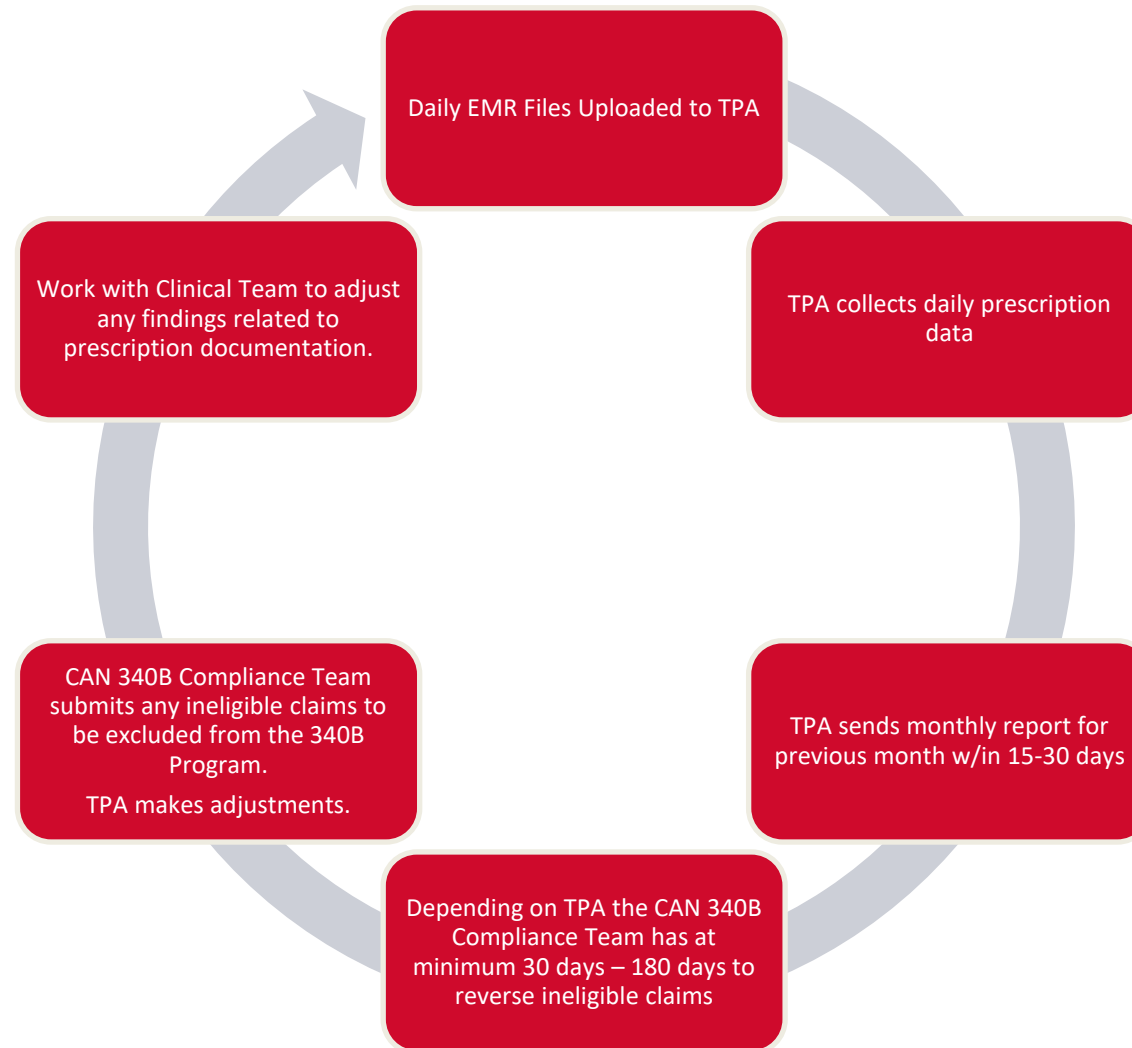




INVESTOR PRESENTATION

September 1, 2021

340B Audit Process



Acronyms:

EMR: Electronic Medical Records

TPA: Third Party Administrator

Data Sources

- EMR Systems – 10 different platforms
- Third Party Administrators – 4 hubs
 - CVS – Wellpartner
 - Limitation: Have 15 days after prescription processed to reverse an ineligible claim. Takes TPA 2-3 weeks to reverse.
 - Walgreens
 - Limitation: Have 30 days from month close to reverse an ineligible claim. Takes TPA 2-3 weeks to reverse.
 - RxStrategies
 - Florida Clinics & Independent pharmacies
 - Takes TPA 3-4 weeks to reverse ineligible claims.
 - PharmaForce
 - Non-Florida Clinic locations
 - Takes 2-3 weeks to reverse ineligible claims.
 - Maxor
 - In-house CAN Pharmacies
 - Takes 3-4 weeks to reverse ineligible claims.

340B Audit Data Fields



Patient Demographics	Provider Data	Payor Data	Claims Data
Patient Name	Prescribing Provider	Payor Type (i.e., Private Insurance, Ryan-White etc...)	Encounter date, provider sign-off, diagnosis (ICD-10 Code), prescribed medications
Patient DOB	Provider signing off on Encounter	Payor Eligibility Start & End Dates (includes insurance and Ryan-White)	Prescribed medications: Name, Strength, Dosage, Refill Amount, and Quantity
Patient MRN (Account) Number	Provider NPI / DEA	Payor Eligibility Card/Document(s) scanned into patient chart	Prescribed Date and Encounter Date (i.e., Written Date) Match
Clinic Location where patient received services	Provider / Clinic Location (where the patient was seen by the Provider)		Pharmacy where script was sent match

****Based on the TPA the audited data fields can vary from at minimum 45 data points to at maximum 100 data points.**

340B Internal Audit Statistics

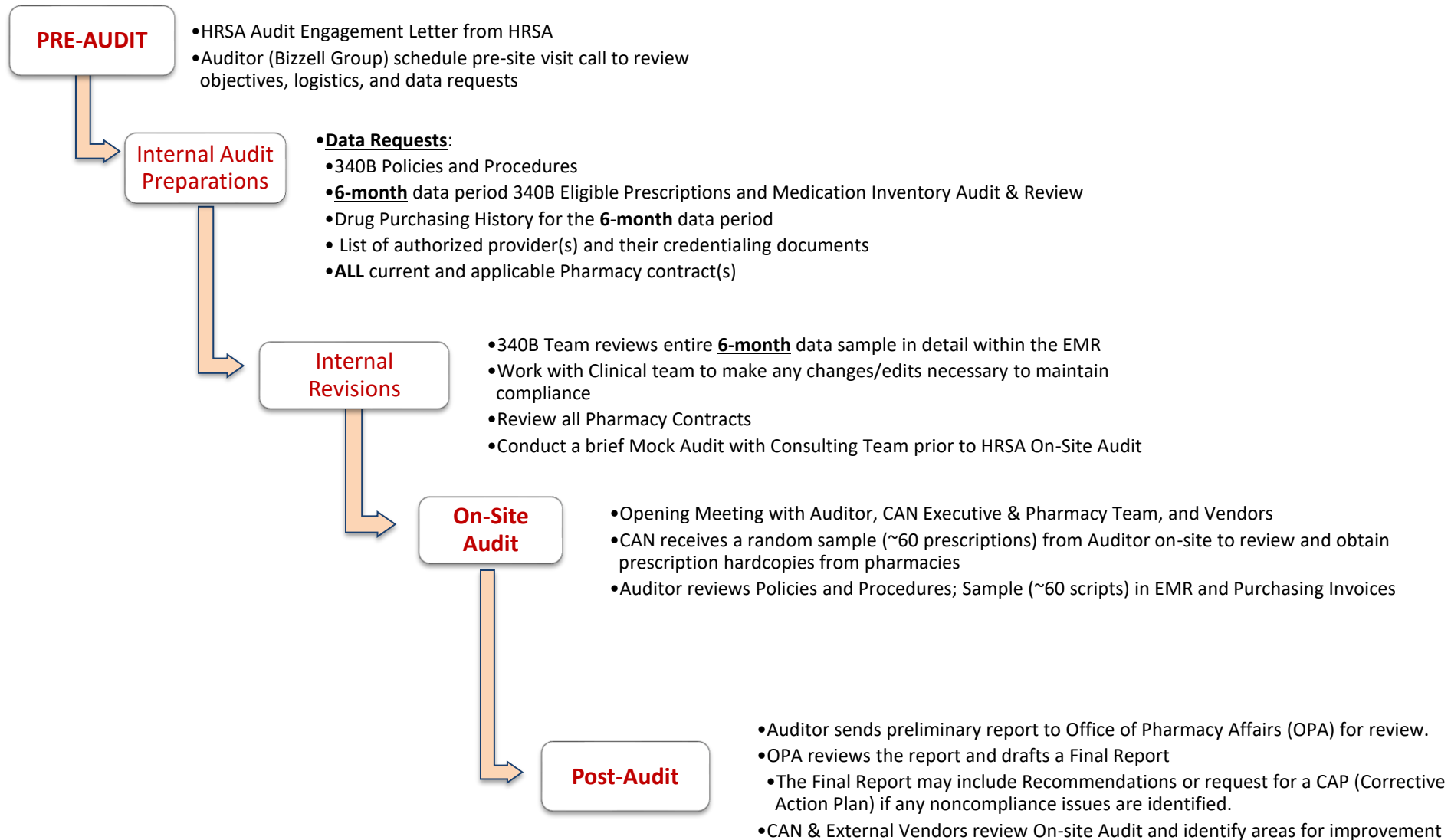
2020

- Total prescriptions audited: 153,841
- Monthly Average: 12,820
- Auditors: 4
 - Prescriptions Audited by Auditor (monthly): 3000-5000

2021 (January 1 – July 30)

- Total prescriptions audited: 122,444
 - Monthly Average: 17,492 (increase by 27%)
 - Projected 2021 Year End Claims audited: ~210k
 - Auditors: 5
 - Prescriptions Audited by Auditor (monthly): 3000-5000
-

HRSA 340B Program Audit Process



HRSA 340B Program Audits

CAN's 340B Program Evaluation by HRSA:

- 07/2016 – Sarasota/Tuttle (Ryan-White 340B)
- 04/2017 – North Port (Ryan-White 340B)
- 02/2018 – Daytona Beach (Ryan-White 340B)
- 02/2018 – Ybor (STD 340B)
- 06/2019 – Sarasota/Tuttle (STD 340B)
- 10/2019 – Daytona Beach (STD 340B)
- 10/2019 – Daytona Beach (STD 340B)
- 10/2020 – Lifeway – FTL (STD 340B)

How does a Covered Entity get Selected for a HRSA 340B Audit?

- Risk-based factors:

- Number of facilities
- Number of Contract Pharmacies
- Complexity of 340B Program
- Volume of 340B Purchases

Parent sites in the 340B Program for less than 1 year and 1 quarter (*15 months*) are NOT subject to audit selection through Risk-based factor.

For any additional questions please contact:

Hemali Joshi, VP Enterprise Systems & Pharmacy Analytics
(hjoshi@cancommunityhealth.org)

Ryan Gumbs, 340B Compliance Supervisor
(rgumbs@cancommunityhealth.org)

CONSOLIDATING P&L: Q4 (April 2021 – June 2021)



CAN COMMUNITY HEALTH, INC. & SUBSIDIARIES CONSOLIDATING SUMMARIZED PROFIT & LOSS

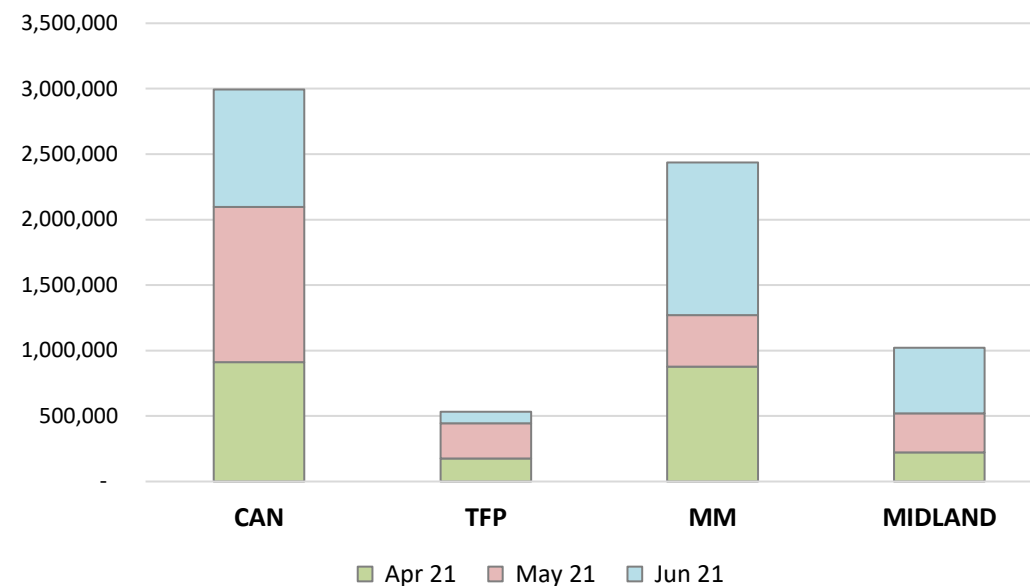
Q4 June 30, 2021

REVENUE	Q4 Jun 2020	Q4 Jun 2021	Incr/(Decr)
340B REVENUE	47,334,060	56,231,211	8,897,151
SALES	44,954,485	53,144,391	8,189,907
SERVICE FEES	2,424,323	3,763,985	1,339,662
GRANTS	576,706	1,338,358	761,652
OTHER	961,521	623,242	(338,279)
TOTAL REVENUE	96,251,095	115,101,187	18,850,092

EXPENSES	Q4 Jun 2020	Q4 Jun 2021	Incr/(Decr)
PHARMACY EXPENSES	71,517,743	83,537,073	12,019,330
PROGRAM EXPENSES	1,642,106	3,196,693	1,554,587
PROGRAM REVENUE SHARE	3,276,852	4,853,446	1,576,594
FACILITIES	1,247,207	1,382,078	134,871
INSURANCE	485,568	585,890	100,322
PERSONNEL	11,455,551	11,827,725	372,174
PROFESSIONAL	787,441	541,344	(246,097)
ADMINISTRATIVE	942,871	1,102,920	160,049
I.T.	514,218	673,871	159,654
TRAVEL	152,903	415,568	262,665
SUB TOTAL EXPENSES	92,022,461	108,116,608	16,094,147

EBIDA	4,228,634	6,984,579	2,755,945
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Q4 Earnings



COMPANY	Q4 Jun 2020	Q4 Jun 2021	Incr/(Decr)
CAN	2,920,727	2,994,272	73,545
TFP	(479,869)	531,530	1,011,399
MM	1,315,171	2,436,842	1,121,671
MIDLAND	472,605	1,021,935	549,330
EBIDA	4,228,634	6,984,579	2,755,945

CONSOLIDATING P&L: Fiscal Year 2020-2021 Total

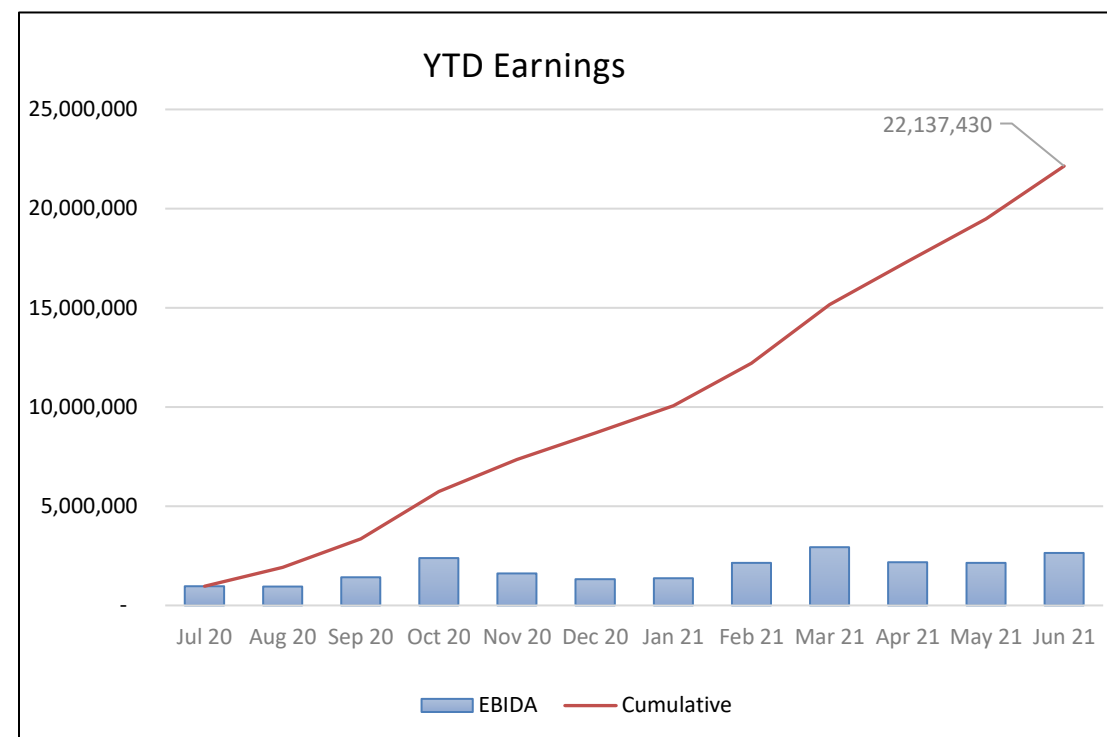


CAN COMMUNITY HEALTH, INC. & SUBSIDIARIES CONSOLIDATING SUMMARIZED PROFIT & LOSS YTD JUNE 2021

REVENUE	YTD JUNE 2020	YTD JUNE 2021	Incr/(Decr)
340B REVENUE	183,820,563	203,084,164	19,263,601
SALES	200,523,893	190,483,714	(10,040,178)
SERVICE FEES	12,015,849	13,512,846	1,496,997
GRANTS	1,888,222	3,734,646	1,846,423
OTHER	2,414,841	2,516,730	101,890
TOTAL REVENUE	400,663,367	413,332,100	12,668,732

EXPENSES	YTD JUNE 2020	YTD JUNE 2021	Incr/(Decr)
PHARMACY EXPENSES	304,404,105	306,922,455	2,518,350
PROGRAM EXPENSES	7,419,140	10,290,653	2,871,513
PROGRAM REVENUE SHARE	12,585,692	15,026,189	2,440,497
FACILITIES	4,544,690	5,221,495	676,806
INSURANCE	1,656,610	2,142,453	485,842
PERSONNEL	39,471,544	43,254,567	3,783,023
PROFESSIONAL	2,689,858	1,863,556	(826,302)
ADMINISTRATIVE	3,179,877	3,205,644	25,768
I.T.	1,676,874	2,158,914	482,040
TRAVEL	1,305,103	1,108,744	(196,359)
SUB TOTAL EXPENSES	378,933,493	391,194,669	12,261,176

EBIDA	21,729,875	22,137,430	407,556
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COMPANY	YTD JUNE 2020	YTD JUNE 2021	Incr/(Decr)
CAN	14,574,578	13,669,310	(905,268)
TFP	(528,316)	1,260,878	1,789,194
MM	5,448,569	3,370,914	(2,077,654)
MIDLAND	2,235,044	3,836,328	1,601,284
EBIDA	21,729,875	22,137,430	407,556

FY 2020-21 Budget to Actual – CAN / TFP / MM

Company	Type	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % of Budget
CAN	Revenue	216,114,067	217,972,147	1,858,080	101%
TFP	Revenue	74,234,050	72,215,110	(2,018,940)	97%
MM	Revenue	98,632,722	99,826,617	1,193,895	101%
Consolidated Revenue		388,980,839	390,013,874	1,033,035	100%
CAN	Expenses	204,454,764	204,302,837	(151,927)	100%
TFP	Expenses	72,324,292	70,954,232	(1,370,060)	98%
MM	Expenses	94,746,728	96,455,702	1,708,975	102%
Consolidated Expenses		371,525,784	371,712,771	186,987	100%
CAN	EBIDA	11,659,303	13,669,310	2,010,007	117%
TFP	EBIDA	1,909,758	1,260,878	(648,880)	66%
MM	EBIDA	3,885,994	3,370,914	(515,080)	87%
Consolidated EBIDA		17,455,055	18,301,102	846,048	105%

Comments:

CAN – Revenue higher than budget, and managed Expenses to be inline with Budget resulting in Earnings \$2M better than budget

TFP – Revenue performed lower than expected due to impact of Generic HIV Drugs (Truvada & Atripla), & Increases in DIR Fees. Expenses were managed to best offset the decrease in Revenue,

MM – Revenue performed better than budget over the later part of the year, expenses were higher than budget resulting in earnings of 515K under budget

Overall Earning is \$846K better than budget.

*midland budget not included

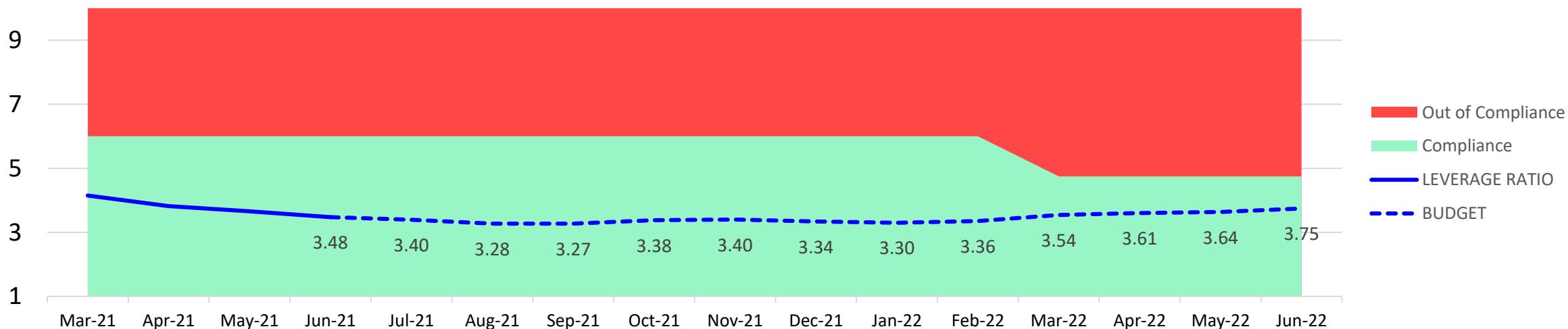
COVENANT: CASH FLOW LEVERAGE RATIO

COVENANT: CASH FLOW LEVERAGE RATIO
 Cash Flow Ratio: Less than 6.00
 June 30, 2021

	TOTAL
DIRECT DEBT	\$ 101,936,575
LESS DEBT RESERVES	\$ 9,372,021
LESS CASH ON HAND	\$ 15,600,083
SUM NET DEBT	\$ 76,964,471
TTM EBITDA	\$ 22,137,430

LEVERAGE RATIO 3.48

- Debt as of June 30:
 - Bond: \$91,350,000
 - Sarasota Facility: \$6,310,006
 - King Air: \$1,685,806
 - SC Gregg Street: \$693,750
 - Midland: \$1,897,013
- Maximum Ratio Decreases:
 - 2022: **4.75**
 - 2023: **4.00**
 - 2024: **3.00**



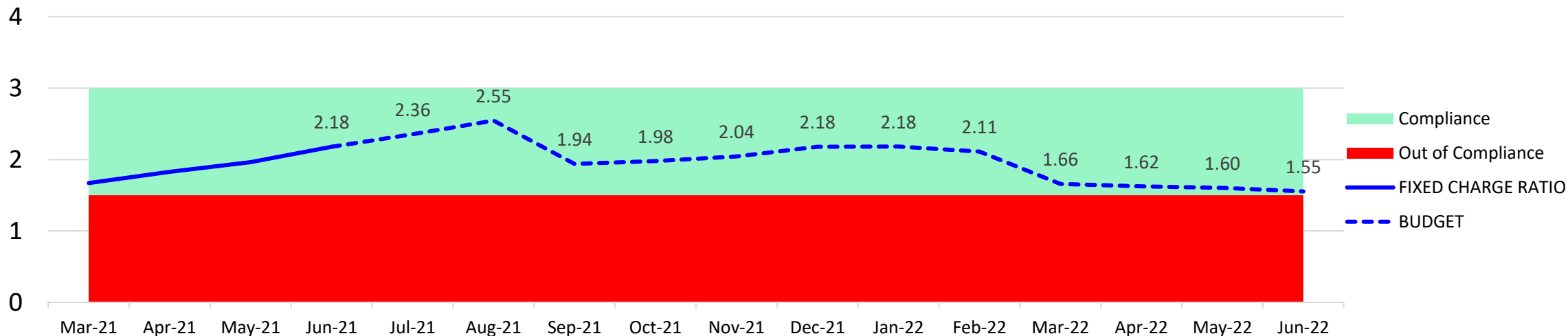
COVENANT: FIXED CHARGE RATIO

COVENANT: FIXED CHARGE COVERAGE RATIO
 Fixed Charge Ratio not less than 1.50
 June 30, 2021

	TOTAL
TTM EBITDA	\$ 22,137,430
(CASH TAX PAYMENT)	\$ (556,000)
(DIVIDENDS)	\$ (520,000)
TTM EBITDA (less Taxes, Dividends)	\$ 21,061,430
PRINCIPAL PAYMENTS	\$ 3,783,971
INTEREST PAYMENTS	\$ 3,822,286
LEASE PAYMENTS	\$ 413,696
RENT PAYMENTS	\$ 3,411,790
SUM	\$ 11,431,743

FIXED CHARGE COVERAGE RATIO 2.18

- Minimum Ratio Increases
 - 2023: **1.75**
 - 2024: **2.00**



Questions?

