

Passport Health Plan Partnership

May 29, 2019



Safe Harbor Statement

Certain statements in this presentation and in other written or oral statements made by us or on our behalf are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like: “believe,” “anticipate,” “expect,” “estimate,” “aim,” “predict,” “potential,” “continue,” “plan,” “project,” “will,” “should,” “shall,” “may,” “might” and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in our businesses, prospective services, future performance or financial results and the outcome of contingencies, such as legal proceedings. We claim the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

These statements are only predictions based on our current expectations and projections about future events. Forward-looking statements involve risks and uncertainties that may cause actual results, level of activity, performance or achievements to differ materially from the results contained in the forward-looking statements. Risks and uncertainties that may cause actual results to vary materially, include, among others: the outcome of a potential transaction involving Passport, and Passport’s results in the RFP process; the significant portion of revenue we derive from our largest partners, and the potential loss, termination or renegotiation of customer contracts; uncertainty relating to expected future revenues from and our relationship with our largest customer, Passport, including as a result of ongoing litigation pertaining to rate adjustments and Passport’s ability to remain solvent, which among other things could result in significantly reduced fees or a significant customer loss in 2019; the structural change in the market for health care in the United States; uncertainty in the health care regulatory framework, including the potential impact of policy changes; uncertainty in the public exchange market; the uncertain impact of CMS waivers to Medicaid rules and changes in membership and rates; the uncertain impact the results of elections may have on health care laws and regulations; our ability to effectively manage our growth and maintain an efficient cost structure; our ability to offer new and innovative products and services; risks related to completed and future acquisitions, investments, alliances and joint ventures, including the pending partnership with GlobalHealth, the acquisition of assets from New Mexico Health Connections (“NMHC”), and the acquisitions of Valence Health Inc., excluding Cicerone Health Solutions, Inc. (“Valence Health”), Aldera Holdings, Inc. (“Aldera”) and NCIS Holdings, Inc. (“New Century Health”), which may be difficult to integrate, divert management resources, or result in unanticipated costs or dilute our stockholders; our ability to consummate opportunities in our pipeline; certain risks and uncertainties associated with the acquisition of assets from NMHC and the acquisitions of Valence Health, Aldera and New Century Health, including future revenues may be less than expected, the timing and extent of new lives expected to come onto the platform may not occur as expected and the expected results of Evolent may not be impacted as anticipated; risks relating to our ability to maintain profitability for our and New Century Health’s performance-based contracts and products, including capitation and risk-bearing contracts; the growth and success of our partners, which is difficult to predict and is subject to factors outside of our control, including enrollment numbers for our partners’ plans (including in Florida), premium pricing reductions, selection bias in at-risk membership and the ability to control and, if necessary, reduce health care costs, particularly in New Mexico; our ability to attract new partners and successfully capture new growth opportunities; the increasing number of risk-sharing arrangements we enter into with our partners; our ability to recover the significant upfront costs in our partner relationships; our ability to estimate the size of our target markets; our ability to maintain and enhance our reputation and brand recognition; consolidation in the health care industry; competition which could limit our ability to maintain or expand market share within our industry; risks related to governmental payer audits and actions, including whistleblower claims; our ability to partner with providers due to exclusivity provisions in our contracts; restrictions and penalties as a result of privacy and data protection laws; adequate protection of our intellectual property, including trademarks; any alleged infringement, misappropriation or violation of third-party proprietary rights; our use of “open source” software; our ability to protect the confidentiality of our trade secrets, know-how and other proprietary information; our reliance on third parties and licensed technologies; our ability to use, disclose, de-identify or license data and to integrate third-party technologies; data loss or corruption due to failures or errors in our systems and service disruptions at our data centers; online security risks and breaches or failures of our security measures, including with respect to privacy of health information; our reliance on Internet infrastructure, bandwidth providers, data center providers, other third parties and our own systems for providing services to our users; our reliance on third-party vendors to host and maintain our technology platform; our ability to contain health care costs, implement increases in premium rates on a timely basis, maintain adequate reserves for policy benefits or maintain cost effective provider agreements; the risk of a significant reduction in the enrollment in our health plan; our ability to accurately underwrite performance-based risk-bearing contracts; risks related to our offshore operations; our dependency on our key personnel, and our ability to attract, hire, integrate and retain key personnel; the risk of potential future goodwill impairment on our results of operations; our indebtedness and our ability to obtain additional financing; our ability to achieve profitability in the future; the requirements of being a public company; our adjusted results may not be representative of our future performance; the risk of potential future litigation; the impact of changes in accounting principles and guidance on our reported results; our holding company structure and dependence on distributions from Evolent Health LLC; our obligations to make payments to certain of our pre-IPO investors for certain tax benefits we may claim in the future; our ability to utilize benefits under the tax receivables agreement described herein; our ability to realize all or a portion of the tax benefits that we currently expect to result from past and future exchanges of Class B common units of Evolent Health LLC for our Class A common stock, and to utilize certain tax attributes of Evolent Health Holdings and an affiliate of TPG Global, LLC; distributions that Evolent Health LLC will be required to make to us and to the other members of Evolent Health LLC; our obligations to make payments under the tax receivables agreement that may be accelerated or may exceed the tax benefits we realize; different interests among our pre-IPO investors, or between us and our pre-IPO investors; the terms of agreements between us and certain of our pre-IPO investors; the conditional conversion feature of the 2025 Notes, which, if triggered, could require us to settle the 2025 Notes in cash; the impact of the accounting method for convertible debt securities that may be settled in cash; the potential volatility of our Class A common stock price; the potential decline of our Class A common stock price if a substantial number of shares are sold or become available for sale or if a large number of Class B common units are exchanged for shares of Class A common stock; provisions in our second amended and restated certificate of incorporation and second amended and restated by-laws and provisions of Delaware law that discourage or prevent strategic transactions, including a takeover of us; the ability of certain of our investors to compete with us without restrictions; provisions in our second amended and restated certificate of incorporation which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees; our intention not to pay cash dividends on our Class A common stock; our ability to maintain effective internal control over financial reporting; our expectations regarding the additional management attention and costs that will be required as we have transitioned from an “emerging growth company” to a “large accelerated filer”; and our lack of public company operating experience.

Safe Harbor Statement (continued)

The risks included here are not exhaustive. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Our Annual Report on Form 10-K for the year ended December 31, 2018, our Quarterly Reports on Form 10-Q and other documents filed with the SEC include additional factors that could affect our business and financial performance. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors. Further, it is not possible to assess the effect of all risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, we disclaim any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this presentation.

This presentation is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any securities of any nature whatsoever, and it may not be relied upon in connection with the purchase of securities. The contents of this presentation do not constitute legal, tax or business advice. Anyone reading this presentation should seek advice based on their particular circumstances from independent legal, tax and business advisors.

Closing Conditions

The material in this conference call presentation is subject to business and governmental closing conditions.

Executive Summary

Transaction Overview

- Passport Health Plan's owners ran a competitive process and selected Evolent Health (EVH) as Passport's long-term operating and financial partner.
- Evolent will invest \$70M for a substantial ownership stake in the plan, as well as provide near-term balance sheet support; Transaction expected to close in late Q3/early Q4 2019 and is subject to closing conditions and regulatory approval
- Evolent will take on greater management oversight, operating responsibility and broader clinical scope to drive performance. An amended Management Services Agreement (MSA) will be in place immediately with a ten-year term which will expand Evolent's core services and incorporate New Century Health in managing oncology and cardiovascular services.

Strategic Rationale

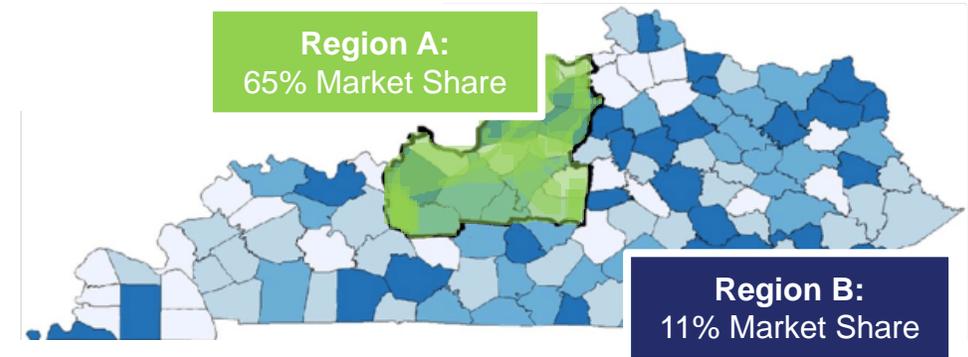
1. Passport has **significant scale with 315K+ lives in Kentucky's Medicaid program** and a long-standing reputation for high levels of member service and quality. Potential for growth in duals and related populations across time.
2. Evolent has a **clear line of sight to drive strong financial performance** by the second half of this year with improved rates in effect as of Q2 and identified administrative and medical cost reduction opportunities; Ability to fully showcase Evolent's suite of clinical programs and member engagement methodologies.
3. **Ownership stake consistent with performance-based business model** and allows Evolent to optimize health plan performance and capture significant value-creation opportunity. **Equity interest and shared ownership model** creates strong alignment with providers.
4. **Enhanced MSA agreement locks in long-term service relationship** and drives substantial top-line growth in the second half of 2019 and into 2020.
5. **Strong potential for value creation** given the quality of the underlying asset, identified areas for performance improvement and implied current valuation.

Situation Overview

- Passport has served Medicaid beneficiaries in the Commonwealth of Kentucky for over 20 years and is highly regarded in the local community.
- The owners of Passport recently ran a competitive process to select a joint venture partner to optimize the future performance of the plan from a strategic, clinical and financial perspective.
- EVH, as the current operating partner of Passport, was selected and has entered into a definitive agreement with the owners:
 - Upon signing, (i) EVH will take over leadership of the plan and Scott Bowers, current National Medicaid President at Evolent, will become CEO pending Passport Board approval; (ii) EVH will provide a \$20mm Statutory Note to Passport to enhance its risk-based capital; (iii) Passport will amend its current EVH services agreement to incorporate management oversight and control over additional administrative functions as well as agreeing to use New Century Health for oncology and cardiovascular services.
 - Passport, the current not-for-profit entity will respond to the recently released Medicaid RFP. The current Medicaid contract runs through June 2020; the RFP process for the next five-year contract through 2025 has been launched with submissions due July 5th and a final decision likely by September 2019.
 - Upon conclusion of the RFP, EVH has agreed to acquire a 70% stake in the plan for \$70mm and will have shared governance rights with the existing ownership group. EVH will continue to book revenues and income from the revised MSA on its income statement and expects to account for its ownership interest in the joint venture as an equity method investment.
 - As a locally-based, provider-driven health plan, we have strong confidence that Passport is well positioned to win in the RFP process, thus setting up a successful long-term services relationship and equity in a valuable asset.
 - In the event that Passport does not win the RFP, the plan will continue to operate through the existing contract period. Evolent would have the opportunity to recoup substantially all of its committed capital in a wind-down scenario.

Passport Health Plan

- **Passport is the Second Largest Medicaid Health Plan in Kentucky, Established in 1997**
 - Formed by The University of Louisville and other local healthcare providers
 - Named the top Medicaid plan in Kentucky by NCQA for 2016-2017
- **315K+ Medicaid Members as of May 1, 2019**
 - Market leader in Region A (Louisville market)
 - Consistent 25% state-wide market share across past five years; other current Medicaid MCOs are WellCare, Anthem, Aetna, and Humana
 - Medicaid membership is roughly 45% pediatric, 35% expansion, and 20% adult
 - Passport also operates a D-SNP plan with ~2.5k members who are eligible for both Medicaid and Medicare
- **Evolent Began Working with Passport in February 2016**
 - Relationship has expanded to include full suite of administrative and clinical services
 - Successful roll-out of the Medicaid Center of Excellence based in Louisville

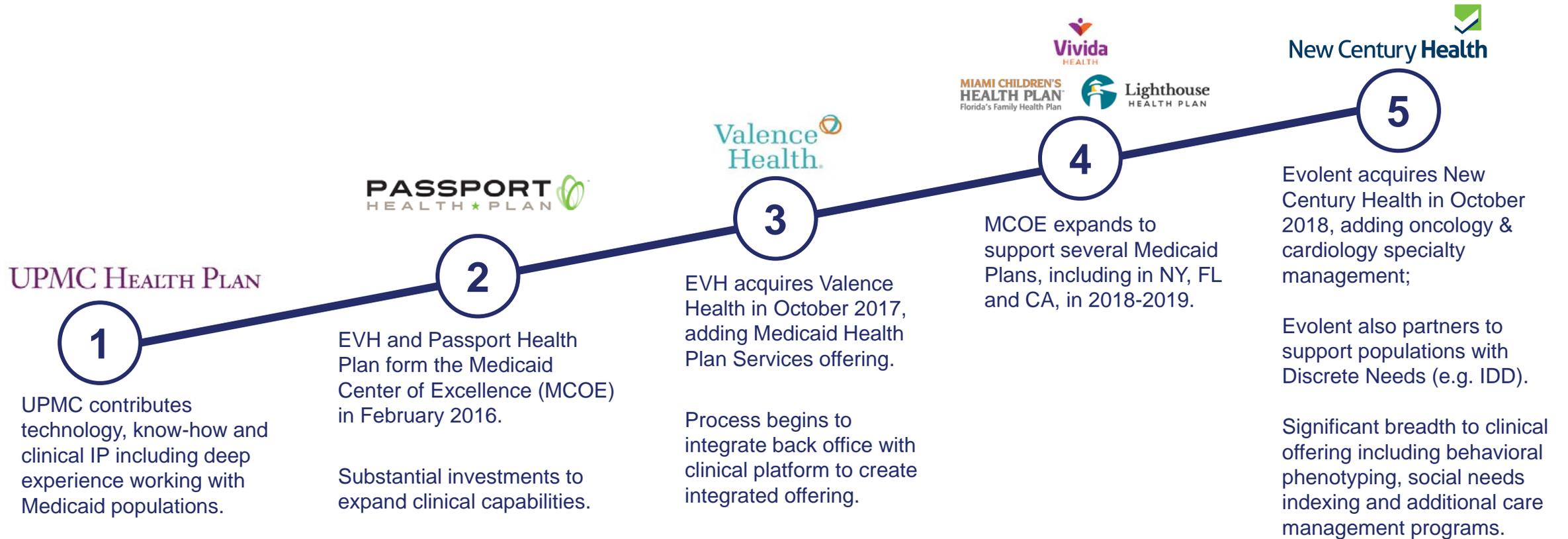


Average Annual Membership

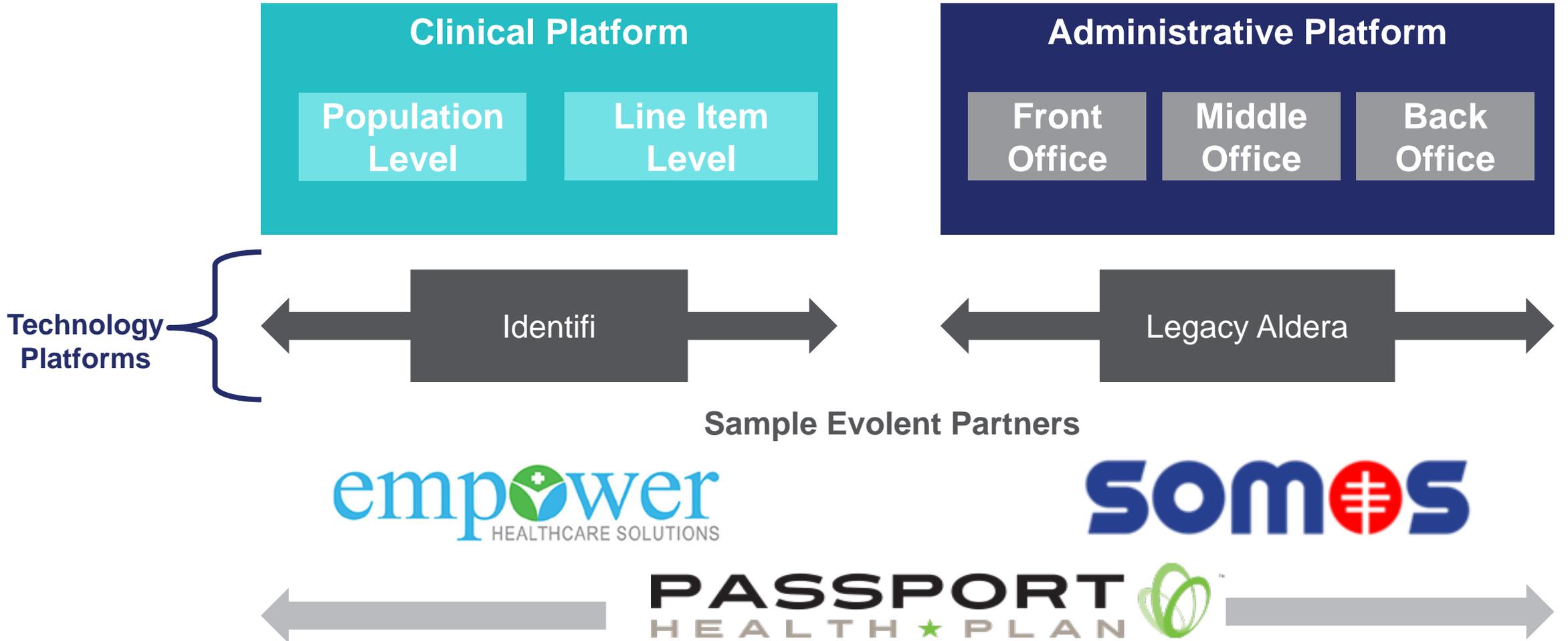


Strategic Commitment to Medicaid

Evolut has invested significant resources to develop Medicaid management capabilities. Today Evolut manages 1.7M lives across 11 partner organizations and in highly diverse geographic regions



Driving Significant Value in Medicaid Through an Integrated Platform



Evolut and Passport Health Plan – Strategic Fit and Opportunity

- **Strong Market Position with Consistent Membership Profile**

- Second largest Medicaid plan in Kentucky, with ~25% market share over the last five years
- 315K+ members driving premium revenue of \$1.95B
- Long operating history with relatively consistent profitability (except in years with interim rate cuts)
- Clear path to profitability given long operating history and recent rate adjustment effective April 1st, 2019

- **Visible Opportunity for Substantial Improvement in Performance**

- Initiatives underway around administrative efficiency, provider network optimization, behavioral health, specialty management and pharmacy. Significant financial improvements already captured and anticipating more to come.
- Clear accountability and responsibility for driving performance with full backing of provider partners

- **Significant Enhancements to Evolut's Management Services Agreement**

- Additional scope expands services revenue significantly
- Ten year term creates strong forward visibility and alignment with Partners

- **Potential to Capture Additional Upside in Value Created Through Shared Ownership Model**

- Strong asset appreciation potential given provider commitment, inherent scale of a 315K+ member plan and the implied current valuation.
- Long-term objectives consistent with Evolut's movement towards performance-based, shared ownership models.



800 N Glebe Rd, Suite 500 • Arlington, VA 22203 • evolenthealth.com