 1,770	\$ —	\$ —	\$ 486,265
Intersegment	—	13,639	34,402	(48,041)	—	—
Total revenues	463,277	34,857	36,172	(48,041)	—	486,265
Cost of services	379,413	26,252	19,939	(12,799)	—	412,805
General and administrative ⁽¹⁾	43,541	6,780	9,315	(35,247)	19,005	43,394
Total expenses	422,954	33,032	29,254	(48,046)	19,005	456,199
Income (loss) from operations	\$ 40,323	\$ 1,825	\$ 6,918	\$ 5 ⁽²⁾	\$ (19,005)	\$ 30,066

	Six Months Ended June 30, 2025					
	Care Partners	Care Delivery	Care Enablement	Intersegment Elimination	Corporate Costs	Consolidated Total
Third-Party	\$ 1,232,393	\$ 36,704	\$ 6,099	\$ —	\$ —	\$ 1,275,196
Intersegment	—	35,078	74,362	(109,440)	—	—
Total revenues	1,232,393	71,782	80,461	(109,440)	—	1,275,196
Cost of services	1,048,934	55,012	56,948	(34,994)	—	1,125,900
General and administrative ⁽¹⁾	89,559	17,731	18,139	(74,461)	57,407	108,375
Total expenses	1,138,493	72,743	75,087	(109,455)	57,407	1,234,275
Income (loss) from operations	\$ 93,900	\$ (961)	\$ 5,374	\$ 15 ⁽²⁾	\$ (57,407)	\$ 40,921

	Six Months Ended June 30, 2024					
	Care Partners	Care Delivery	Care Enablement	Intersegment Elimination	Corporate Costs	Consolidated Total
Third-Party	\$ 845,595	\$ 39,096	\$ 5,930	\$ —	\$ —	\$ 890,621
Intersegment	—	26,480	63,516	(89,996)	—	—
Total revenues	845,595	65,576	69,446	(89,996)	—	890,621
Cost of services	679,602	51,046	37,312	(24,756)	—	743,204
General and administrative ⁽¹⁾	82,474	12,943	21,712	(65,322)	35,405	87,212
Total expenses	762,076	63,989	59,024	(90,078)	35,405	830,416
Income (loss) from operations	\$ 83,519	\$ 1,587	\$ 10,422	\$ 82 ⁽²⁾	\$ (35,405)	\$ 60,205

⁽¹⁾ Balance includes general and administrative expenses, and depreciation and amortization.

⁽²⁾ Income (loss) from operations for the intersegment elimination represents sublease income between segments. Sublease income is presented within other income that is not presented in the table.

18. Fair Value Measurements of Financial Instruments

The carrying amounts and fair values of the Company's financial instruments as of June 30, 2025, are presented below (in thousands):

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets				
Money market accounts ⁽¹⁾	\$ 7,484	\$ —	\$ —	\$ 7,484
Marketable securities	2,417	—	—	2,417
I Health call option	—	—	3,867	3,867
Total assets	<u>\$ 9,901</u>	<u>\$ —</u>	<u>\$ 3,867</u>	<u>\$ 13,768</u>
Liabilities				
Sun Labs remaining equity interest purchase	\$ —	\$ —	\$ 7,352	\$ 7,352
CFC contingent consideration	—	—	11,824	11,824
CHS contingent consideration	—	—	6,339	6,339
Other ⁽²⁾	1,665	3	1,966	3,634
Total liabilities	\$ 1,665	\$ 3	\$ 27,481	\$ 29,149

⁽¹⁾ Included in cash and cash equivalents.

⁽²⁾ Other consists of the interest rate collar and other contingent consideration liabilities.

The carrying amounts and fair values of the Company's financial instruments as of December 31, 2024, are presented below (in thousands):

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets				
Money market accounts ⁽¹⁾	\$ 3,673	\$ —	\$ —	\$ 3,673
Marketable securities	2,378	—	—	2,378
I Health call option	—	—	3,778	3,778
Interest rate collar	—	19	—	19
Total assets	<u>\$ 6,051</u>	<u>\$ 19</u>	<u>\$ 3,778</u>	<u>\$ 9,848</u>
Liabilities				
Sun Labs remaining equity interest purchase	\$ —	\$ —	\$ 7,352	\$ 7,352
ADSC contingent consideration	—	—	4,285	4,285
CFC contingent consideration	—	—	9,949	9,949
CHS contingent consideration	—	—	5,643	5,643
Other ⁽²⁾	2,110	—	1,366	3,476
Total liabilities	<u>\$ 2,110</u>	<u>\$ —</u>	<u>\$ 28,595</u>	<u>\$ 30,705</u>

⁽¹⁾ Included in cash and cash equivalents.

(2) Other consists of other contingent consideration liabilities.

The change in the fair value of Level 3 liabilities is recognized in other income or general and administrative expenses in the accompanying condensed consolidated statements of income. As of June 30, 2025, the reconciliation of our Level 3 liabilities was as follows (in thousands):

	Amount
Balance at January 1, 2025	\$ 28,595
Change in fair value of existing Level 3 liabilities	3,386
Settlement	(4,500)
Balance at June 30, 2025	\$ 27,481

Derivative Financial Instruments

Interest Rate Collar Agreements

From time to time, the Company enters into agreements designed to limit the interest rate risk associated with the Company's Revolver Loan, including the collar agreement. The principal objective of the collar agreement is to eliminate or reduce the variability of the cash flows in interest payments associated with the Company's floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. See Note 8 — "Credit Facility and Bank Loans" for further information on the Company's debt. Under the terms of the agreement, the ceiling is 5.0% and the floor is 2.34%. The collar agreement is not designated as a hedging instrument.

I Health Call Option

On March 31, 2024, the Company acquired a 25% equity interest in I Health, including a call option that was amended on May 28, 2025, to allow the Company to purchase an additional 37.5% equity interest on each of the first and second anniversaries from March 31, 2025. The Company determined the fair value of the call option using a probability-weighted model that includes significant unobservable inputs (Level 3). Specifically, the Company considered various scenarios of the purchase price based on EBITDA and assigned probabilities to each such scenario in determining fair value. As of June 30, 2025 and December 31, 2024, the value of the call option was valued at \$3.9 million and \$3.8 million, respectively. The I Health call option is presented within other assets in the accompanying condensed consolidated balance sheet. The 25% equity interest in I Health is accounted for under the equity method (see Note 5 — "Investments in Other Entities — Equity Method"). In July 2025, the Company exercised the first option to purchase an additional 37.5% equity interest in I Health, thereby owning 62.5% of I Health.

Remaining equity interest purchase

In 2021, the Company entered into a financing obligation to purchase the remaining equity interest in Sun Clinical Laboratories ("Sun Labs") within three years from the date the Company consolidated Sun Labs. The purchase of the remaining Sun Labs equity value is considered a financing obligation with a carrying value of \$7.4 million as of June 30, 2025 and December 31, 2024, respectively. As the financing obligation is embedded in the non-controlling interest, the non-controlling interest is recognized in other liabilities in the accompanying condensed consolidated balance sheets.

Contingent consideration

Advanced Diagnostic and Surgical Center ("ADSC")

Upon acquiring 95% of the equity interest of ADSC in 2024, the total consideration of the acquisition included contingent consideration payable if ADSC achieved revenue and EBITDA metrics for fiscal years 2023 and 2024 ("ADSC contingent consideration"). As of December 31, 2024, the ADSC contingent consideration was valued at \$4.3 million and included in other liabilities in the accompanying condensed consolidated balance sheets. In April 2025, the Company paid \$4.5 million in cash to

the sellers of ADSC for the contingent consideration that was achieved. As a result, the contingent liabilities were no longer outstanding as of June 30, 2025. Changes in the ADSC contingent consideration are presented in general and administrative expenses in the accompanying condensed consolidated statements of income.

Community Family Care Medical Group IPA, Inc. ("CFC")

Upon acquiring certain assets of CFC in 2024, the total consideration of the acquisition included contingent consideration. The contingent consideration will be settled in cash contingent upon CFC maintaining or exceeding the target member month amount for the first, second, and third measurement period ("CFC contingent consideration"). The first measurement period means the period commencing on the first day of the month immediately following the close of AHMS and ending on the one-year anniversary thereof. The second measurement period is for one year after the first measurement period, and the third measurement period is for one year after the second measurement period. The contingent liability will be paid after achieving the metric in each measurement period. The Company will pay \$5.0 million for each metric achieved for each measurement period, or a total of \$15.0 million. In the event that the CFC first and/or second contingent consideration metrics are not achieved during the first and/or the second measurement period, if the metric is met within the second and/or third measurement period, there is a catch-up payment that shall be paid concurrently with the payments of the CFC second contingent consideration and/or CFC third contingent consideration. The Company determined the fair value of the contingent consideration using a probability-weighted model that includes significant unobservable inputs (Level 3). Specifically, the Company considered various scenarios of membership and assigned probabilities to each such scenario in determining fair value. As of June 30, 2025 and December 31, 2024, the first metric was valued at \$5.0 million and \$4.2 million, respectively and was included in other liabilities in the accompanying condensed consolidated balance sheets. As of June 30, 2025 and December 31, 2024, the second metric was valued at \$4.3 million and \$3.5 million, respectively, and was included in other liabilities and other long-term liabilities, respectively, in the accompanying condensed consolidated balance sheets. As of June 30, 2025 and December 31, 2024, the third metric was valued at \$2.5 million and \$2.3 million, and was included in other long-term liabilities in the accompanying condensed consolidated balance sheets. In July 2025, the Company paid \$5.0 million in cash for the first metric of the contingent consideration that was achieved. Changes in the CFC contingent consideration are presented in general and administrative expenses in the accompanying condensed consolidated statements of income.

CHS

Upon acquiring 100% of the equity interest of CHS in 2024, the total consideration of the acquisition included contingent consideration. The contingent consideration will be settled in cash, contingent upon CHS achieving a gross profit per total member months metric for fiscal year 2025 ("CHS 2025 Gross Profit PMPM Metric") and member enrollment metrics ("CHS Member Enrollment Metrics") measured over four measurement periods and an additional fifth measurement period contingent upon acquisition of an entity (the "earnout period") (collectively, "CHS contingent consideration"). For the CHS Member Enrollment Metrics, the first measurement period means the period commencing on the first day immediately following the closure of CHS and ending on the one-year anniversary thereof. The second, third, fourth, and fifth measurement periods are for one year after each of the previous respective measurement periods. If the metrics are achieved, the contingent liability will be paid after the end of the earnout period. The Company will pay up to \$4.8 million for the CHS 2025 Gross Profit PMPM Metric, and up to \$4.3 million for each metric achieved for each measurement period, or up to a total of \$21.5 million, for the CHS Member Enrollment Metrics. The Company determined the fair value of the contingent consideration using a probability-weighted model that includes significant unobservable inputs (Level 3). Specifically, the Company considered various scenarios of revenue and membership and assigned probabilities to each such scenario in determining fair value. As of June 30, 2025 and December 31, 2024, the CHS contingent consideration was valued at \$6.3 million and \$5.6 million, respectively. The CHS 2025 Gross Profit PMPM Metric was included in other liabilities and the CHS Member Enrollment Metrics were included in other long-term liabilities in the accompanying condensed consolidated balance sheets. Changes in the CHS contingent consideration are presented in general and administrative expenses in the accompanying condensed consolidated statements of income.

19. Subsequent Events

The Prospect Transaction

On July 1, 2025, the Company completed the previously announced Prospect Transaction. In connection with the closing of the Prospect Transaction, the Company entered into a letter agreement that, among other things, reduced the aggregate purchase price from \$745.0 million to \$707.9 million and removed certain working capital adjustments and related escrow.

The aggregate purchase price paid at the closing of the Prospect Transaction consisted of \$707.9 million in cash and the assumption of certain identified liabilities of the sellers. The acquisition was financed using \$707.3 million of proceeds from DDTL A (see Note 8 — “Credit Facility and Bank Loans” for more information on the Second Amended and Restated Credit Facility).

Additional disclosures required by ASC 805, Business Combinations, with respect to the acquisition have been omitted because the information needed for the disclosures is not currently available due to the close proximity of closing of this transaction with the date these financial statements are being issued.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Part I, Item 1, “Condensed Consolidated Financial Statements” of this Quarterly Report on Form 10-Q. In addition, reference is made to our audited consolidated financial statements and notes thereto and related Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 14, 2025.

In this section, “we,” “our,” “ours,” and “us” refer to Astrana Health, Inc. (“Astrana”) and its consolidated subsidiaries and affiliated entities, as appropriate, including its consolidated variable interest entities (“VIEs”).

Overview

Astrana Health, Inc. (“Astrana”) is a leading physician-centric, technology-powered, risk-bearing healthcare management company. Leveraging its proprietary population health management and healthcare delivery platform, Astrana operates an integrated, value-based healthcare model. This model aims to empower the providers in its network to deliver the highest quality of care to its patients in a cost-effective manner. Together with our affiliated physician groups and consolidated entities, we cost-effectively provide coordinated outcomes-based medical care.

Through our risk-bearing organizations with more than 13,000 contracted physicians, we are responsible for coordinating care in value-based care arrangements for over 1.0 million patients as of June 30, 2025. These covered patients are comprised of managed care members whose health coverage is provided either through their employers, acquired directly from a health plan, or as a result of their eligibility for Medicaid or Medicare benefits. Our managed patients benefit from an integrated approach that places physicians at the center of patient care and utilizes sophisticated risk management techniques and clinical protocols to provide high-quality, cost-effective care.

Regulatory Trends

The One Big Beautiful Bill Act (the “OBBA”), signed July 4, 2025, introduces Medicaid work-requirement pilots and tighter provider-tax rules beginning in 2026. While we are still evaluating the full downstream effects, we believe Astrana is well-positioned to navigate these changes and view these headwinds as manageable. Our diversified footprint, strong track record of Medicaid performance, and investment in care-enablement infrastructure provide meaningful insulation. We remain focused on maintaining continuity of care and supporting our state partners through this policy transition.

Recent Developments

Closing of the Acquisition of Certain Assets and Businesses of Prospect Medical Holdings, Inc. (“Prospect”) (such acquisition, the “Prospect Transaction”)

On July 1, 2025, we completed the previously announced Prospect Transaction. Concurrently with the closing, we entered into a letter agreement that, among other things, reduced the aggregate purchase price from \$745.0 million to \$707.9 million and removed certain working capital adjustments and related escrow.

The acquisition was financed using \$707.3 million of proceeds from a five-year delayed draw term loan credit facility of up to \$745.0 million pursuant to the Second Amended and Restated Credit Agreement dated as of February 26, 2025.

Prospect is a value-based, integrated care delivery network which coordinates the delivery of high-quality care, with a network of over 11,000 providers across Southern California, Texas, Arizona, and Rhode Island. Prospect enables providers to deliver payer-agnostic, patient-centered care across different lines of business. Prospect also operates a California Restricted

Knox-Keene-licensed health plan, a management services organization, a specialty pharmacy, and a fully-accredited acute care hospital. Following the acquisition, Astrana supports more than 20,000 providers and over 1.6 million patients.

Key Financial Measures and Indicators

Operating Revenues

Our revenue, which is recorded in the period in which services are rendered and earned, primarily consists of capitation revenue as well as risk pool settlements and incentives, management fee income, and fee-for-service (“FFS”) revenue. The form of billing and related risk of collection for such services may vary by type of revenue and the customer.

Operating Expenses

Our largest expenses consist of the cost of (i) patient care paid to contracted providers; (ii) information technology equipment and software; and (iii) staff to provide management and administrative support services to our affiliated physician groups, as further described in the following sections. These services include claims processing, utilization management, contracting, accounting, credentialing, and administrative oversight.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA margin are supplemental performance measures of our operations for financial and operational decision-making, and are used as a supplemental means of evaluating period-to-period comparisons on a consistent basis. Adjusted EBITDA is calculated as earnings before interest, taxes, depreciation, and amortization, excluding income or loss from equity method investments, non-recurring and non-cash transactions, and stock-based compensation. We define Adjusted EBITDA margin as Adjusted EBITDA over total revenue.

Results of Operations

Astrana Health, Inc.
Condensed Consolidated Statements of Income
(In thousands)
(Unaudited)

	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Revenue				
Capitation, net	\$ 614,108	\$ 442,574	\$ 171,534	39%
Risk pool settlements and incentives	15,402	18,408	(3,006)	(16)%
Management fee income	2,577	1,604	973	61%
Fee-for-services, net	17,878	19,959	(2,081)	(10)%
Other revenue	4,843	3,720	1,123	30%
Total revenue	654,808	486,265	168,543	35%
Operating expenses				
Cost of services, excluding depreciation and amortization	576,839	412,805	164,034	40%
General and administrative expenses	50,725	35,953	14,772	41%
Depreciation and amortization	6,904	7,441	(537)	(7)%
Total expenses	634,468	456,199	178,269	39%
Income from operations	20,340	30,066	(9,726)	(32)%

	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Other income (expense)				
Income (loss) from equity method investments	381	902	(521)	(58)%
Interest expense	(7,382)	(8,587)	1,205	(14)%
Interest income	2,336	3,513	(1,177)	(34)%
Unrealized gain (loss) on investments	14	(123)	137	(111)%
Other income (loss)	1,136	6,126	(4,990)	(81)%
Total other (expense) income, net	(3,515)	1,831	(5,346)	(292)%
Income before provision for income taxes	16,825	31,897	(15,072)	(47)%
Provision for income taxes	6,609	10,031	(3,422)	(34)%
Net income	10,216	21,866	(11,650)	(53)%
Net income attributable to non-controlling interest	793	2,695	(1,902)	(71)%
Net income attributable to Astrana Health, Inc.	<u>\$ 9,423</u>	<u>\$ 19,171</u>	<u>\$ (9,748)</u>	<u>(51)%</u>
Adjusted EBITDA	\$ 48,101	\$ 47,917	\$ 184	0.4%

	Six Months Ended June 30,			
	2025	2024	\$ Change	% Change
Revenue				
Capitation, net	\$ 1,198,071	\$ 808,484	\$ 389,587	48%
Risk pool settlements and incentives	29,893	35,785	(5,892)	(16)%
Management fee income	4,887	5,682	(795)	(14)%
Fee-for-services, net	32,769	35,896	(3,127)	(9)%
Other revenue	9,576	4,774	4,802	101%
Total revenue	1,275,196	890,621	384,575	43%
Operating expenses				
Cost of services, excluding depreciation and amortization	1,125,900	743,204	382,696	51%
General and administrative expenses	94,623	74,675	19,948	27%
Depreciation and amortization	13,752	12,537	1,215	10%
Total expenses	1,234,275	830,416	403,859	49%
Income from operations	40,921	60,205	(19,284)	(32)%
Other income (expense)				
Income (loss) from equity method investments	(486)	1,534	(2,020)	(132)%
Interest expense	(14,690)	(16,172)	1,482	(9)%
Interest income	4,647	7,509	(2,862)	(38)%
Unrealized gain (loss) on investments	(30)	976	(1,006)	(103)%
Other income (loss)	(3,934)	1,849	(5,783)	(313)%
Total other expense, net	(14,493)	(4,304)	(10,189)	237%
Income before provision for income taxes	26,428	55,901	(29,473)	(53)%
Provision for income taxes	9,991	17,173	(7,182)	(42)%
Net income	16,437	38,728	(22,291)	(58)%
Net income attributable to non-controlling interest	322	4,722	(4,400)	(93)%
Net income attributable to Astrana Health, Inc.	<u>\$ 16,115</u>	<u>\$ 34,006</u>	<u>\$ (17,891)</u>	<u>(53)%</u>
Adjusted EBITDA	\$ 84,485	\$ 90,162	\$ (5,677)	(6)%

Risk-Bearing Organizations and Patients

As of June 30, 2025 and 2024, we managed a total of 21 and 18 independent risk-bearing organizations, including both affiliated and non-affiliated, respectively. The total number of patients for whom we managed the delivery of healthcare services was over 1.0 million and approximately 1.0 million as of June 30, 2025 and 2024, respectively.

Revenue

Total revenue for the three months ended June 30, 2025, was \$654.8 million, as compared to \$486.3 million for the three months ended June 30, 2024, an increase of \$168.5 million, or 35%. The increase in revenue was primarily attributable to capitation revenue. Capitation revenue increased by \$171.5 million primarily as a result of our recent acquisitions within our Care Partners segment, along with enrollees transitioning to full risk through our Restricted Knox-Keene plans.

Total revenue for the six months ended June 30, 2025, was \$1.3 billion, as compared to \$890.6 million for the six months ended June 30, 2024, an increase of \$384.6 million or 43%. The increase in revenue was primarily attributable to capitation revenue. Capitation revenue increased by \$389.6 million primarily as a result of our recent acquisitions within our Care Partners segment, along with enrollees transitioning to full risk through our Restricted Knox-Keene plans.

Cost of Services, Excluding Depreciation and Amortization

Expenses related to cost of services, excluding depreciation and amortization for the three months ended June 30, 2025, were \$576.8 million, as compared to \$412.8 million for the same period in 2024, an increase of \$164.0 million or 40%. The overall increase was primarily due to increased participation in a value-based Medicare FFS model and medical costs associated with both professional and institutional risk of our Restricted Knox-Keene licensed health plans as a result of our recent acquisitions within our Care Partners segment which were commensurate to our increase in revenue.

Expenses related to cost of services, excluding depreciation and amortization for the six months ended June 30, 2025, were \$1.1 billion, as compared to \$743.2 million for the same period in 2024, an increase of \$382.7 million or 51%. The overall increase was primarily due to increased participation in a value-based Medicare FFS model and medical costs associated with both professional and institutional risk of our Restricted Knox-Keene licensed health plans as a result of our recent acquisitions within our Care Partners segment which were commensurate to our increase in revenue.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2025, were \$50.7 million, as compared to \$36.0 million for the same period in 2024, an increase of \$14.8 million or 41%. The increase was primarily due to increased general and administrative expenses to support operational growth such as stock-based compensation and transaction costs incurred for the Prospect transaction.

General and administrative expenses for the six months ended June 30, 2025, were \$94.6 million, as compared to \$74.7 million for the same period in 2024, an increase of \$19.9 million or 27%. The increase was primarily due to increased general and administrative expenses to support operational growth such as stock-based compensation and transactions incurred for the Prospect Transaction.

Depreciation and Amortization

Depreciation and amortization expenses for the three months ended June 30, 2025, were \$6.9 million, as compared to \$7.4 million for the same period in 2024, a decrease of \$0.5 million or 7%. This amount includes depreciation of property and equipment and the amortization of intangible assets.

Depreciation and amortization expenses for the six months ended June 30, 2025, were \$13.8 million, as compared to \$12.5 million for the same period in 2024, an increase of \$1.2 million or 10%. This amount includes depreciation of property and equipment and the amortization of intangible assets.

Interest Expense

Interest expense for the three months ended June 30, 2025 was \$7.4 million as compared to \$8.6 million for the same period in 2024, a decrease of \$1.2 million or 14%. The decrease in interest expense was primarily due to a decrease in interest rates on our floating-rate debt. The interest rate for both the Revolver Loan and Term Loan was 6.08% as of June 30, 2025 and 7.43% as of June 30, 2024. In addition, there was a decrease in outstanding borrowings under the Second Amended and Restated Credit Facility. As of June 30, 2025, we borrowed \$408.9 million on the Second Amended and Restated Credit Facility compared to \$435.7 million borrowed under the facility as of June 30, 2024.

Interest expense for the six months ended June 30, 2025 was \$14.7 million as compared to \$16.2 million for the same period in 2024, a decrease of \$1.5 million or 9%. The decrease in interest expense was primarily due to a decrease in interest rates on our floating-rate debt. The interest rate for the Revolver and Term Loan was 6.08% as of June 30, 2025 and 7.43% as of June 30, 2024. In addition, there was a decrease in outstanding borrowings under the Second Amended and Restated Credit Facility. As of June 30, 2025, we borrowed \$408.9 million on the Second Amended and Restated Credit Facility compared to \$435.7 million borrowed under the facility as of June 30, 2024.

Interest Income

Interest income for the three months ended June 30, 2025 was \$2.3 million as compared to \$3.5 million for the same period in 2024, a decrease of \$1.2 million or 34%. Interest income reflects interest earned on cash held in bank accounts, money market and certificate of deposit accounts, and the interest from our loan receivables. The decrease in interest income was primarily due to a decrease in our cash held in interest bearing bank accounts.

Interest income for the six months ended June 30, 2025 was \$4.6 million as compared to \$7.5 million for the same period in 2024, a decrease of \$2.9 million or 38%. Interest income reflects interest earned on cash held in bank accounts, money market and certificate of deposit accounts, and the interest from our loan receivables. The decrease in interest income was primarily due to a decrease in our cash held in interest bearing bank accounts.

Other Income (Loss)

Other income for the three months ended June 30, 2025 was \$1.1 million as compared to \$6.1 million for the same period in 2024, a decrease of \$5.0 million or 81%. The decrease in other income was primarily due to recognizing a \$5.3 million reimbursement in 2024 from Allied Pacific Holdings Investment Management, LLC for taxes associated with the restructuring transaction in December 2023 to spin-off the real estate business and investments (the “Excluded Assets spin-off”). No similar transaction occurred for the three months ended June 30, 2025.

Other loss for the six months ended June 30, 2025 was \$3.9 million as compared to other income of \$1.9 million for the same period in 2024, a decrease of \$5.8 million or 313%. The increase in other loss was primarily due to debt issuance costs that were expensed in connection with the Second Amended and Restated Credit Facility.

Provision for Income Taxes

Provision for income taxes was \$6.6 million for the three months ended June 30, 2025, as compared to \$10.0 million for the same period in 2024, a decrease of \$3.4 million. The decrease in provision for income taxes was primarily due to a decrease in pre-tax income.

Provision for income taxes was \$10.0 million for the six months ended June 30, 2025, as compared to \$17.2 million for the same period in 2024, a decrease of \$7.2 million. The decrease in provision for income taxes was primarily due to a decrease in pre-tax income.

Net Income Attributable to Non-controlling Interests

Net income attributable to non-controlling interests for the three months ended June 30, 2025, was \$0.8 million, as compared to \$2.7 million for the same period in 2024, a decrease of \$1.9 million. The decrease was primarily driven by a decrease in net income.

Net income attributable to non-controlling interests for the six months ended June 30, 2025, was \$0.3 million, as compared to \$4.7 million for the same period in 2024, a decrease of \$4.4 million. The decrease was primarily driven by a decrease in net income.

Net Income Attributable to Astrana Health, Inc.

Our net income attributable to Astrana Health, Inc., for the three months ended June 30, 2025, was \$9.4 million, as compared to \$19.2 million for the same period in 2024, a decrease of \$9.7 million.

Our net income attributable to Astrana Health, Inc., for the six months ended June 30, 2025, was \$16.1 million, as compared to \$34.0 million for the same period in 2024, a decrease of \$17.9 million.

Adjusted EBITDA

Adjusted EBITDA for the three months ended June 30, 2025, was \$48.1 million, as compared to \$47.9 million for the same period in 2024, an increase of \$0.2 million and was primarily due to similar utilization trends as the same period in 2024.

Adjusted EBITDA for the six months ended June 30, 2025, was \$84.5 million, as compared to \$90.2 million for the same period in 2024, a decrease of \$5.7 million. The decrease was primarily due to a decrease in operating income as a result of higher utilization and an increase in general and administrative expenses.

See “Reconciliation of Net Income to EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin” below for additional information.

Segment Financial Performance

The Company currently has three reportable segments consisting of Care Partners, Care Delivery, and Care Enablement. We evaluate the performance of our operating segments based on segment revenue growth as well as operating income. Management uses revenue growth and total segment operating income as a measure of the performance of operating businesses, separate from non-operating factors. For more information about our segments, see Note 17 — “Segments” to our condensed consolidated financial statements under Item 1 in this Quarterly Report on Form 10-Q for additional information.

The following table sets forth our revenue and operating income by segment for the three and six months ended June 30, 2025 and 2024 (in thousands):

Segment Revenue	Three Months Ended June 30,		\$ Change	% Change
	2025	2024		
Care Partners	\$ 631,442	\$ 463,277	\$ 168,165	36%
Care Delivery	\$ 38,394	\$ 34,857	\$ 3,537	10%
Care Enablement	\$ 40,901	\$ 36,172	\$ 4,729	13%

Segment Operating Income (Loss)	Three Months Ended June 30,		\$ Change	% Change
	2025	2024		
Care Partners	\$ 49,685	\$ 40,323	\$ 9,362	23%
Care Delivery	\$ 2,147	\$ 1,825	\$ 322	18%
Care Enablement	\$ 1,841	\$ 6,918	\$ (5,077)	(73)%

Segment Revenue	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Care Partners	\$ 1,232,393	\$ 845,595	\$ 386,798	46%
Care Delivery	\$ 71,782	\$ 65,576	\$ 6,206	9%
Care Enablement	\$ 80,461	\$ 69,446	\$ 11,015	16%

Segment Operating Income (Loss)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Care Partners	\$ 93,900	\$ 83,519	\$ 10,381	12%
Care Delivery	\$ (961)	\$ 1,587	\$ (2,548)	(161)%
Care Enablement	\$ 5,374	\$ 10,422	\$ (5,048)	(48)%

Care Partners Segment

Revenue for the three months ended June 30, 2025, was \$631.4 million, as compared to \$463.3 million for the three months ended June 30, 2024, an increase of \$168.2 million. Operating income for the three months ended June 30, 2025 was \$49.7 million, as compared to \$40.3 million for the three months ended June 30, 2024, an increase in operating income of \$9.4 million. The increase in revenue and operating income was primarily due to recent acquisitions within our Care Partners segment.

Revenue for the six months ended June 30, 2025, was \$1,232.4 million, as compared to \$845.6 million for the six months ended June 30, 2024, an increase of \$386.8 million. Operating income for the six months ended June 30, 2025, was \$93.9 million, as compared to \$83.5 million for the six months ended June 30, 2024, an increase in operating income of \$10.4 million. The increase in revenue and operating income was primarily due to recent acquisitions within our Care Partners segment.

Care Delivery Segment

Revenue for the three months ended June 30, 2025, was \$38.4 million, as compared to \$34.9 million for the three months ended June 30, 2024, an increase of \$3.5 million. Operating income for the three months ended June 30, 2025, was \$2.1 million, as compared to income of \$1.8 million for the three months ended June 30, 2024, an increase in operating income of \$0.3 million. The increase in revenue and operating income was primarily driven by an increased volume in patient visits and continued investments at our primary, multi-specialty, and ancillary Care Delivery entities.

Revenue for the six months ended June 30, 2025, was \$71.8 million, as compared to \$65.6 million for the six months ended June 30, 2024, an increase of \$6.2 million. Operating loss for the six months ended June 30, 2025, was \$1.0 million as compared to income of \$1.6 million for the six months ended June 30, 2024, an increase in operating loss of \$2.5 million. The increase in revenue was primarily driven by an increased volume in patient visits at our primary, multi-specialty, and ancillary Care Delivery entities. The increase in operating loss was due to an increase in expenses incurred related to our newer clinic locations that opened.

Care Enablement Segment

Revenue for the three months ended June 30, 2025, was \$40.9 million, as compared to \$36.2 million for three months ended June 30, 2024, an increase of \$4.7 million. Operating income for the three months ended June 30, 2025 was \$1.8 million, as compared to operating income of \$6.9 million for the three months ended June 30, 2024. The increase in revenue was primarily due to managing more IPAs in our Care Partners segment. The decrease in operating income was due to higher costs as a result of an increase in the workforce that provides management and administrative services.

Revenue for the six months ended June 30, 2025, was \$80.5 million, as compared to \$69.4 million for six months ended June 30, 2024, an increase of \$11.0 million. Operating income for the six months ended June 30, 2025, was \$5.4 million as compared to operating income of \$10.4 million for the six months ended June 30, 2024. The increase in revenue was primarily due to managing more IPAs in our Care Partners segment. The decrease in operating income was due to higher costs as a result of an increase in the workforce that provides management and administrative services.

Reconciliation of Net Income to EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

Set forth below are reconciliations of Net Income to EBITDA and Adjusted EBITDA, as well as the reconciliation to Adjusted EBITDA margin for the three and six months ended June 30, 2025 and 2024. We define Adjusted EBITDA margin as Adjusted EBITDA over total revenue.

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 10,216	\$ 21,866	\$ 16,437	\$ 38,728
Interest expense	7,382	8,587	14,690	16,172
Interest income	(2,336)	(3,513)	(4,647)	(7,509)
Provision for income taxes	6,609	10,031	9,991	17,173
Depreciation and amortization	6,904	7,441	13,752	12,537
EBITDA	28,775	44,412	50,223	77,101
(Income) loss from equity method investments	(381)	(902)	486	(1,534)
Other, net	7,998 ⁽¹⁾	(2,983) ⁽²⁾	14,257 ⁽³⁾	1,457 ⁽⁴⁾
Stock-based compensation	11,709	7,390	19,519	13,138
Adjusted EBITDA	\$ 48,101	\$ 47,917	\$ 84,485	\$ 90,162
Total revenue	\$ 654,808	\$ 486,265	\$ 1,275,196	\$ 890,621
Adjusted EBITDA margin	7%	10%	7%	10%

⁽¹⁾ Other, net for the three months ended June 30, 2025 relates to transaction costs for the Prospect Transaction, certain costs associated with the CHS transaction, non-cash changes related to the change in the fair value of our call option and Collar Agreement, and severance fees incurred.

⁽²⁾ Other, net for the three months ended June 30, 2024 relates to non-cash changes in the fair value of the Company's Collar Agreement, transaction costs incurred for our investments and tax restructuring fees, and reimbursement from a related party of the Company for taxes associated with the Excluded Assets spin-off.

- (3) Other, net for the six months ended June 30, 2025 relates to debt issuance costs expensed in connection with our Second Amended and Restated Credit Facility, transaction costs for the Prospect Transaction, data transition costs for our recent acquisitions, certain costs associated with the CHS transaction, non-cash changes related to change in the fair value of our call option and Collar Agreement, and severance fees incurred.
- (4) Other, net for six months ended June 30, 2024 relates to financial guarantee via a letter of credit that we provided almost three years ago in support of two local provider-led ACOs, non-cash changes related to change in the fair value of our financing obligation to purchase the remaining equity interests in one of our investments, non-cash changes related to change in the fair value of the Company's Collar Agreement, transaction costs incurred for our investments and tax restructuring fees, and reimbursement from a related party of the Company for taxes associated with the Excluded Assets spin-off.

Use of Non-GAAP Financial Measures

This Quarterly Report on Form 10-Q contains the non-GAAP financial measures EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin, of which the most directly comparable financial measure presented in accordance with U.S. generally accepted accounting principles ("GAAP") is net income. These measures are not in accordance with, or alternatives to, GAAP, and may be calculated differently from similar non-GAAP financial measures used by other companies. The Company uses Adjusted EBITDA as a supplemental performance measure of our operations, for financial and operational decision-making, and as a supplemental means of evaluating period-to-period comparisons on a consistent basis. Adjusted EBITDA is calculated as earnings before interest expense, interest income, income taxes, depreciation, and amortization, excluding income or loss from equity method investments, non-recurring and non-cash transactions, and stock-based compensation. The Company defines Adjusted EBITDA margin as Adjusted EBITDA over total revenue.

The Company believes the presentation of these non-GAAP financial measures provides investors with relevant and useful information, as it allows investors to evaluate the operating performance of the business activities without having to account for differences recognized because of non-core or non-recurring financial information. When GAAP financial measures are viewed in conjunction with non-GAAP financial measures, investors are provided with a more meaningful understanding of the Company's ongoing operating performance. In addition, these non-GAAP financial measures are among those indicators the Company uses as a basis for evaluating operational performance, allocating resources, and planning and forecasting future periods. Non-GAAP financial measures are not intended to be considered in isolation, or as a substitute for, GAAP financial measures. Other companies may calculate both EBITDA and Adjusted EBITDA differently, limiting the usefulness of these measures for comparative purposes. To the extent this Form 10-Q contains historical or future non-GAAP financial measures, the Company has provided corresponding GAAP financial measures for comparative purposes. The reconciliation between certain GAAP and non-GAAP measures is provided above.

Liquidity and Capital Resources

Cash, cash equivalents, and investment in marketable securities at June 30, 2025, totaled \$342.1 million, as compared to \$290.8 million at December 31, 2024. Working capital totaled \$269.4 million at June 30, 2025, as compared to \$272.9 million at December 31, 2024, a decrease of \$3.5 million.

We have historically financed our operations primarily through internally generated funds and borrowings on long-term debt. We generate cash primarily from capitation contracts, risk pool settlements and incentives, fees for medical management services provided to our affiliated physician groups, and FFS reimbursements. We generally invest cash in money market accounts and certificates of deposit, which are classified as cash and cash equivalents. In February 2025, we entered into the Second Amended and Restated Credit Agreement which amended and restated that certain amended credit agreement and provided for a five-year revolving credit facility of \$300.0 million, a term loan of \$250.0 million, and a delayed-draw term loan of \$745.0 million, which were primarily used to refinance certain existing indebtedness and to fund the costs associated with the Prospect Transaction. In addition, we have a current shelf registration statement filed with the SEC under which we may issue common stock, preferred stock, debt securities, and other securities that may be offered in one or more offerings on terms to be determined at the time of

the offering. We believe we have sufficient liquidity to fund our operations through at least the next 12 months and the foreseeable future.

Cash Flow Activities

Our cash flows are summarized as follows (in thousands):

	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Net cash provided by operating activities	\$ 107,527	\$ 29,165	\$ 78,362	269%
Net cash used in investing activities	(3,471)	(150,964)	147,493	(98)%
Net cash (used in) provided by financing activities	(52,808)	153,603	(206,411)	(134)%
Net increase in cash and cash equivalents and restricted cash	\$ 51,248	\$ 31,804	\$ 19,444	61%

Operating Activities

Cash provided by operating activities for the six months ended June 30, 2025, was \$107.5 million, as compared to cash provided by operating activities of \$29.2 million for the six months ended June 30, 2024. The increase in cash provided by operating activities was primarily driven by favorable changes in working capital, partially offset by lower adjusted net income. Working capital for the six months ended June 30, 2025, increased operating cash flow by \$51.6 million, compared to a \$36.1 million decrease in operating cash flow for the six months ended June 30, 2024. The change in working capital for the 2025 and 2024 periods included timing of claims payments related to our medical liabilities and a decrease in cash paid for income taxes. For the six months ended June 30, 2025, net income, exclusive of depreciation and amortization, amortization of debt issuance cost, share-based compensation, non-cash lease expense, deferred tax, and other was \$56.0 million, compared to \$65.3 million for the six months ended June 30, 2024.

Investing Activities

Cash used in investing activities during the six months ended June 30, 2025, was \$3.5 million, primarily due to purchases of property and equipment of \$4.5 million and issuance of loan of \$1.1 million. The cash used in investing activities was partially offset by other investing activities of \$2.1 million consisting of proceeds from repayment of loans, purchase of marketable securities, and distribution from investments - equity method. Cash used in investing activities during the six months ended June 30, 2024, was \$151.0 million primarily due to payments for business and asset acquisitions, net of cash acquired of \$114.6 million, issuances of loans of \$21.0 million, purchase of investment – equity method of \$6.0 million, purchase of call options issued in conjunction with equity method investment of \$3.9 million, purchases of property and equipment of \$3.2 million, and other investing activities of \$2.3 million consisting of purchase of investments, proceeds from repayment of loans, and purchase of marketable securities.

Financing Activities

Cash used in financing activities during the six months ended June 30, 2025, was \$52.8 million, primarily due to repayments of debt of \$431.4 million, payment of deferred financing costs of \$17.2 million, tax payments from net share settlement of restricted stock awards and units of \$5.1 million, dividend payments of \$6.2 million, and other financing activities of \$4.9 million consisting of proceeds from ESPP issuances, payment of finance lease obligations, repurchase of common stock, repurchase of treasury shares, purchase and sale of non-controlling interest, and payment of contingent liabilities. This was partially offset by borrowings of long-term debt of \$412.0 million. Cash provided by financing activities during the six months ended June 30, 2024, was \$153.6 million, primarily due to borrowings on long-term debt totaling \$170.3 million. This was partially offset by repayment of debt of \$11.0 million, tax payments from net share settlement of restricted stock of \$3.6 million, dividend payments of \$1.9 million, and other financing activities of \$0.2 million consisting of payment of finance lease obligations and sale of non-controlling interest.

Credit Facility

The following are the future commitments of our debt for the years ending December 31 (in thousands) below:

	Amount
2025 (excluding the six months ended June 30, 2025)	\$ 6,250
2026	12,500
2027	27,063
2028	18,750
2029	23,437
Thereafter	330,750
Total	<u>\$ 418,750</u>

Second Amended and Restated Credit Agreement

The Second Amended and Restated Credit Agreement provides for (a) a five-year revolving credit facility to the Company of \$300.0 million, which includes a letter of credit sub-facility of up to \$100.0 million and a swingline loan sub-facility of \$25.0 million, (b) a five-year term loan A credit facility to the Company of \$250.0 million, and (c) a five-year delayed draw term loan credit facility to the Company of \$745.0 million, maturing on February 26, 2030, of which \$707.3 million was drawn down in connection with closing the Prospect Transaction.

See Note 8 — “Credit Facility and Bank Loans” to our condensed consolidated financial statements under Item 1 in this quarterly report on Form 10-Q for additional information on our debt obligations.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires our management to make judgments, assumptions, and estimates that affect the amounts of revenue, expenses, income, assets, and liabilities reported in our condensed consolidated financial statements and accompanying notes. Actual results and the timing of recognition of such amounts could differ from those judgments, assumptions, and estimates. In addition, judgments, assumptions, and estimates routinely require adjustment based on changing circumstances and the receipt of new or better information. Understanding our accounting policies and the extent to which our management uses judgment, assumptions, and estimates in applying these policies, therefore, is integral to understanding our financial statements. Critical accounting policies and estimates are defined as those that reflect significant judgments and uncertainties, potentially resulting in materially different results under different assumptions and conditions. We summarize our most significant accounting policies in relation to the accompanying condensed consolidated financial statements in Note 2 — “Basis of Presentation and Summary of Significant Accounting Policies” thereto. Please also refer to the Critical Accounting Policies section of Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Off-Balance Sheet Arrangements

As of June 30, 2025, we had no off-balance sheet arrangements that are, or have been, reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Borrowings under the Term Loan and Revolver Loan provided for under our Second Amended and Restated Credit Agreement, as of June 30, 2025, were \$246.9 million and \$162.0 million, respectively. The Term Loan and Revolver Loan bear interest at an annual rate equal to either, at our option, (a) the rate for term SOFR published by the CME Group Benchmark Administration Limited two days prior to the first day of the applicable interest period, plus a spread of 1.25% to 2.50%, as determined on a quarterly basis based on the Company's leverage ratio, or (b) a base rate, plus a spread of 0.25% to 1.50%, as determined on a quarterly basis based on the Company's leverage ratio. Borrowings under the Promissory Note Payable with I Health, as of June 30, 2025, were \$9.9 million. The promissory note has an interest rate of 4.3% per annum on the principal amount. We have entered into a collar agreement for our Revolver Loan to effectively convert our floating-rate debt to a fixed-rate basis. The interest rate collar sets a cap of 5.00% and a floor of 2.34% for the SOFR portion of the interest rate. The principal objective of the collar agreement is to eliminate or reduce the variability of the cash flows in interest payments associated with our floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. A hypothetical 1% change in our interest rates for our outstanding borrowings would have increased our interest expense for the three months ended June 30, 2025, by \$1.2 million, or decreased our interest expense by \$0.8 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) under the Exchange Act, designed to ensure that information required to be disclosed by a company in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

As of June 30, 2025, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial and Operating Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial and Operating Officer, concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are, from time to time, party to lawsuits, threatened lawsuits, disputes, and other claims arising in the normal course of business. We assess our liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that we will incur a loss and the amount of the loss can be reasonably estimated, we record a liability in our consolidated financial statements. These legal accruals may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable, or the amount of the loss is not estimable, we do not record an accrual, consistent with applicable accounting guidance. In the opinion of management, while the outcome of such claims and disputes cannot be predicted with certainty, our ultimate liability in connection with these matters is not expected to have a material adverse effect on our results of operations, financial position, or cash flows, and the amounts accrued for any individual matter are not material. However, legal proceedings are inherently uncertain. As a result, the outcome of a particular matter or a combination of matters may be material to our results of operations for a particular period, depending upon the size of the loss or our income for that particular period.

Certain of the pending or threatened legal proceedings or claims in which we are involved are discussed under Note 11 — “Commitments and Contingencies,” to our unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q, which disclosure is incorporated by reference herein.

ITEM 1A. RISK FACTORS

Our business, financial condition, and operating results are affected by a number of factors, whether currently known or unknown, including risks specific to us or the healthcare industry, as well as risks that affect businesses in general. In addition to the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 14, 2025. The risks disclosed in such Annual Report could materially adversely affect our business, financial condition, cash flows, or results of operations, and thus our stock price. We believe there have been no material changes in our risk factors from those disclosed in the Annual Report, other than those set forth below. However, additional risks and uncertainties not currently known or which we currently deem to be immaterial may also materially adversely affect our business, financial condition, or results of operations.

Because of such risk factors, as well as other factors affecting our financial condition and operating results, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. In addition, the disclosure of any risk factor should not be interpreted to imply that the risk has not already materialized.

The “One Big Beautiful Bill Act” could adversely affect our business and results of operations.

The “One Big Beautiful Bill Act” (H.R. 1) (“OBBBA”), enacted on July 4, 2025, makes significant changes to the Medicaid, Medicare, and Health Insurance Marketplace federal healthcare programs. Changes include new requirements states must meet to maintain federal support for the Medicaid programs, as well as stricter criteria beneficiaries must meet to qualify for and maintain enrollment in federal healthcare programs. The effect of these changes could result in reductions in our patient population and managed care enrollees that we serve across our federal healthcare program lines of business due to, among other things, more stringent eligibility requirements such as the imposition of work or community service requirements, and copayments on many services, limitation of Medicaid eligibility to certain lawfully present individuals, and the effect of immigration enforcement actions which may discourage beneficiaries from applying or reapplying for federal healthcare benefits. Loss of Medicaid benefits may also result in higher volume of uncompensated emergency admissions of uninsured individuals at Foothill Regional Medical Center (“FRMC”) which we acquired in the Prospect Transaction. These risks could have a material adverse effect on our business, results of operations, financial condition or cash flows.

In addition, Medicaid provider tax reform has been targeted by the current administration to reduce federal Medicaid spending, including restricting states from using provider taxes to help finance coverage of undocumented immigrants and cutting provider taxes and capping state-directed payments. Such restriction and cuts could potentially adversely impact FRMC revenues received from affected programs as hospital and physician payment rates could be reduced, forcing hospital services to be reduced or closed.

We could incur additional costs and expenses resulting from the July 7, 2025 bankruptcy of certain Prospect asset seller entities and the effect of the Prospect letter agreement dated July 1, 2025.

On July 7, 2025, those entities related to Prospect that sold assets to us in the Prospect Transaction (the “Prospect PhysicianCo Entities”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, the effect of which could result in their breach or noncompliance with certain contractual obligations under the asset sale transaction, including the payment of claims owed to creditors of the Prospect PhysicianCo Entities or the maintenance of minimum levels of risk-based capital at closing. Although the asset sale transaction may shield us from liabilities of the Prospect PhysicianCo Entities to third parties, it may nevertheless be necessary for us to absorb the costs of such breach or noncompliance to protect its ongoing business interests or relationships. In such event, we would have limited to no recourse against the Prospect PhysicianCo Entities due to their bankruptcy filing, the elimination of the escrow account to cover, among other things, non-assumed liabilities of the Prospect PhysicianCo Entities, and the elimination of recourse (with certain exceptions) against the Prospect PhysicianCo Entities, as set forth in our letter agreement with Prospect dated July 1, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In December 2022, Astrana's Board of Directors approved a share repurchase plan authorizing the Company to repurchase up to \$50.0 million of its shares of common stock on the open market and through privately negotiated transactions. This share repurchase plan does not have an expiration date. The Board may suspend or discontinue the repurchase plan at any time. This repurchase plan does not obligate the Company to make additional repurchases at any specific time or in any specific situation. During the three months ended June 30, 2025, no shares were repurchased under the Company's share repurchase plan. As of June 30, 2025, \$40.5 million remained available for repurchase under the repurchase plan.

The following table provides information about purchases made by the Company of shares of the Company's common stock during the three months ended June 30, 2025.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(in thousands) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2025 to April 30, 2025	9,878	\$ 31.49	—	\$ 40,461
May 1, 2025 to May 31, 2025	15,912	\$ 27.43	—	\$ 40,461
June 1, 2025 to June 30, 2025	2,340	\$ 25.17	—	\$ 40,461
Total	28,130	\$ 28.67	—	\$ 40,461

⁽¹⁾ Shares were repurchased to satisfy tax withholding obligations due upon the vesting of restricted stock awards and units held by certain employees, except as otherwise disclosed in these footnotes. We did not pay cash to repurchase these shares, nor were these repurchases part of a publicly announced plan or program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the quarter ended June 30, 2025, none of the Company's directors or executive officers adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K).

ITEM 6. EXHIBITS

The following exhibits are either incorporated by reference into or filed or furnished with this Quarterly Report on Form 10-Q, as indicated below.

Exhibit No.	Description
2.1†	<u>Agreement and Plan of Merger, dated December 21, 2016, among Astrana Health, Inc. (f/k/a Apollo Medical Holdings, Inc.), Astrana Health Management, Inc. (f/k/a Network Medical Management, Inc.), Apollo Acquisition Corp., and Kenneth Sim, M.D. (incorporated herein by reference to Annex A to the joint proxy statement/prospectus filed pursuant to Rule 424(b)(3) on November 15, 2017, that is a part of a Registration Statement on Form S-4)</u>
2.2	<u>Amendment to the Agreement and Plan of Merger, dated March 30, 2017, among Astrana Health, Inc. (f/k/a Apollo Medical Holdings, Inc.), Astrana Health Management, Inc. (f/k/a Network Medical Management, Inc.), Apollo Acquisition Corp., and Kenneth Sim, M.D. (incorporated herein by reference to Annex A to the joint proxy statement/prospectus filed pursuant to Rule 424(b)(3) on November 15, 2017 that is a part of a Registration Statement on Form S-4)</u>
2.3	<u>Amendment No. 2 to the Agreement and Plan of Merger, dated October 17, 2017, among Astrana Health, Inc. (f/k/a Apollo Medical Holdings, Inc.), Astrana Health Management, Inc. (f/k/a Network Medical Management, Inc.), Apollo Acquisition Corp. and Kenneth Sim, M.D. (incorporated herein by reference to Annex A to the joint proxy statement/prospectus filed pursuant to Rule 424(b)(3) on November 15, 2017 that is a part of a Registration Statement on Form S-4)</u>
2.4†	<u>Stock Purchase Agreement, dated March 15, 2019, by and between Allied Physicians of California, APC-LSMA Designated Shareholder Medical Corporation, and Dr. Kevin Tyson (incorporated herein by reference to Exhibit 2.4 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2019)</u>
2.5†	<u>Stock Purchase Agreement, dated as of December 31, 2019, among Bright Health Company of California, Inc., the sellers party thereto, Universal Care, Inc., the seller representatives set forth therein, and Bright Health, Inc. (solely for purposes of Section 13.22 thereto) (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 6, 2020)</u>
2.6†	<u>Asset and Equity Purchase Agreement, dated November 8, 2024, by and among Astrana Health, Inc., PHP Holdings, LLC, PHS Holdings, LLC, Prospect Intermediate Holdings, LLC, each of the entities set forth on Schedule C of the agreement, and Prospect Medical Holdings, Inc. (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on November 8, 2024)</u>
3.1	<u>Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 21, 2015)</u>
3.2	<u>Certificate of Amendment of Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 27, 2015)</u>
3.3	<u>Certificate of Amendment of Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 13, 2017)</u>
3.4	<u>Certificate of Amendment of Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 21, 2018)</u>

3.5	<u>Certificate of Amendment of Restated Certificate of Incorporation (effective February 26, 2024) (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 26, 2024)</u>
3.6	<u>Certificate of Amendment of Restated Certificate of Incorporation (effective June 13, 2024) (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 13, 2024)</u>
3.7	<u>Amended and Restated By-laws (effective February 28, 2024) (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 29, 2024)</u>
10.1+	<u>Astrana Health, Inc. Amended and Restated 2024 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 11, 2025)</u>
10.2†*	<u>Side Letter delivered to Prospect Medical Holdings, Inc., a Delaware corporation on behalf of PHP Holdings, LLC, a Delaware limited liability company, PHS Holdings, LLC, a Delaware limited liability company, Prospect Intermediate Holdings, LLC, a Delaware limited liability company, and certain other entities by Astrana Health, Inc., a Delaware corporation</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32**	<u>Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

+ Management contract or compensatory plan, contract or arrangement.

† Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASTRANA HEALTH, INC.

August 7, 2025

By: /s/ Brandon K. Sim
Brandon K. Sim, M.S.
Chief Executive Officer and President
(Principal Executive Officer)

August 7, 2025

By: /s/ Chandan Basho
Chandan Basho, M.B.A.
Chief Financial and Operating Officer
(Principal Financial Officer)

Astrana

July 1, 2025

Prospect Medical Holdings, Inc.
3828 Delmas Terrace
Culver City, CA 90232
Attention: Von Crockett, Chief Executive Officer

Re: Closing and Post-Closing Reconciliation of Indemnification and Other Matters

Dear Mr. Crockett,

This Side Letter (this “**Side Letter**”) is delivered to Prospect Medical Holdings, Inc., a Delaware corporation (the “**Seller Representative**”) on behalf of PHP Holdings, LLC, a Delaware limited liability company (“**PHPH**”), PHS Holdings, LLC, a Delaware limited liability company (“**PHS**”), Prospect Intermediate Holdings, LLC, a Delaware limited liability company (“**PIH**”) and together with PHPH and PHS, the “**Prospect Equity Sellers**”), and each of the entities set forth on Schedule C.1 attached to the Purchase Agreement (as defined below) (collectively, the “**Prospect Asset Sellers**” and, together with Prospect Equity Sellers, “**Sellers**”) by Astrana Health, Inc., a Delaware corporation (“**Astrana**”).

Reference is made to that certain Asset and Equity Purchase Agreement, dated as of November 8, 2024, by and among the Sellers, and the Seller Representative, on the one hand, and Astrana and each of the entities set forth on Schedule C.2 attached thereto (as updated to include additional buyer entities formed during the Interim Period for purposes of consummating the Transactions) (collectively with Astrana, “**Buyer**”) (such agreement, as amended pursuant to that certain Consent, Waiver and Amendment, dated as of April 7, 2025, by and among Astrana, the other entities identified as “Buyer” on the signature pages thereto, Sellers and the entities identified as the “Debt Financing Sources” on the signature pages thereto, collectively, the “**Purchase Agreement**”). Sellers and Buyer are collectively referred to as the “**Parties**” and each individually as a “**Party**.” Capitalized terms used but not defined herein have the meanings assigned to them in the Purchase Agreement.

To facilitate, among other things, a mutually agreeable process to govern potential post-Closing indemnification claims and disputes and the post-Closing relationship among the Parties, the Parties have agreed to enter into this Side Letter in connection with the Closing, with such terms to be effective immediately upon the Closing. This Side Letter reflects the Parties’ mutual agreement with respect to the Closing and post-Closing reconciliation and resolution of indemnification matters, potential disputes, and certain other matters included in the term sheet attached hereto as Exhibit A (the “**Term Sheet**”) and incorporated herein (the “**Post-Closing Reconciliations**”). The Parties hereby agree that the Closing will be implemented in accordance with the Term Sheet and as set forth herein, and that the execution and delivery of this Side Letter is a condition to Closing pursuant to Section 2.2(w), Section 2.3(n), Section 8.2(d), and Section 8.3(c) of the Purchase Agreement, as applicable. In consideration of the premises and of the mutual covenants and agreements contained herein and in the Purchase Agreement, and for other good

and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. **Elimination of Escrows.** The Parties agree that at the Closing, in lieu of Buyer's obligation to deposit the Escrow Amount into the Escrow Account, Buyer will instead (i) withhold and retain, solely for its benefit, \$35,500,000.00 (the "**Buyer Credit**"), such Buyer Credit to be deducted from the Purchase Price, and (ii) increase the amount of the Closing Payment by an amount equal to the difference between the Escrow Amount and the Buyer Credit as set forth in Closing Statement delivered at the Closing, a copy of which is attached hereto as Exhibit B (the "**Closing Statement**"). Buyer has agreed to the terms and conditions set forth herein, including Sections 2, 3 and 10 hereof. In connection with the foregoing, Sections 2.2(o), 2.3(i), 2.4(a), 3.3, 3.4, 3.5 and 3.6 of the Purchase Agreement shall be deemed void and of no further force or effect and the Parties agree that the finally determined Purchase Price reflected in the Closing Statement is final and binding on the Parties.

2. Non-Recourse; No Survival.

a. Following the Closing, and except with respect to (A) Sellers' post-Closing covenants and obligations contained in Sections 7.4 (Public Disclosure; Confidentiality), 7.6 (Non-Competition; Non-Solicitation; Non-Disparagement), 7.7 (Release), 7.8 (Access to Records and Employees after Closing), 7.10 (Tail Insurance), the last sentence of 7.11(d), the last two sentences of 7.11(e), 7.11(f), 7.11(g) (Employment Matters), 7.12 (Tax Matters), 7.15 (Wrong Pockets), 7.17 (Further Assurances), 7.18 (Refunds and Remittances), 7.21 (Post-Closing Discovery of Contracts), 11.2 (Expenses) and 11.11 (Legal Representation) of the Purchase Agreement (each of which shall only survive the Closing as set forth in Section 10.1 of the Purchase Agreement) and (B) Sellers' express post-Closing obligations contained in this Side Letter (including with respect to Sellers' obligation to pay, perform and discharge when due the Excluded Liabilities) and the Post-Closing Agreements (as defined on Schedule 2.a) (collectively, the covenants and obligations described in clauses (A) and (B) of this Section 2.a, "**Sellers' Remaining Post-Closing Covenants**"), (y) none of Sellers nor any of their respective Affiliates or Representatives (collectively, the "**Seller Related Parties**") shall have any liability or obligation of any nature whatsoever to Buyer or any of its Affiliates or Representatives (including any Prospect Acquired Entity from and after the Closing) arising out of or relating to (i) the Purchase Agreement (including the Post-Closing Reconciliations) or the Transactions, (ii) the ownership of the Acquired Equity Interests, the ownership or operation of the Prospect Acquired Entities, the Purchased Assets, or Assumed Liabilities, in each case, prior to the Closing, or (iii) the use, ownership or operation of the Purchased Business following the Effective Time, and (z) subject to Section 2.b herein, Buyer, its successors, assigns and each of their respective Affiliates or Representatives (collectively, the "**Buyer Related Parties**") shall have no liability or obligation of any nature whatsoever arising out of or relating to, and shall not become liable for or subject to, any debt, guaranty obligation of any kind, expense or liability, in each case, with respect to Sellers' payment, discharge or performance of the Excluded Liabilities. Notwithstanding the foregoing, Buyer shall remain liable under Section 7.11(d) for all applicable liability for a Transferred Employee's payments and severance rights under its applicable COC Agreement if Buyer hires such Transferred Employee without receiving a COC Release Agreement from such Transferred Employee.

b. Following the Closing, and except with respect to (A) Buyer's (including from and after the Closing, any Prospect Acquired Entity) post-Closing covenants and obligations contained in Sections 7.4 (Public Disclosure; Confidentiality), 7.6 (Non-Competition; Non-Solicitation; Non-Disparagement), 7.7 (Release), 7.8 (Access to Records and Employees after Closing), 7.9 (Directors' and Officers' Indemnification and Exculpation), 7.10 (Tail Insurance), 7.11(b), 7.11(c), the second sentence of 7.11(d), 7.12 (Tax Matters), 7.13 (R&W Insurance Policy), 7.15 (Wrong Pockets), 7.16 (Post-Closing Prospect Acquired Entity Obligations), 7.17 (Further Assurances), 7.18 (Refunds and Remittances), 7.19 (Use of Business Names) and 7.20 (Waiver of Bulk Sales Law Compliance), 11.2 (Expenses) and 11.11 (Legal Representation) of the Purchase Agreement (each of which shall only survive the Closing as set forth in Section 10.1 of the Purchase Agreement), and (B) Buyer's express post-Closing obligations contained in any Post-Closing Agreement (collectively, the covenants and obligations described in clauses (A) and (B) of this Section 2.b., "**Buyer's Remaining Post-Closing Covenants**"), (y) none of Buyer nor any Buyer Related Party shall have any liability or obligation of any nature whatsoever to Sellers or any of their Affiliates or Representatives arising out of or relating to the Purchase Agreement (including the Post-Closing Reconciliations), the Transactions, or the Excluded Liabilities, and (z) subject to Section 2.a. herein, no Seller Related Party shall be or become liable for or subject to, any debt, guaranty obligation of any kind, expense or liability, in each case, with respect to Buyer's ownership of the Acquired Equity Interests, the use, ownership or operation of the Prospect Acquired Entities, the Purchased Business, or the Purchased Assets, and Buyer's payment, discharge or performance of the Assumed Liabilities, in each case, following the Effective Time.

3. **As-Is; No Additional Representations or Warranties.** Buyer acknowledges and agrees that, except for the representations and warranties expressly set forth in Articles 4 and 5 of the Purchase Agreement, it is acquiring the Purchased Assets and the Purchased Business on an "AS IS, WHERE IS" basis, with all faults and without any other representation or warranty of any kind, express or implied. Buyer expressly disclaims reliance on any other representations or warranties (other than the representations and warranties expressly set forth in Articles 4 and 5), whether written or oral, express or implied, statutory or otherwise, including any representation or warranty as to the merchantability or fitness for a particular purpose with respect to the physical condition of the Purchased Assets or the property of the Prospect Acquired Entities and the Purchased Business, or the accuracy or completeness of any information, documents, projections, forecasts, or other material made available in the electronic data room, in management presentations, in responses to due diligence requests, or otherwise in connection with the Transactions.

4. **WARN Act Liability.** Sellers and Buyer acknowledge that the consummation of the Transactions and actions taken consistent therewith may have triggered certain WARN Act (or similar state or local Laws, including without limitation the California WARN Act) liabilities. As it relates to such potential liabilities and resolving any disputes with respect to the allocation of responsibility therewith, Sellers shall be responsible for and shall cause to be paid all costs, expenses, and liabilities for any WARN Act (or similar state or local Laws, including without limitation the California WARN Act) compliance (the "**WARN Act Liabilities**") related to or arising from the consummation of the Transactions; provided, however, up to \$1,200,000.00 of such WARN Act Liabilities (the "**Sellers' Allocated WARN Act Liabilities**") shall be allocated to Sellers and \$262,839.54 to be borne by Buyer, as reflected in the Closing Statement. From and after the Closing, Sellers shall indemnify and hold the Buyer Related Parties harmless from and

against any and all Losses related to, arising out of or in connection with any errors by Sellers in the calculation of payments or the actual payments of the WARN Act Liabilities, including, any liability related to payments that are not made to applicable employees within two weeks of such employees' last date of employment with Sellers. For the avoidance of doubt, the indemnification required by Sellers herein and/or that remain as one of Sellers' Remaining Post-Closing Covenants are not limited by, or included in, the Sellers' Allocated WARN Act Liabilities.

5. ***Employee Matters.***

a. Sellers and Buyer acknowledge that during the 90-day period immediately following the Closing Date, Buyer will have the option to terminate the employment of any Key Employee identified in the Term Sheet (the "***Identified Key Employees***"). In the event any Identified Key Employee is terminated during such 90-day period and any severance and/or termination costs and expenses are triggered under a COC Agreement in effect immediately prior to the Closing, Buyer and Sellers will each bear 50% of the costs and expenses related to any severance and/or termination costs and expense associated with Buyer's termination of such employees, including the employer portion of any employment or other payroll Taxes on any payments; provided, that, (i) Sellers' aggregate liability for such severance and/or termination costs and expenses shall not exceed \$600,000.00 (the "***Sellers Employee Liability Amount***"), and (ii) to the extent any payment obligation under a COC Agreement in effect immediately prior to the Closing is amended or modified in any way, Sellers' obligations under this Section 5 shall be limited to what Sellers' obligations would have been under this Section 5 for such COC Agreement had such COC Agreement not been amended or modified. To effectuate this mutually agreed upon resolution, the Parties further acknowledge that the Sellers Employee Liability Amount has been withheld from the Purchase Price (the "***Severance Holdback***"), and, on or before October 1, 2025, Buyer will promptly remit to Sellers in immediately available funds to an account designated by Sellers on or before September 26, 2025, all or any remaining portion of the Sellers Employee Liability Amount, after first deducting from the Sellers Employee Liability Amount Sellers' pro rata portion of the severance and/or termination costs associated with the termination of such employees as set forth herein, if any. Any payments made pursuant to this Section 5 will be treated as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by applicable Law.

b. Pursuant to Buyer's request for post-closing, payroll and employee benefits transition support (the "***Payroll and Benefits Support***") from Sellers and their Affiliates with respect to Employees of the Hospital Business, Sellers and Buyer acknowledge and agree that Sellers or their Affiliates shall provide the Payroll and Benefits Support to Buyer in accordance with, and pursuant to the terms and conditions of, the Transition Services Agreement. For the avoidance of doubt, Buyer's indemnification obligation to Sellers provided in the Transition Services Agreement with respect to the Payroll and Benefits Support shall be included as part of Buyer's Remaining Post Closing Covenants.

c. Notwithstanding any other provision of the Purchase Agreement, including without limitation Section 7.11(a) of the Purchase Agreement, as of the Closing, Sellers and their Affiliates shall not terminate the employment of an Employee who is the recipient of Payroll and Benefits Support under the Transition Services Agreement. Rather, Sellers and their Affiliates will keep such Employees continuously employed and provide Payroll and Benefits Support pursuant

to the Transition Services Agreement until such time as Buyer or one of its Affiliates transition all such Employees onto their payroll and benefits systems and/or the Transition Services Agreement ends. During such time, notwithstanding the Transition Services Agreement, Buyer or one of its Affiliates shall remain such Employees' employer for all purposes, shall solely control the terms and conditions of such Employees' employment, and shall indemnify and defend Sellers and the Seller Related Parties from any and all Losses incurred or sustained by, or imposed upon, Sellers and the Seller Related Parties arising out of, with respect to, or in any way related to such Employees' employment with Buyer or one of the Buyer Related Parties.

6. **Bankruptcy Fees.** As a resolution of a potential indemnification claim for reimbursement by Sellers of a portion Buyer's legal fees and expenses related to the PMH Insolvency, the Closing Statement reflects a reduction of the Closing Payment by \$1,000,000.00. Such reduction shall be treated as an adjustment to the Purchase Price for Tax purposes unless otherwise required by a "determination" as defined in Code Section 1313(a).

7. **Tax Matters.**

a. The Parties acknowledge and agree that Buyer Returns will only include those Tax Returns (if any) that could reasonably be expected to reflect any item of taxable income with respect to which any Seller (or any direct or indirect beneficial owner of any Seller) could reasonably be expected to incur a Liability under applicable Law or pursuant to the terms of the Purchase Agreement and this Side Letter.

b. The Parties acknowledge and agree that Covered Tax Contests will only include those audits, examinations, contests, assessments, notices of Tax deficiency or other Actions with respect to which any Seller (or any direct or indirect beneficial owner of any Seller) could reasonably be expected to be liable under applicable Law or pursuant to the terms of the Purchase Agreement and this Side Letter for any Taxes resulting from the settlement or other resolution of such audit, examination, contest, assessment, notice of Tax deficiency or other Action.

c. The Parties acknowledge and agree that Section 7.12(n) of the Purchase Agreement is hereby be deemed void and of no further force or effect.

d. With respect to Section 7.12(o) of the Purchase Agreement, the Parties acknowledge and agree that, notwithstanding anything to the contrary in Section 7.12(o) of the Purchase Agreement, the prior written consent of the Seller Representative will not be required with respect to any amendment, election, filing, or other action described in Section 7.12(o) of the Purchase Agreement, if the making of such amendment, the changing or revocation of such election or the taking of such other action could not reasonably be expected to cause any Seller (or any direct or indirect beneficial owner of any Seller) to incur any Liability under applicable Law or pursuant to the terms of the Purchase Agreement and this Side Letter.

e. The Parties acknowledge and agree that (i) the Seller Representative (on behalf of Sellers) shall have no obligation to make any payment otherwise required to be made pursuant to either the last sentence of Section 7.12(b) of the Purchase Agreement or the last sentence of Section 7.12(c) of the Purchase Agreement and (ii) all Liabilities disclosed on Section 5.7(a) of the

Disclosure Schedules (including any such Liabilities that are also disclosed on Section 5.7(m) of the Disclosure Schedules) constitute Accrued Taxes.

8. ***Sole and Exclusive Remedy.*** The representations and warranties of the Parties set forth in the Purchase Agreement shall not survive the Closing, and no Party shall have any liability or obligation to the other with respect thereto following the Closing; provided, however, nothing set forth herein shall limit Buyer's ability to seek recovery under the R&W Insurance Policy for indemnification that it would otherwise be entitled to pursuant to Section 10.2(a) of the Purchase Agreement; provided, further, that, notwithstanding anything to the contrary contained herein, nothing set forth herein shall limit either Party's remedies with respect to the Sellers' Remaining Post-Closing Covenants or the Buyer's Remaining Post-Closing Covenants, as applicable.

9. ***Fraud.*** Notwithstanding anything to the contrary in the Purchase Agreement or this Side Letter, nothing shall limit or restrict Buyer's ability to bring a claim against Sellers for Fraud with respect to the express representations and warranties set forth in Articles 4 and 5 of the Purchase Agreement, the post-closing covenants set forth in this Side Letter, the Sellers' Remaining Post-Closing Covenants or the Buyer's Remaining Post-Closing Covenants. Notwithstanding anything to the contrary in the Purchase Agreement or this Side Letter, nothing shall limit or restrict Sellers' ability to bring a claim against Buyer for Fraud with respect to the express representations and warranties set forth in Article 6 of the Purchase Agreement, the post-closing covenants set forth in this Side Letter, the Sellers' Remaining Post-Closing Covenants or the Buyer's Remaining Post-Closing Covenants.

10. ***Ratification.*** Except as otherwise expressly set forth herein (including in the Term Sheet, which is expressly incorporated herein), all terms and provisions of the Purchase Agreement shall continue to remain in full force and effect and this Side Letter and the Purchase Agreement shall be read together and construed as a single instrument. Notwithstanding anything herein or in the Purchase Agreement or any Post-Closing Agreement to the contrary, in the event of any conflict between this Side Letter (including the terms set forth in the Term Sheet), on the one hand, and the Purchase Agreement or any Post-Closing Agreement, on the other hand, the provisions of this Side Letter shall govern with respect to such conflict and in the event of a conflict between this Side Letter and the Term Sheet, the terms of this Side Letter shall govern with respect to such conflict.

11. ***Application of Certain Provisions.*** Schedule A (*Definitions*) and Sections 11.1 - 11.2, 11.4 - 11.7, and 11.9 - 11.14 (*Miscellaneous*) of the Purchase Agreement shall apply to this Side Letter, *mutatis mutandis*.

[Signature page follows]

the date first above written.

IN WITNESS WHEREOF, the undersigned have executed this side letter effective as of

“Astrana”

ASTRANA HEALTH, INC.

By:	<u>/s/ Brandon Sim</u>
Name:	Brandon Sim
Title:	Chief Executive Officer

[Signature Page to Side Letter]

“Buyer”

ASTRANA HEALTH, INC

By: /s/ Brandon Sim
Name: Brandon Sim
Its: Chief Executive Officer

ASTRANA HEALTH MANAGEMENT, INC.

By: /s/ Thomas Lam, M.D.
Name: Thomas Lam, M.D.
Its: Chief Executive Officer

ASTRANA CARE HOSPITAL, LLC

By: /s/ Thomas Lam, M.D.
Name: Thomas Lam, M.D.
Its: President

METROPOLITAN IPA

By: /s/ Thomas Lam, M.D.
Name: Thomas Lam, M.D.
Its: President and Treasurer

AMG, A CALIFORNIA PROFESSIONAL
MEDICAL CORPORATION

By: /s/ Thomas Lam, M.D.
Name: Thomas Lam, M.D.
Title: Chief Executive Officer & Secretary

[Signature Page to Side Letter]

[Signature Page to Side Letter]

APOLLOCARE PARTNERS OF TEXAS PLLC

By: Astrana Health Enablement of Texas, Inc., its
Member

By: /s/ Thomas Lam, M.D.

Name: Thomas Lam, M.D.

Its: Authorized Officer

ASTRANACARE PARTNERS OF ARIZONA,
LLC

By: Apollo Medical Holdings, Inc., its Manager

By: /s/ Chandan Basho

Name: Chandan Basho

Its: Chief Financial Officer

[Signature Page to Side Letter]

ASTRANA CARE RX, LLC

By: /s/ Brandon Sim
Name: Brandon Sim
Title: Chief Executive Officer

**ASTRANA HEALTH ENABLEMENT OF
RHODE ISLAND, INC.**

By: /s/ Brandon Sim
Name: Brandon Sim
Title: Chief Executive Officer

**ASTRANA CARE PARTNERS OF RHODE
ISLAND, INC.**

By: /s/ Martin J. Kerzer, D.O.
Name: Martin J. Kerzer, D.O.
Title: Chief Executive Officer

APOLLOCARE PARTNERS OF TEXAS 2

By: /s/ Carlos Palacios, M.D.
Name: Carlos Palacios, M.D.
Title: President

[Signature Page to Side Letter]

**ASTRANA CARE PARTNERS ACO
RHODE ISLAND, LLC**

By: /s/ Brandon Sim
Name: Brandon Sim
Title: Chief Executive Officer

[Signature Page to Side Letter]

[Signature Page to Side Letter]

[Signature Page to Side Letter]

[Signature Page to Side Letter]

“Sellers”

PHP HOLDINGS, LLC

By: Prospect Healthcare Facilities Management,
LLC, its Manager

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PHS HOLDINGS, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT INTERMEDIATE HOLDINGS, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT PROVIDER GROUP RI, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT MEDICAL SYSTEMS, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

[Signature Page to Side Letter]

PROSPECT PROVIDER GROUP TX, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT HEALTH SERVICES TX, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT HEALTH SERVICES AZ, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT MEDICAL GROUP AZ, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

RIGHTRX

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT PHYSICIAN HOLDINGS, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

[Signature Page to Side Letter]

PROSPECT INTERMEDIATE PHYSICIAN
HOLDINGS, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

NEW GENESIS MEDICAL ASSOCIATES, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PRIMARY AND MULTI-SPECIALTY CLINICS
OF ANAHEIM, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT HEALTH SOURCE MEDICAL
GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

GENESIS HEALTHCARE OF SOUTHERN
CALIFORNIA, INC., A MEDICAL GROUP

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT MEDICAL GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

[Signature Page to Side Letter]

NUESTRA FAMILIA MEDICAL GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

STARCARE MEDICAL GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT PROFESSIONAL CARE MEDICAL
GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT NWOC MEDICAL GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

UPLAND MEDICAL GROUP, A
PROFESSIONAL MEDICAL CORPORATION INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

POMONA VALLEY MEDICAL GROUP, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

[Signature Page to Side Letter]

PROSPECT WEST COAST ACO HOLDINGS,
LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROSPECT ACO, LLC

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

PROMED HEALTH CARE ADMINISTRATORS

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

CARE@HOME SOLUTIONS CA, INC.

By: /s/ Von Crockett
Name: Von Crockett
Its: Senior Vice President

[Signature Page to Side Letter]

“Seller Representative”

PROSPECT MEDICAL HOLDINGS, INC.

By: /s/ Von Crockett
Name: Von Crockett
Title: Chief Executive Officer

[Signature Page to Side Letter]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brandon K. Sim, M.S., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Astrana Health, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
-

Date: August 7, 2025

/s/ Brandon K. Sim

Brandon K. Sim, M.S.
Chief Executive Officer & President
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chandan Basho, M.B.A., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Astrana Health, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
-

Date: August 7, 2025

/s/ Chandan Basho

Chandan Basho, M.B.A.
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

PURSUANT TO

18 U.S.C. SECTION 1350.

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Brandon K. Sim, M.S., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Astrana Health, Inc. for the quarter ended June 30, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Astrana Health, Inc.

Date: August 7, 2025

/s/ Brandon K. Sim

Brandon K. Sim, M.S.
Chief Executive Officer and President
(Principal Executive Officer)

I, Chandan Basho, M.B.A., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Astrana Health, Inc. for the quarter ended June 30, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Astrana Health, Inc.

Date: August 7, 2025

/s/ Chandan Basho

Chandan Basho, M.B.A.
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)
