

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

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 number 001-40365

**Privia Health Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**81-3599420**

(I.R.S. Employer Identification No.)

**950 N. Glebe Rd.,**

**Suite 700**

**Arlington, Virginia**

(Address of Principal Executive Offices)

**22203**

(Zip Code)

**(571) 366-8850**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value per share	PRVA	The Nasdaq Global Select Market

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 November 1, 2024, the registrant had outstanding 120,001,355 shares of common stock.

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## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in 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”). In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “could,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include factors related to, among other things:

- the heavily regulated industry in which we operate, and any failure by us to comply with applicable healthcare laws and government regulations, which could result in our incurring financial penalties and becoming excluded from participating in government health care programs;
- the impact of changes in applicable laws, rules or regulations, including with respect to health plans and payers and our relationships with such plans and payers, and provisions that impact Medicare and Medicaid programs;
- our dependence on relationships with Medical Groups (defined herein), some of which we do not own;
- our growth strategy, which may not prove viable and we may not realize expected results;
- difficulties implementing our proprietary end-to-end, cloud-based technology solution (the “Privia Technology Solution”) for Privia Physicians (defined herein) and new Medical Groups;
- the high level of competition in our industry and any failure by us to compete effectively and innovate;
- challenges in successfully establishing a presence in new geographic markets;
- our reliance on our electronic medical record (“EMR”) vendor, athenahealth, Inc., which the Privia Technology Solution is integrated and built upon;
- changes in the payer mix of patients and potential decreases in our reimbursement rates as a result of consolidation among commercial payers;
- the financial and operational impact of our compliance with various complex and changing federal and state privacy and security laws and regulations related to our use, disclosure, and other processing of personal information and protected health information, including the Health Insurance Portability and Accountability Act of 1996;
- the impact of actual and potential cybersecurity incidents or privacy or security breaches involving us, our vendors or other third parties;
- the continued availability of a qualified workforce, including staff at our Medical Groups, and the continued upward pressure on compensation for such workforce; and
- other risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2023 (the “Annual Report”) and our other filings with the Securities and Exchange Commission (“SEC”).

You should read this quarterly report on Form 10-Q and the documents that we reference in this quarterly report on Form 10-Q and have filed as exhibits to this quarterly report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this quarterly report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this quarterly report on Form 10-Q, whether as a result of any new information, future events or otherwise.

**Part I - Financial Information****ITEM 1. FINANCIAL STATEMENTS**

**Privia Health Group, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
	<b>(unaudited)</b>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 421,997	\$ 389,511
Accounts receivable	408,959	290,768
Prepaid expenses and other current assets	22,797	20,525
Total current assets	853,753	700,804
Non-current assets:		
Property and equipment, net	1,456	2,325
Operating right-of-use asset	5,288	6,612
Intangible assets, net	103,070	107,630
Goodwill	139,457	138,749
Deferred tax asset	27,569	35,200
Other non-current assets	14,972	8,580
Total non-current assets	291,812	299,096
Total assets	<u>\$ 1,145,565</u>	<u>\$ 999,900</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 65,641	\$ 57,831
Provider liability	411,252	326,078
Operating lease liabilities, current	2,580	3,043
Total current liabilities	479,473	386,952
Non-current liabilities:		
Operating lease liabilities, non-current	3,597	5,246
Other non-current liabilities	313	313
Total non-current liabilities	3,910	5,559
Total liabilities	483,383	392,511
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, \$0.01 par value, 1,000,000,000 and 1,000,000,000 shares authorized; 119,953,176 and 118,216,979 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1,199	1,182
Additional paid-in capital	797,315	753,869
Accumulated deficit	(183,628)	(193,614)
Total Privia Health Group, Inc. stockholders' equity	614,886	561,437
Non-controlling interest	47,296	45,952
Total stockholders' equity	662,182	607,389
Total liabilities and stockholders' equity	<u>\$ 1,145,565</u>	<u>\$ 999,900</u>

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

**Privia Health Group, Inc.**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**  
**(in thousands, except share and per share data)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 437,921	\$ 417,282	\$ 1,275,490	\$ 1,216,909
Operating expenses:				
Provider expense	336,501	325,222	979,373	949,195
Cost of platform	56,068	50,324	167,231	145,254
Sales and marketing	7,047	7,241	19,984	18,483
General and administrative	30,695	27,228	91,732	79,987
Depreciation and amortization	1,797	1,731	5,436	4,761
Total operating expenses	432,108	411,746	1,263,756	1,197,680
Operating income	5,813	5,536	11,734	19,229
Interest income, net	2,164	2,894	8,114	5,524
Income before provision for income taxes	7,977	8,430	19,848	24,753
Provision for income taxes	3,999	2,488	8,171	6,049
Net income	3,978	5,942	11,677	18,704
Less: Net income (loss) attributable to non-controlling interests	443	299	1,691	(1,537)
Net income attributable to Privia Health Group, Inc.	\$ 3,535	\$ 5,643	\$ 9,986	\$ 20,241
Net income per share attributable to Privia Health Group, Inc. stockholders – basic	\$ 0.03	\$ 0.05	\$ 0.08	\$ 0.17
Net income per share attributable to Privia Health Group, Inc. stockholders – diluted	\$ 0.03	\$ 0.05	\$ 0.08	\$ 0.16
Weighted average common shares outstanding – basic	119,658,574	117,602,059	119,156,368	116,266,938
Weighted average common shares outstanding – diluted	125,751,006	124,924,442	125,457,540	124,646,849

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

**Privia Health Group, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
**(unaudited)**

(in thousands except share amounts)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity attributable to Privia Health Group, Inc.	Non- controlling Interest	Total Stockholders' Equity
Balance at December 31, 2022	114,690,808	\$ 1,148	\$ 714,639	\$ (216,693)	\$ 499,094	\$ 19,955	\$ 519,049
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	779,153	11	1,466	—	1,477	—	1,477
Stock-based compensation expense	—	—	5,381	—	5,381	—	5,381
Contributed non-controlling interest	—	—	—	—	—	24,212	24,212
Net income (loss)	—	—	—	7,324	7,324	(922)	6,402
Balance at March 31, 2023	115,469,961	1,159	721,486	(209,369)	513,276	43,245	556,521
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	1,636,931	12	4,294	—	4,306	—	4,306
Stock-based compensation expense	—	—	9,247	—	9,247	—	9,247
Repurchase of non-controlling interest	—	—	(8,871)	—	(8,871)	3,177	(5,694)
Contributed non-controlling interest	—	—	—	—	—	569	569
Net income (loss)	—	—	—	7,274	7,274	(914)	6,360
Balance at June 30, 2023	117,106,892	1,171	726,156	(202,095)	525,232	46,077	571,309
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	897,652	9	2,996	—	3,005	—	3,005
Stock-based compensation expense	—	—	10,801	—	10,801	—	10,801
Net income	—	—	—	5,643	5,643	299	5,942
Balance at September 30, 2023	118,004,544	\$ 1,180	\$ 739,953	\$ (196,452)	\$ 544,681	\$ 46,376	\$ 591,057
Balance at December 31, 2023	118,216,979	\$ 1,182	\$ 753,869	\$ (193,614)	\$ 561,437	\$ 45,952	\$ 607,389
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	461,923	5	470	—	475	—	475
Stock-based compensation expense	—	—	11,904	—	11,904	—	11,904
Net income	—	—	—	2,984	2,984	72	3,056
Balance at March 31, 2024	118,678,902	1,187	766,243	(190,630)	576,800	46,024	622,824
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	800,232	7	742	—	749	—	749
Stock-based compensation expense	—	—	14,391	—	14,391	—	14,391
Contributed non-controlling interest	—	—	—	—	—	1,000	1,000
Net income	—	—	—	3,467	3,467	1,176	4,643
Balance at June 30, 2024	119,479,134	1,194	\$ 781,376	(187,163)	595,407	48,200	643,607
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	474,042	5	833	—	838	—	838
Stock-based compensation expense	—	—	15,106	—	15,106	—	15,106
Contributed non-controlling interest	—	—	—	—	—	653	653
Distribution to non-controlling interest	—	—	—	—	—	(2,000)	(2,000)
Net income	—	—	—	3,535	3,535	443	3,978
Balance at September 30, 2024	119,953,176	\$ 1,199	\$ 797,315	\$ (183,628)	\$ 614,886	\$ 47,296	\$ 662,182

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

**Privia Health Group, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**  
**(in thousands)**

	For the Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 11,677	\$ 18,704
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	876	878
Amortization of intangibles	4,560	3,883
Stock-based compensation	41,401	25,429
Deferred tax expense	7,631	5,179
Changes in asset and liabilities:		
Accounts receivable	(118,191)	(156,219)
Prepaid expenses and other current assets	(4,272)	(2,801)
Other non-current assets and right-of-use asset	(70)	(1,246)
Accounts payable and accrued expenses	7,810	1,489
Provider liability	85,174	123,930
Operating lease liabilities	(2,112)	(2,510)
Other long-term liabilities	—	(32)
Net cash provided by operating activities	34,484	16,684
Cash from investing activities		
Business acquisitions, net of cash acquired	(707)	(37,858)
Other	(5,006)	(90)
Net cash used in investing activities	(5,713)	(37,948)
Cash flows from financing activities		
Proceeds from exercised stock options	2,062	8,788
Repurchase of non-controlling interest	—	(5,694)
Contributed from non-controlling interest	1,653	569
Net cash provided by financing activities	3,715	3,663
Net increase (decrease) in cash and cash equivalents	32,486	(17,601)
Cash and cash equivalents at beginning of period	389,511	347,992
Cash and cash equivalents at end of period	\$ 421,997	\$ 330,391
Supplemental disclosure of cash flow information:		
Interest paid	\$ 222	\$ 40
Income taxes paid	\$ 3,525	\$ 1,019

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

**Privia Health Group, Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**1. Organization and Summary of Significant Accounting Policies**

**Organization**

Privia Health Group, Inc. (“Privia Health”, “Privia”, or the “Company”) is a technology-driven, national physician-enablement company that collaborates with medical groups, health plans, and health systems to optimize physician practices, improve patient experiences, and reward doctors for delivering high-value care in both in-person and virtual care settings (the “Privia Platform”).

As of September 30, 2024, Privia operated in fourteen markets: 1) the Mid-Atlantic Region (states of Virginia, Maryland and the District of Columbia); 2) Georgia; 3) the Gulf Coast Region (Houston-San Antonio-Austin Texas); 4) North Texas (Dallas/Fort Worth, Texas); 5) West Texas (Abilene, Texas); 6) Central Florida; 7) Tennessee; 8) California; 9) Montana; 10) Ohio; 11) North Carolina; 12) Connecticut; 13) Washington state; and 14) South Carolina.

Medical groups are formed in each market with the primary purpose to operate as a physician group practice with healthcare services being furnished through physician members (“Privia Physicians”) and non-physician clinicians (together, “Privia Providers”) supervised by Privia Physicians.

The Company also forms local management companies to provide administrative and management services (“MSOs”) to the medical groups through a Management Services Agreement (“MSA”) in each market. The Company owns 100% of all MSOs, except seven where the Company is at least the majority owner.

**Basis of Presentation**

The condensed consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (“GAAP”) and include the accounts of the Company and its subsidiaries. Amounts shown on the condensed consolidated statements of operations within the operating expense categories of provider expense, cost of platform, selling and marketing, and general and administrative are recorded exclusive of depreciation and amortization.

All significant intercompany transactions are eliminated in consolidation.

The results of operations for the three and nine months ended September 30, 2024, are not indicative of the results to be expected for the full fiscal year ending December 31, 2024. The condensed consolidated balance sheet at December 31, 2023 was derived from audited annual financial statements but does not contain all disclosures required by GAAP. In the opinion of management, all adjustments (consisting of only normal and recurring adjustments) considered necessary for a fair statement have been included.

The Company described its significant accounting policies in Note 1 of the notes to consolidated financial statements for the year ended December 31, 2023 in the Annual Report on Form 10-K. During the nine months ended September 30, 2024, there were no significant changes to those accounting policies and estimates.

**Variable Interest Entities**

Management evaluates the Company’s ownership, contractual, and other interests in entities to determine if it has any variable interest in a variable interest entity (“VIE”). These evaluations are complex, involve judgment and assumptions based on available historical information, among other factors. If the Company determines that an entity in which it holds a contractual, or ownership, interest is a VIE and that the Company is the primary beneficiary, the Company consolidates such entity in its consolidated financial statements. The primary beneficiary of a VIE is the party that meets both of the following criteria: (i) has the power to make decisions that most significantly affect the economic performance of the VIE; and (ii) has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE. Management performs ongoing reassessments of whether changes in the facts and circumstances regarding the Company’s involvement with a VIE will cause the consolidation conclusion to change. Changes in consolidation status are applied prospectively.

The Company has relationships with medical groups in which the Company has no ownership interests, which are either (a) owned 100% by Privia Physicians (each, a “Non-Owned Medical Group” and collectively, “Non-Owned Medical Groups”) or (b) majority owned, indirectly through a professional entity by a licensed physician holding a Privia leadership position (each, a “Friendly Medical Group” and collectively, “Friendly Medical Groups”). Each of our Medical Groups (e.g., Owned Medical Groups, Non-Owned Medical Groups and Friendly Medical Groups) contracts with the Privia Physician’s historic practice entity, which no longer furnishes healthcare services (the “Affiliated Practice”) whereby the Affiliated Practice provides certain subcontracted services to the Medical Groups to allow the Medical Group to operate at the practice location.

The Company evaluated its relationship with (a) Non-Owned Medical Groups and their Affiliated Practices, (b) Friendly Medical Groups and their Affiliated Practices, and (c) Affiliated Practices associated with Owned Medical Groups to determine if any of these entities should be subject to consolidation. The Company does not have ownership interest in any Affiliated Practices (whether those of Owned Medical Groups, Non-Owned Medical Groups or Friendly Medical Groups); nor does the Company have an ownership in Non-Owned Medical Groups. The Physician Member Services Agreement (“PMSA”) and support services agreement (“SSA”) entered



by Non-Owned Medical Groups and Friendly Medical Groups with their Privia Physician members and the Affiliated Practices are not contractual relationships within Privia's legal structure. The only contractual relationship between Privia and Non-Owned Medical Groups is established through the MSA. For Friendly Medical Groups, in addition to the MSA, the Company has a contractual relationship, evidenced by a restriction agreement (each a "Restriction Agreement") with licensed physicians holding a Privia leadership position ("Nominee Physicians") and their respective Friendly Medical Groups. Management has determined, based on the provisions of the MSAs between the Company and Non-Owned Medical Groups, and after considering the requirements of Accounting Standards Codification ("ASC") Topic 810, *Consolidation* ("ASC 810"), the Company is not required to consolidate the financial position or results of operations of the Affiliated Practices associated with Owned Medical Groups; nor is it required to consolidate the financial position or results of operations of Non-Owned Medical Groups (and, therefore, the Company is not required to consolidate the Affiliated Practices of the Non-Owned Medical Groups). However, management has determined, based on the provisions of the Restriction Agreement on the Nominee Physician ("Friendly PC") and the governing documents of the Friendly Medical Groups after considering the requirements of ASC 810, that the Company should consolidate the financial position and results of operations of the Friendly Medical Groups and the Friendly PCs.

ASC 810 requires the Company to consolidate the financial position, results of operations and cash flows of a Non-Owned Medical Group affiliated by means of a service agreement if the Non-Owned Medical Group is a VIE and the Company is its primary beneficiary. An Affiliated Practice would be considered a VIE if (a) it is thinly capitalized (i.e., the equity is not sufficient to fund the Non-Owned Medical Group's activities without additional subordinated financial support) or (b) the equity holders of the Non-Owned Medical Group as a group have one of the following four characteristics: (i) lack the power to direct the activities that most significantly affect the Non-Owned Medical Group's economic performance, (ii) possess non-substantive voting rights, (iii) lack the obligation to absorb the Non-Owned Medical Group's expected losses, or (iv) lack the right to receive the Non-Owned Medical Group's expected residual returns.

The characteristics of both (a) and (b) do not exist and as such the Non-Owned Medical Groups do not represent VIEs. Accordingly, the Company has not consolidated the financial position, results of operations or cash flows of the Non-Owned Medical Groups that are affiliated with the Company by means of a service agreement for the three and nine months ended September 30, 2024 and 2023. Each time that it enters into a new service agreement or enters into a material amendment to an existing service agreement, the Company considers whether the terms of that agreement or amendment would change the elements it considers in accordance with the VIE guidance. The same analysis was performed for the Affiliated Practices of Owned Medical Groups, which have contractual relationships with Privia through the SSA, and the Company determined they do not represent VIEs as they do not meet the criteria in ASC 810 for similar reasons as those outlined above.

The Company, however, does meet the criteria for consolidation of the Nominee PCs and the Friendly Medical Groups based on the discussion above.

Privia Medical Group – West Texas, PLLC, ("PMG West Texas") is a physician-owned Medical Group, with PMG West Texas Holdings, PLLC ("Friendly WTX PC"), a Texas professional limited liability company entirely owned by a Nominee Physician, owning majority membership interests and having governance and control rights via the governing documents of PMG West Texas. The Company has a contractual relationship with Friendly WTX PC through a Restriction Agreement. The VIE analysis was performed, and the Company determined that characteristic (b) exists as a result of meeting (ii) and (iv) and as such, PMG West Texas and Friendly WTX PC do represent VIEs and are consolidated as they do meet the criteria in ASC 810.

Privia Medical Group Tennessee, PLLC ("PMG-TN") is a physician-owned Medical Group, with PMG-TN Physicians, PLLC ("Friendly TN PC"), a Tennessee professional limited liability company entirely owned by a Nominee Physician, owning majority membership interests therein and having governance and control rights via the governing documents of PMG-TN. Again, the same analysis was performed, and the Company determined that characteristic (b) exists as a result of meeting (ii) and (iv) and as such, PMG-TN and Friendly TN PC do represent VIEs as they do meet the criteria in ASC 810.

Privia Medical Group Washington, PLLC, ("PMG WA") is a physician-owned Medical Group, with PMG Washington Holdings, PLLC ("Friendly WA PC"), a Washington professional limited liability company entirely owned by a Nominee Physician, owning majority membership interests and having governance and control rights via the governing documents of PMG WA. The Company has a contractual relationship with Friendly WA PC through a Restriction Agreement. The VIE analysis was performed, and the Company determined that characteristic (b) exists as a result of meeting (i), (ii) and (iv) and as such, PMG WA and Friendly WA PC do represent VIEs and are consolidated as they do meet the criteria in ASC 810.

Privia Medical Group South Carolina, LLC, ("PMG SC") is a physician-owned Medical Group, with PMG South Carolina Holdings, PLLC ("Friendly SC PC"), a South Carolina professional limited liability company entirely owned by a Nominee Physician, owning majority membership interests and having governance and control rights via the governing documents of PMG SC. The Company has a contractual relationship with Friendly SC PC through a Restriction Agreement. The VIE analysis was performed, and the Company determined that characteristic (b) exists as a result of meeting (i), (ii) and (iv) and as such PMG SC and Friendly SC PC represent VIEs and are consolidated as they meet the criteria in ASC 810.

The aggregated carrying value of the Company's VIE's for both the current assets and liabilities included in the consolidated balance sheets after elimination of intercompany transactions were \$6.5 million as of September 30, 2024 and \$6.2 million as of December 31, 2023.

### Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. On an on-going basis the Company evaluates significant estimates and assumptions, including, but not limited to, provider liability, revenue recognition, stock-based compensation, estimated useful lives of assets, intangible assets subject to amortization, and the computation of income taxes. Future events and their effects cannot be predicted with certainty; accordingly, the Company's accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Company's operating environment changes. Management evaluates and updates assumptions and estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

### Recently Adopted Accounting Pronouncements

None.

### Recently Issued Accounting Pronouncements Pending Adoption

In November 2023, the FASB issued Accounting Standards Update No. 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*. The amendments require disclosure of incremental segment information on an annual and interim basis. The amendments also require companies with a single reportable segment to provide all disclosures required by this amendment and all existing segment disclosures in Accounting Standards Codification 280, *Segment Reporting*. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. The Company does not expect the adoption of the amendments to have a significant impact on its financial statements.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, *Income Taxes - Improvements to Income Tax Disclosures*. The amendments require (i) enhanced disclosures in connection with an entity's effective tax rate reconciliation and (ii) income taxes paid disaggregated by jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024. The Company does not expect the adoption of the amendments to have a significant impact on its financial statements.

## 2. Revenue Recognition

The following table presents our revenues disaggregated by source:

(Dollars in Thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
FFS-patient care	\$ 283,278	\$ 245,569	\$ 833,862	\$ 704,346
FFS-administrative services	30,697	29,845	91,906	83,413
Capitated revenue	53,393	88,526	161,135	253,481
Shared savings	47,438	33,530	134,720	130,304
Care management fees (PMPM)	21,060	17,778	47,826	39,904
Other revenue	2,055	2,034	6,041	5,461
<b>Total revenue</b>	<b>\$ 437,921</b>	<b>\$ 417,282</b>	<b>\$ 1,275,490</b>	<b>\$ 1,216,909</b>

Fee-for-service ("FFS") patient care is primarily generated from third-party payers with which the Company has established contractual billing arrangements. The following table presents the approximate percentages by source of net revenue received for healthcare services we provided for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Commercial insurers	71 %	72 %	70 %	70 %
Government payers	15 %	14 %	14 %	15 %
Patient	14 %	14 %	16 %	15 %
	100 %	100 %	100 %	100 %

FFS-administrative services revenue is earned through the Company's MSA with Non-Owned Medical Groups primarily based on a fixed percentage of net collections on patient care generated by those medical groups.

Value Based Care (“VBC”) revenue is primarily earned through contracts for Capitated revenue, Shared savings and Care management fees. Capitated revenue is generated through what is typically known as an “at-risk contract.” At-risk capitation refers to a model in which the Company receives a fixed monthly payment from the third-party payer in exchange for providing healthcare services to attributed beneficiaries. The Company is responsible for providing or paying for the cost of healthcare services required by those attributed beneficiaries for a set of services. At-risk Capitated revenue is recorded at the total amount gross in revenues because the Company is acting as a principal in arranging for, providing, and controlling the managed healthcare services provided to the Attributed Lives. Shared savings revenue and Care management fees are generated through contracts with large commercial payer organizations and the U.S. Federal Government.

### Contract Asset

The Company has the following contract assets:

(Dollars in Thousands)	September 30, 2024	December 31, 2023
<b>Balances for contracts with customers</b>		
Accounts receivable	\$ 408,959	\$ 290,768

### Remaining Performance Obligations

As our performance obligations relate to contracts with a duration of one year or less, the Company elected the optional exemption in ASC 606-10-50-14(a). Therefore, the Company is not required to disclose the transaction price for the remaining performance obligations at the end of the reporting period or when the Company expects to recognize revenue. The Company has minimal unsatisfied performance obligations at the end of the reporting period as our patients typically are under no obligation to continue receiving services at our facilities.

### 3. Goodwill and Intangible Assets, Net

For the purposes of the goodwill impairment assessment, the Company as a whole is considered to be a reporting unit. The Company recognizes the excess of the purchase price, plus the fair value of any non-controlling interests in the acquiree, over the fair value of identifiable net assets acquired as goodwill. The Company performs a qualitative assessment on goodwill at least annually or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. If it is determined in the qualitative assessment that the fair value of a reporting unit is more likely than not below its carrying amount, then the Company will perform a quantitative impairment test. The quantitative goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. Any excess in the carrying value of a reporting unit’s goodwill over its fair value is recognized as an impairment loss, limited to the total amount of goodwill allocated to that reporting unit. The Company’s carrying value of goodwill at September 30, 2024 and December 31, 2023 was approximately \$139.5 million and \$138.7 million, respectively. No indicators of impairment were identified during the nine months ended September 30, 2024 and 2023.

A summary of the Company’s intangible assets is as follows:

(Dollars in thousands)	September 30, 2024		December 31, 2023	
	Intangible Assets	Accumulated Amortization	Intangible Assets	Accumulated Amortization
Trade names	\$ 4,600	\$ 2,319	\$ 4,600	\$ 2,147
Consumer customer relationships	3,100	2,752	3,100	2,566
Management service agreement	2,200	1,238	2,200	1,134
Physician network	7,446	734	7,446	362
Payer contracts	52,427	4,060	52,427	2,184
MSO service agreement	51,800	7,400	51,800	5,550
	121,573	\$ 18,503	121,573	\$ 13,943
Less accumulated amortization	(18,503)		(13,943)	
<b>Intangible assets, net</b>	<b>\$ 103,070</b>		<b>\$ 107,630</b>	

The remaining weighted average life of all amortizable intangible assets is approximately 17.5 years at September 30, 2024.

Amortization expense for intangible assets was approximately \$1.5 million and \$1.4 million for the three months ended September 30, 2024 and 2023, respectively, and \$4.6 million and \$3.9 million for the nine months ended September 30, 2024 and 2023, respectively.

Estimated future amortization expense for the Company's intangible assets as of September 30, 2024 is as follows:

	(Dollars in Thousands)
Remainder of 2024	\$ 1,464
2025	5,857
2026	5,857
2027	5,857
2028	5,857
Thereafter	78,178
<b>Total</b>	<b>\$ 103,070</b>

#### 4. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

(Dollars in Thousands)	September 30, 2024	December 31, 2023
Accounts payable	\$ 6,935	\$ 7,882
Accrued employee compensation and benefits	7,354	5,973
Bonuses payable	13,866	15,073
Other accrued expenses	37,486	28,903
<b>Total accounts payable and accrued expenses</b>	<b>\$ 65,641</b>	<b>\$ 57,831</b>

#### 5. Provider Liability

Provider liability represents costs payable to physicians, hospitals and other ancillary providers, including both Privia physicians (and their related physician practices), and providers the Company has contracted with through payer partners. Those costs include amounts that have not yet been paid for physician guaranteed payments and other required distributions pursuant to the service agreements as well as medical claims costs for services provided to attributed beneficiaries for which the Company is financially responsible under at-risk Capitated revenue arrangements whether paid directly by the Company or indirectly by payers with whom the Company has contracted. Provider expenses are recognized in the period in which services are provided and include estimates of claims that have been incurred but have either not yet been received, processed, or paid and as such, not reported.

Provider liability estimates are developed using actuarial methods commonly used by health insurance actuaries that include a number of factors and assumptions including medical service utilization trends, changes in membership, observed medical cost trends, historical claim payment patterns and other factors.

Each period, the Company re-examines previously established provider liability estimates based on actual claim submissions and other changes in facts and circumstances. As more complete claims information becomes available, the Company adjusts its estimates and recognizes those changes in estimates in the period in which the change is identified. The difference between the estimated liability and the actual settlements of claims is recognized in the period in which the claims are settled. The Company's provider liability balance represents management's best estimate of its liability for unpaid provider expenses as of September 30, 2024 and 2023. The Company uses judgment to determine the appropriate assumptions for developing the required estimates.

The Company's liabilities for unpaid medical claims under at-risk capitation arrangements, which are included in Provider liability in the Company's condensed consolidated balance sheets, were as follows:

(Dollars in Thousands)	September 30,	
	2024	2023
Balance, beginning of period	\$ 67,138	\$ 28,617
Incurred health care costs		
Current year	156,899	246,004
Prior years	1,384	5,723
<b>Total claims incurred</b>	<b>\$ 158,283</b>	<b>\$ 251,727</b>
Claims Paid		
Current year	(97,883)	(185,287)
Prior years	(52,461)	(30,502)
<b>Total claims paid</b>	<b>\$ (150,344)</b>	<b>\$ (215,789)</b>
<b>Balance, end of period</b>	<b>\$ 75,077</b>	<b>\$ 64,555</b>

## 6. Debt

On November 15, 2019, the Company entered into a Credit Agreement (the “Original Credit Agreement”) by and among Privia Health, LLC, as the borrower, PH Group Holdings Corp. and certain subsidiaries of Privia Health, LLC, as guarantors, Silicon Valley Bank, as administrative agent and collateral agent (the “Administrative Agent”). On August 27, 2021, the Company and certain of its subsidiaries entered into an assumption agreement and third amendment (the “Third Amendment”) to the Original Credit Agreement (as amended by the Third Amendment, the “Credit Agreement”). Pursuant to the Third Amendment, the Company became the parent guarantor under the Credit Agreement and granted the Administrative Agent a first-priority security interest on substantially all of its real and personal property, subject to permitted liens.

On March 16, 2023, the Company provided notice to terminate the Credit Agreement. As of March 16, 2023, the Company had no borrowings and no letters of credit outstanding under the Credit Agreement. The Company did not incur any early termination penalties in connection with the termination of the Credit Agreement.

On November 16, 2023, Privia Health Group, Inc., PH Group Holdings Corp., and Privia Health, LLC, as borrower, (collectively, the “Privia Parties”) entered into a credit agreement (the “Revolving Credit Agreement”) with Wells Fargo Bank, National Association, as issuing lender, and certain other lenders, pursuant to which the Privia Parties established a \$125 million five-year senior secured revolving credit facility (the “Revolving Credit Facility”). The Revolving Credit Agreement bears interest at a base rate plus applicable margin, with the base rate being the higher of the Prime Rate or the Federal Funds Rate plus 0.50%. In no event will the base rate be less than 1.0%

The Revolving Credit Facility, which expires in November 2028, provides for revolving loans and the issuance of letters of credit in an aggregate amount of \$125 million. On a quarterly basis, the Company pays a commitment fee on the unused Revolving Credit Facility (0.20% per annum). The proceeds of these loans and the letters of credit issued under the Revolving Credit Facility may be used for capital expenditures, expenses related to transactions and general corporate purposes.

The Revolving Credit Agreement contains customary affirmative, negative and financial covenants, and customary events of default. The occurrence of an event of default under the Revolving Credit Agreement may cause the unpaid principal and accrued interest, and all other obligations under the Revolving Credit Agreement to become immediately due and payable.

As of September 30, 2024, no amounts were outstanding under the Revolving Credit Facility.

Substantially all of the Company’s real and personal property serve as collateral under the above debt arrangements.

## 7. Income Taxes

The Company recorded a provision for income tax of \$4.0 million and \$2.5 million for the three months ended September 30, 2024 and 2023, respectively, and \$8.2 million and \$6.0 million for the nine months ended September 30, 2024 and 2023, respectively. This represents an effective tax rate of 41.2% and 24.4% as of September 30, 2024 and 2023, respectively. The effective tax rates for the three and nine months ended September 30, 2024, and 2023, respectively, differ from the statutory U.S. federal income tax rate of 21% primarily due to 162(m) limitations and state income taxes.

Management considers both positive and negative evidence when evaluating the recoverability of our deferred tax assets (“DTAs”). The assessment is required to determine whether, based on all available evidence, it is more likely than not (i.e., greater than a 50% probability) that all or some portion of the DTAs will be realized in the future. As of September 30, 2024 and December 31, 2023, the weight of all available positive evidence was greater than the weight of all negative evidence, so a valuation allowance against the deferred tax asset was not recorded.

## 8. Stockholders’ Equity

On April 6, 2021, the Board approved the 2021 Omnibus Incentive Plan (the “Plan”) which permits awards in respect of up to 10,278,581 shares of Common Stock. The Plan also provides for an automatic increase on the first day of each fiscal year following the effective date of the Plan by an amount equal to the lesser of (i) 5% of outstanding shares on December 31 of the immediately preceding fiscal year or (ii) such number of shares as determined by the Company’s Compensation Committee in its discretion. The Plan provides for the granting of stock options at a price equal to at least 100% of the fair market value of Common Stock as of the date of grant. The Plan also provides for the granting of Stock Appreciation Rights, Restricted Stock, Restricted Stock Units (“RSUs”), Performance Awards (“PSUs”) and other cash-based or other stock-based awards, all of which must be granted at not less than the fair market value of Common Stock as of the date of grant. As of September 30, 2024, the Company has reserved 1,027,858 shares of Common Stock for issuance under the 2021 Employee Stock Purchase Plan (“2021 ESPP”), and no shares have been purchased under this plan.

Prior to the Company’s initial public offering (“IPO”), the Company granted stock options pursuant to the PH Group Parent Corp. Stock Option Plan (the “PH Parent Option Plan”). The Company no longer issues grants under the PH Parent Option Plan and no shares of Common Stock are reserved for future issuance thereunder. On March 2, 2023, the Company entered into a strategic alignment agreement (the “Equity Alignment Agreement”) with ChoiceHealth, Inc. (“Novant Sub”), a subsidiary of Novant Health,

Inc. (“Novant Health”). No shares have been issued to Novant Sub under the Equity Alignment Agreement as of September 30, 2024. A member of the Board is a member of the board of trustees of Novant Health.

#### Stock option activity

The following table summarizes stock option activity under the PH Parent Option Plan and the Plan:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2023	9,820,754	\$ 9.06	7.90	\$ 138,028
Granted	—	—		
Exercised	(982,108)	2.01		
Forfeited	(33,183)	24.56		
Balance at September 30, 2024	8,805,463	\$ 9.79	7.36	\$ 90,388
Exercisable September 30, 2024	7,748,249	\$ 7.95	7.47	\$ 90,388

#### RSU Activity

The following table summarizes the RSU activity under the Plan:

	Number of Shares	Grant Date Fair Value
Unvested and outstanding at December 31, 2023	2,947,102	\$ 25.18
Granted	2,168,676	22.57
Vested	(812,593)	25.70
Forfeited	(152,043)	24.66
Unvested and outstanding at September 30, 2024	4,151,142	\$ 23.73

#### PSU Activity

The following table summarizes the PSU activity under the Plan:

	Number of Shares	Grant Date Fair Value
Unvested and outstanding at December 31, 2023	776,029	\$ 31.94
Granted <sup>(1)</sup>	904,960	22.92
Vested	(15,735)	29.93
Forfeited	(27,573)	29.05
Unvested and outstanding at September 30, 2024	1,637,681	\$ 27.02

(1) During the nine months ended September 30, 2024, Privia awarded RSUs in the form of PSUs to certain executive officers and employees which vest after three years, subject to continued employment of the recipients and the achievement of certain performance metric targets. The Company has identified and approved the performance metrics associated with the 2024 fiscal year and the applicable targets for the 2025 and 2026 fiscal years will be established and approved at a later date. The Company has determined that the service inception date precedes the grant date for these awards as (a) the awards were authorized prior to establishing an accounting grant date, (b) the recipients began providing services prior to the grant date, and (c) there are performance conditions that, if not met by the accounting grant date, will result in the forfeiture of the awards. As the service inception date precedes the accounting grant date, the Company recognizes stock-based compensation expense over the requisite service period based on the fair value at each reporting date.

#### Stock-based compensation expense

Total stock-based compensation expense for the three months ended September 30, 2024 and 2023, was approximately \$15.1 million and \$10.8 million, respectively, and \$41.4 million and \$25.4 million for the nine months ended September 30, 2024 and 2023, respectively. At September 30, 2024, there was approximately \$86.9 million of unrecognized stock-based compensation expense related to unvested options, RSUs and PSUs, net of forfeitures, that is expected to be recognized over a weighted-average period of 1.2 years.

Stock-based compensation expense was classified in the condensed consolidated statements of operations as follows:

(Dollars in Thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of platform	\$ 4,905	\$ 3,445	\$ 13,502	\$ 8,739
Sales and marketing	1,130	661	2,943	1,757
General and administrative	9,071	6,695	24,956	14,933
Total stock-based compensation	\$ 15,106	\$ 10,801	\$ 41,401	\$ 25,429

## 9. Commitments and Contingencies

There are no material commitments and contingencies as of September 30, 2024 and December 31, 2023.

## 10. Concentration of Credit and Revenue Risk

Our financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. While our cash and cash equivalents are managed by reputable financial institutions, the Company's cash balances with the individual institutions may at times exceed the federally insured limits. Our cash and cash equivalents primarily consist of highly liquid investments in money market funds and cash.

The following table provides the Company's revenue concentrations with respect to major payers as a percentage of the Company's total revenues:

(Dollars in Thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Payer A	30 %	32 %	30 %	31 %
Payer B	15 %	14 %	14 %	15 %
Payer C	11 %	11 %	11 %	11 %

The following table provides the Company's concentrations of credit risk with respect to major payers as a percentage of receivables, net:

(Dollars in Thousands)	September 30, 2024	December 31, 2023
Payer A	25 %	23 %
Payer B	18 %	18 %
Payer C	14 %	14 %

## 11. Net Income Per Share

A reconciliation of net income available to common stockholders and the number of shares in the calculation of basic and diluted earnings per share was calculated as follows:

(in thousands, except for share and per share amounts)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to Privia Health Group, Inc. common stockholders	\$ 3,535	\$ 5,643	\$ 9,986	\$ 20,241
Weighted average common shares outstanding - basic	119,658,574	117,602,059	119,156,368	116,266,938
Weighted average common share outstanding - diluted	125,751,006	124,924,442	125,457,540	124,646,849
Earnings per share attributable to Privia Health Group, Inc. common stockholders – basic	\$ 0.03	\$ 0.05	\$ 0.08	\$ 0.17
Earnings per share attributable to Privia Health Group, Inc. common stockholders – diluted	\$ 0.03	\$ 0.05	\$ 0.08	\$ 0.16

The treasury stock method is used to consider the effect of the potentially dilutive stock options. The following outstanding shares of potentially dilutive securities were excluded from computation of diluted loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	Nine Months Ended September 30,	
	2024	2023
Potentially dilutive stock options to purchase common stock, RSUs and PSUs	8,293,114	5,411,217
Total potentially dilutive shares	8,293,114	5,411,217

## 12. Subsequent Events

In November 2024, the Company announced it had entered the state of Indiana in partnership with a multi-specialty practice.



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

*The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this quarterly report on Form 10-Q. In addition, the following discussion and analysis and information contains forward-looking statements about the business, operations and financial performance of the Company based on our current expectations that involve risks, uncertainties and assumptions. Our actual results could differ materially from those anticipated by these forward-looking statements as a result of many factors, including, but not limited to, those identified below and those discussed in the sections titled "Risk Factors" and "Information Regarding Forward-Looking Statements" in this quarterly report on Form 10-Q.*

### Overview

Privia Health is a technology-driven, national physician-enablement company that collaborates with medical groups, health plans, and health systems to optimize physician practices, improve patient experiences, and reward doctors for delivering high-value care in both in-person and virtual care settings on the "Privia Platform." We directly address three of the most pressing issues facing physicians today: the transition to the VBC reimbursement model, the ever-increasing administrative requirements to operate a successful medical practice and the need to engage patients using modern user-friendly technology. We seek to accomplish these objectives by entering markets and organizing existing physicians and non-physician clinicians into a unique practice model that combines the advantages of a partnership in a large regional Medical Group with significant local autonomy for Privia Providers joining our Medical Groups. Our Medical Groups are designated as in-network by all major health insurance payers in all of our markets and all Privia Providers are credentialed with such health insurance payers.

Under our standard model, Privia Physicians join the Medical Group in their geographic market as an owner of the Medical Group. Certain of our Medical Groups are Owned Medical Groups, with Privia Physicians owning a minority interest. However, in those markets in which state regulations do not allow us to own physician practices, the Medical Groups are Non-Owned Medical Groups or Friendly Medical Groups. Privia Physicians who owned their own practices prior to joining Privia continue to own their Affiliated Practices, but those Affiliated Practices no longer furnish healthcare services. The Medical Groups have no ownership in the underlying Affiliated Practices, but the Affiliated Practices do provide certain services to our Medical Groups, such as use of space, non-physician staffing, equipment and supplies.

We provide management services to each Medical Group through a local MSO established with the objective of maximizing the independence and autonomy of our Affiliated Practices, while providing Medical Groups with access to VBC opportunities either directly or through Privia-owned Accountable Care Organizations ("ACOs"). We have national committees that distribute quality guidance, and we employ Chief Medical Officers who provide clinical oversight and direction over the clinical affairs of the Owned Medical Groups. Additionally, we hold the provider contracts, maintain the patient records, set reimbursement rates, and negotiate payer contracts on behalf of the Owned Medical Groups and the owned ACOs.

We also offer Privia Care Partners, a more flexible provider affiliation model, to providers who do not desire to join one of our medical groups. This model aggregates providers in certain of our existing markets as well as new markets who are looking solely for VBC solutions without the necessity of changing EMR providers. We furnish population health services, reporting and analytics to such providers along with a menu of management services from which providers may choose.

### GAAP Financial Measures

- Revenue was \$437.9 million and \$417.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$1.28 billion and \$1.22 billion for the nine months ended September 30, 2024 and 2023, respectively;
- Gross profit was \$99.9 million and \$90.6 million for the three months ended September 30, 2024 and 2023, respectively, and \$291.6 million and \$263.8 million for the nine months ended September 30, 2024 and 2023, respectively;
- Operating income was \$5.8 million and \$5.5 million for the three months ended September 30, 2024 and 2023, respectively, and \$11.7 million and \$19.2 million for the nine months ended September 30, 2024 and 2023, respectively; and
- Net income attributable to Privia Health Group, Inc. was \$3.5 million and \$5.6 million, for the three months ended September 30, 2024 and 2023, respectively, and \$10.0 million and \$20.2 million for the nine months ended September 30, 2024 and 2023, respectively.

### Key Metrics and Non-GAAP Financial Measures

- Practice Collections were \$739.9 million and \$723.5 million for the three months ended September 30, 2024 and 2023, respectively, and \$2.18 billion and \$2.08 billion for the nine months ended September 30, 2024 and 2023, respectively;
- Care Margin was \$101.4 million and \$92.1 million for the three months ended September 30, 2024 and 2023, respectively, and \$296.1 million and \$267.7 million for the nine months ended September 30, 2024 and 2023, respectively;

- Platform Contribution was \$50.3 million and \$45.2 million for the three months ended September 30, 2024 and 2023, respectively, and \$142.4 million and \$131.2 million for the nine months ended September 30, 2024 and 2023, respectively; and
- Adjusted EBITDA was \$23.6 million and \$18.8 million for the three months ended September 30, 2024 and 2023, respectively, and \$65.6 million and \$55.0 million for the nine months ended September 30, 2024 and 2023, respectively.

See “Key Metrics and Non-GAAP Financial Measures” below for more information as to how we define and calculate Implemented Providers, Attributed Lives, Practice Collections, Care Margin, Platform Contribution, Platform Contribution Margin, Adjusted EBITDA and Adjusted EBITDA Margin, and for a reconciliation of gross profit, the most comparable GAAP measure, to Care Margin, gross profit, the most comparable GAAP measure, to Platform Contribution, and net income, the most comparable GAAP measure, to Adjusted EBITDA.

### ***Our Revenue***

We recognize revenue from multiple stakeholders, including health care consumers, health insurers, employers, providers and health systems. Our revenue includes (i) FFS revenue generated from providing healthcare services to patients through Privia Providers of Owned Medical Groups or administrative fees collected for providing administrative services to Non-Owned Medical Groups, (ii) VBC revenue collected on behalf of our providers, through capitated revenue, shared savings (including surplus payments, shared savings, total cost of care budget payments and similar payments) and care management fees (including care management fees, management services fees, care coordination fees and all other similar administrative fees), and (iii) other revenue from additional services, such as concierge services, virtual visits, virtual scribes and coding.

#### *FFS Revenue*

We generate FFS-patient care revenue when we collect reimbursements for FFS medical services provided by Privia Providers. Our agreements with our providers have a multi-year term length and we have historically experienced a 96% provider retention rate, both of which lead to a highly predictable and recurring revenue model. Our FFS contracts with payer partners typically contain annual rate inflators and enhanced commercial FFS rates given our scale in each of our markets. As a result of receiving these rate inflators and enhancements, if we continue to be successful in expanding our provider base, we expect revenue will grow year-over-year in absolute dollars. In addition, in our FFS-patient care revenue, we include collections generated from ancillary services such as clinical laboratory, imaging and pharmacy operations. We also generate FFS-administrative services revenue by providing administration and management services to medical groups which are not owned or consolidated by us. FFS-patient care revenue represented 64.7% and 58.8% of total revenue for the three months ended September 30, 2024 and 2023, respectively, and 65.4% and 57.9% for the nine months ended September 30, 2024 and 2023, respectively. FFS-administrative services revenue represented 7.0% and 7.2% of total revenue for the three months ended September 30, 2024 and 2023, respectively, and 7.2% and 6.9% for the nine months ended September 30, 2024 and 2023, respectively.

#### *VBC Revenue*

Over time, we create incremental value for our provider partners by enabling them to succeed in VBC arrangements. We generate VBC revenue when our Privia Providers are reimbursed through traditional FFS Medicare, MSSP, Medicare Advantage, commercial payers and other existing and emerging direct payer and employer contracting programs. Given recent regulatory and utilization headwinds in Medicare Advantage, the Company renegotiated certain capitation agreements for more favorable contract structures with potential, positive contribution margin in 2024. As a result of the renegotiated agreements, effective January 1, 2024, approximately 19,800 Attributed Lives moved from capitated revenue, which is recorded on a gross basis, to shared savings revenue, which is recorded on a net basis. These lives are still managed, but our results are recorded on a net shared savings revenue basis. The revenue is primarily collected in the form of (i) Capitated revenue earned by providing healthcare services to Medicare Advantage attributed beneficiaries for a defined group of services including professional, institutional and pharmacy through a contract that is typically known as an “at-risk contract,” (ii) Shared savings earned based on improved quality and lower cost of care for our Attributed Lives in VBC incentive arrangements and (iii) Care management fees to cover costs of services typically not reimbursed under traditional FFS payment models, including population management, care coordination, advanced technology and analytics. VBC revenue represented 27.8% and 33.5% of total revenue for the three months ended September 30, 2024 and 2023, respectively, and 26.9% and 34.8% for the nine months ended September 30, 2024 and 2023, respectively.

#### *Other Revenue*

The remainder of our revenue is derived from leveraging our existing base of providers and patients to deliver value-oriented services such as virtual visits, virtual scribes and coding. Other revenue represented 0.5% of total revenue for both the three months ended September 30, 2024 and 2023, respectively, and 0.5% and 0.4% for the nine months ended September 30, 2024 and 2023, respectively.

## **Key Factors Affecting Our Performance**

### ***Addition of New Providers***

Our ability to increase our provider base will enable us to deliver financial growth as our providers generate both our FFS and VBC revenue. Our existing provider relationships and market share provides us with significant opportunity to grow in both existing and new geographies, and we believe the number of providers joining Privia is a key indicator of the market's recognition of the attractiveness of our platform to our providers, patients and payers. We intend to increase our provider base in existing and new markets by adding new practices and assisting our existing practices with recruiting new providers, using our in-market and national sales and marketing teams. As we add providers to the Privia Platform, we expect them to contribute incremental economics as we leverage our existing brand and infrastructure, both at the corporate and in-market levels.

### ***Addition of New Patients***

Our ability to add new patients to our provider base in existing and new markets will also enable us to deliver revenue growth in both our FFS and VBC contracts. We believe the number of attributed patient lives in VBC programs is a key driver of our VBC revenue growth. Our branding and marketing strategies to drive growth in our practices have continued to result in increased engagement with new and existing patients. We believe our continued success in growing the visibility of the Privia brand will result in increased patient panels per provider and contribute incremental revenue in both FFS and VBC for our practices.

### ***Expansion to New Markets***

Based upon our experience to date, we believe Privia can succeed in all reimbursement environments and payment models. The data we collected from older provider cohorts consistently suggest that we improve their performance in both FFS and VBC metrics over time and inform our expectations for our new markets. We believe our in-market operating structure and ability to serve providers wherever they are on their transition to VBC can benefit physicians and providers throughout the U.S. and that our solution is applicable across all 50 states. We enter a market with an asset-light operating model and employ a disciplined, uniform approach to market structure and development. We partner with market leading medical groups and health systems to form anchor relationships and align other independent, affiliated, or employed providers into a single-TIN medical group. Our business model also gives us flexibility for future, incremental growth through the acquisition of minority or majority stakes in our practices and opening de-novo, fully-owned sites of care focused on Medicare Advantage and direct contracting models.

During 2023, the Company entered four new markets through partnerships or affiliations with clinically integrated networks, health systems and independent group practices in Connecticut, Ohio, Washington state and South Carolina. In November 2024, the Company announced it had entered the state of Indiana in partnership with a multi-specialty practice.

### ***Provider Satisfaction and Retention***

Privia Providers have high satisfaction with their overall performance on our platform, and we strive to continuously improve provider well-being and patient satisfaction. Our percentage of collections model combined with high patient and provider satisfaction results in 90%+ Practice Collections predictability on a rolling twelve month forward basis. We believe these metrics demonstrate the stability of our provider base and the appeal to prospective providers and patients of our platform.

### ***Payer Contracts and Ability to Move Markets to VBC***

Our FFS and VBC revenue is dependent upon our contracts and relationships with payers. We partner with a large and diverse set of payer groups nationally and in each of our markets to form provider networks and to lower the overall cost of care, and we structure bespoke contracts to help both providers and payers achieve their objectives in a mutually aligned manner. Maintaining, supporting and increasing the number of these contracts and relationships, particularly as we enter new markets, is important for our long-term success.

Our ability to work within each geographic market as it evolves in its shift towards VBC, with our experience working in all reimbursement environments, enables providers to accelerate and succeed in their transition. Our model is aligned with our payer partners, as we have demonstrated improved patient outcomes while driving incremental revenue growth. We intend to accelerate the move towards the adoption of VBC reimbursement in each market in current and emerging payer programs. To do so, we will need to continue enhancing our VBC capabilities and executing on initiatives to deliver next generation access, superior quality metrics and lower cost of care.

Currently, the total number of Privia-owned ACOs is nine, serving beneficiaries across the District of Columbia and eleven states, including California, Connecticut, Florida, Georgia, Maryland, Montana, North Carolina, Tennessee, Texas, Virginia, and Washington state.

During 2022 and 2023, we entered into capitated payer arrangements. Capitated revenue is generated through what is typically known as an "at-risk contract." At-risk capitation refers to a model in which the Company is entitled to fixed monthly fees from the third-party payer in exchange for providing healthcare services to attributed beneficiaries in Medicare Advantage plans. The fees are typically based on a percentage of the defined premium that payers receive from Centers for Medicare and Medicaid Services ("CMS"). The Company is responsible for providing or paying for the cost of healthcare services required by those attributed

beneficiaries. At-risk capitated fees are recorded gross in revenues because the Company is acting as a principal in arranging for, providing, and controlling the managed healthcare services provided to the attributed beneficiaries. Given recent regulatory and utilization headwinds in Medicare Advantage, the Company renegotiated certain capitation agreements for more favorable contract structures with potential, positive contribution margin in 2024. As a result of the renegotiated agreements, effective January 1, 2024, approximately 19,800 Attributed Lives moved from capitated revenue, which is recorded on a gross basis, to shared savings revenue, which is recorded on a net basis.

### **Components of Revenue**

Our FFS revenue is primarily dependent upon the size of our provider base, payer contracted rates and patient volume. Our ability to maintain or improve pricing levels in our contracts with payers and patient volume for our providers will impact our results of operations. In addition to increasing our provider base and contracted rates over time, we also seek to increase patient volume by demonstrating the ability to provide a better patient experience that leads to higher retention rates and drives referrals to preferred, high quality and value-based providers. Our VBC revenue is primarily dependent upon the number of attributed patients in our VBC arrangements, risk levels of our payer contracts, and effective management of our patients' total cost of care. As we grow our provider base, we also expect to increase our total number of attributed patients in existing and new markets. In addition, we intend to increase the risk levels of our value-based programs as we seek a higher revenue opportunity on a per patient basis over time.

### **Investments in Growth**

We expect to continue focusing on long-term growth through investments in our sales and marketing, our technology-enabled platform, and our operations. In addition, as we continue our efforts to move markets toward VBC, we expect to continue making additional investments in operations for an expanded suite of clinical capabilities to manage our patient population.

We launched Privia Care Partners on January 1, 2022 to offer a more flexible affiliation model for providers who do not desire to join one of our Medical Groups. This model aggregates providers solely for VBC contracts without the necessity for providers to change EMR providers. We furnish population health services, reporting and analytics to such providers along with a menu of management services from which providers may choose. During 2023, several Privia Care Partners' providers transitioned to our Privia Medical Group model, which demonstrates the flexibility of our operating model and technology platform, as well as the ability to support physicians wherever they are in their transition value-based care. As of January 1, 2024, approximately 1,350 providers with approximately 200,000 Attributed Lives are participating in the Privia Care Partners model.

### **Key Metrics and Non-GAAP Financial Measures**

We review a number of operating and financial metrics, including the following key metrics and non-GAAP financial measures, to evaluate our business, measure our performance, identify trends affecting our business, formulate our business plans, and make strategic decisions.

#### **Key Metrics**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Implemented Providers (as of end of period)	4,642	4,105	4,642	4,105
Attributed Lives (in thousands) (as of end of period)	1,247	1,094	1,247	1,094
Practice Collections <sup>(1)</sup> (\$ in millions)	\$ 739.9	\$ 723.5	\$ 2,175.6	\$ 2,082.4

(1) We define Practice Collections as the total collections from all practices in all markets and all sources of reimbursement (FFS, VBC and other) that we receive for delivering care and providing our platform and associated services. Practice Collections differ from revenue by including collections from Non-Owned Medical Groups.

#### **Implemented Providers**

We define Implemented Providers as the total of all service professionals on Privia Health's platform at the end of a given period who are credentialed by Privia Health and bill for medical services, in both Owned and Non-Owned Medical Groups during that period. This includes, but is not limited to, physicians, physician assistants, and nurse practitioners. We believe that growth in the number of Implemented Providers is a key indicator of the performance of our business and expected revenue growth. This growth depends, in part, on our ability to successfully add new practices in existing markets and expand into new markets. The number of Implemented Providers increased 13.1% as of September 30, 2024 compared to September 30, 2023, due to organic growth in our healthcare delivery business as well as our entrances into the Washington state and South Carolina markets.

#### **Attributed Lives**

We define Attributed Lives as any patient that a payer deems attributed to Privia to deliver care as part of a VBC arrangement through a provider of primary care services as of the end of a particular period. The number of Attributed Lives is an important measure that impacts the amount of VBC revenue we receive. Attributed Lives increased 14.0% as of September 30, 2024 compared to September 30, 2023, due to our entrance into the Washington state market, as well as organic growth.

### Practice Collections

We define Practice Collections as the total collections from all practices in all markets and all sources of reimbursement (FFS, VBC and other) that we receive for delivering care and providing our platform and associated services. Practice Collections differ from revenue by adding collections from Non-Owned Medical Groups. FFS arrangements accounted for 82.5% and 77.3% of our practice collections for the three months ended September 30, 2024 and 2023, respectively, and 83.1% and 76.3% for the nine months ended September 30, 2024 and 2023, respectively. VBC accounted for 17.3% and 22.4% of Practice Collections for the three months ended September 30, 2024 and 2023, respectively, and 16.6% and 23.4% for the nine months ended September 30, 2024 and 2023, respectively.

Practice Collections increased 2.3% for the three months ended September 30, 2024 when compared to the same period in 2023 and 4.5% for the nine months ended September 30, 2024 compared to the same period in 2023, primarily due to organic growth of our healthcare delivery business and our entrances into the Ohio, Washington state and South Carolina markets.

### Non-GAAP Financial Measures

In addition to our financial results determined in accordance with GAAP, we believe Care Margin, Platform Contribution, Platform Contribution Margin, Adjusted EBITDA and Adjusted EBITDA Margin are useful as non-GAAP measures to investors as these are metrics used by management in evaluating our operating performance and in assessing the health of our business. We use Care Margin, Platform Contribution, Platform Contribution Margin, Adjusted EBITDA and Adjusted EBITDA Margin to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook.

However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as a tool for comparison. A reconciliation is provided below for our non-GAAP financial measures to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

(amounts in thousands, except for percentages)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Care Margin <sup>(1)</sup> (\$)	\$ 101,420	\$ 92,060	\$ 296,117	\$ 267,714
Platform Contribution <sup>(1)</sup> (\$)	\$ 50,257	\$ 45,181	\$ 142,388	\$ 131,199
Platform Contribution Margin <sup>(1)</sup> (%)	49.6%	49.1%	48.1%	49.0%
Adjusted EBITDA <sup>(1)</sup> (\$)	\$ 23,624	\$ 18,774	\$ 65,568	\$ 54,950
Adjusted EBITDA Margin <sup>(1)</sup> (%)	23.3%	20.4%	22.1%	20.5%

<sup>(1)</sup> See below for more information as to how we define and calculate Care Margin, Platform Contribution, Platform Contribution Margin, Adjusted EBITDA and Adjusted EBITDA Margin and for a reconciliation of Gross Profit, the most comparable GAAP measure, to Care Margin, Gross Profit the most comparable GAAP measure, to Platform Contribution, and net income, the most comparable GAAP measure, to Adjusted EBITDA.

### Care Margin

We define Care Margin as Gross Profit excluding amortization of intangible assets. Gross Profit is defined as total revenue less provider expenses and amortization of intangible assets. Our Care Margin generated from FFS revenue is contractual and recurring in nature, and primarily based on an individually negotiated percentage of collections for each practice that joins Privia. Our Care Margin generated from VBC revenue is based on a percentage of care management fees and shared savings collected. We view Care Margin as all of the dollars available for us to manage our business, including providing administrative support to our practices, investing in sales and marketing to attract new providers to the Privia Platform, and supporting the organization through our corporate infrastructure. We expect Care Margin will grow year-over-year in absolute dollars as we continue to expand our provider base. We would also expect our care management and shared savings economics in our VBC arrangements to improve on a per patient basis as we manage towards lower total cost of care for our Attributed Lives and move towards higher risk/higher reward VBC arrangements over time. Care Margin increased 10.2% for the three months ended September 30, 2024 when compared to the same period in 2023 due to organic growth of our medical practice business and increased 10.6% for the nine months ended September 30, 2024 when compared to the same period in 2023 due to organic growth of our medical practice business. As a percentage of revenue, Care Margin increased to 23.2% for the three months ended September 30, 2024 from 22.1% for the same period in 2023 and increased to 23.2% for the nine months ended September 30, 2024, compared to 22.0% during the same period in 2023, due to renegotiated certain at-risk

Capitation agreements for a more favorable contract structure which is now reflected on a net basis under shared savings starting with the first quarter of 2024.

In addition to our financial results determined in accordance with GAAP, we believe Care Margin, a non-GAAP measure, is useful in evaluating our operating performance. We use Care Margin to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial measure, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Care Margin is helpful to our investors as it is a metric used by management in assessing the health of our business and our operating performance.

The following table provides a reconciliation of gross profit, the most closely comparable GAAP financial measure, to Care Margin:

(unaudited and amounts in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 437,921	\$ 417,282	\$ 1,275,490	\$ 1,216,909
Provider expense	(336,501)	(325,222)	(979,373)	(949,195)
Amortization of intangible assets	(1,506)	(1,434)	(4,560)	(3,883)
Gross Profit	\$ 99,914	\$ 90,626	\$ 291,557	\$ 263,831
Amortization of intangible assets	1,506	1,434	4,560	3,883
Care margin	\$ 101,420	\$ 92,060	\$ 296,117	\$ 267,714

### Platform Contribution

We define Platform Contribution as Gross Profit, excluding amortization of intangible assets, less cost of platform and excluding stock-based compensation expense included in cost of platform. The following table provides a reconciliation of gross profit, the most closely comparable GAAP financial measure, to Platform Contribution. We consider Platform Contribution to be an important measure to monitor our performance, specific to pricing of our services, direct costs of delivering care, and cost of our platform and associated services. As a provider spends a longer time on the Privia Platform, we expect the Platform Contribution from that provider to increase both in terms of absolute dollars as well as a percent of Care Margin. We expect that this increase will be driven by improving per provider revenue economics over time as well as our ability to generate operating leverage on our in-market infrastructure costs. Platform Contribution increased 11.2% for the three months ended September 30, 2024 when compared to the same period in 2023 and increased 8.5% for the nine months ended September 30, 2024 when compared to the same period in 2023, in each case due to organic growth of our medical practice business and new market entries.

The following table provides a reconciliation of gross profit, the most closely comparable GAAP financial measure, to Platform Contribution:

(unaudited and amounts in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 437,921	\$ 417,282	\$ 1,275,490	\$ 1,216,909
Provider expense	(336,501)	(325,222)	(979,373)	(949,195)
Amortization of intangible assets	(1,506)	(1,434)	(4,560)	(3,883)
Gross Profit	\$ 99,914	\$ 90,626	\$ 291,557	\$ 263,831
Amortization of intangible assets	1,506	1,434	4,560	3,883
Cost of platform	(56,068)	(50,324)	(167,231)	(145,254)
Stock-based compensation <sup>(1)</sup>	4,905	3,445	13,502	8,739
Platform Contribution	\$ 50,257	\$ 45,181	\$ 142,388	\$ 131,199

<sup>(1)</sup> Amount represents stock-based compensation expense included in cost of platform.

### Platform Contribution Margin

We define Platform Contribution Margin as Platform Contribution as a percentage of Care Margin. We consider Platform Contribution Margin to be an important measure to monitor our performance, specific to pricing of our services, direct costs of delivering care, and cost of our platform and associated services. As a provider spends a longer time on the Privia Platform, we expect the Platform Contribution from that provider to increase both in terms of absolute dollars as well as a percent of Care Margin. We expect that this increase will be driven by improving per provider revenue economics over time as well as our ability to generate operating leverage on our in-market infrastructure costs. Platform Contribution Margin was 49.6% for three months ended September 30, 2024 compared to 49.1% during the same period in 2023 primarily due to organic growth, and 48.1% for the nine months ended September 30, 2024

compared to 49.0% during the same period in 2023. The year over year decrease in Platform Contribution Margin is primarily related to costs associated with the entry into new markets.

In addition to our financial results determined in accordance with GAAP, we believe Platform Contribution and Platform Contribution Margin, each, a non-GAAP measure, are useful in evaluating our operating performance. We use Platform Contribution to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Platform Contribution is helpful to our investors as they are metrics used by management in assessing the health of our business and our operating performance.

#### **Adjusted EBITDA**

We define Adjusted EBITDA as net income excluding interest income, interest expense, non-controlling expense/income, depreciation and amortization, stock-based compensation, severance, other one time or non-recurring expenses, employer taxes on equity vesting/exercises and the provision for income taxes. We include Adjusted EBITDA because it is an important measure by which our management assesses and believes investors should assess our operating performance. We consider Adjusted EBITDA to be an important measure because it helps illustrate underlying trends in our business and our historical operating performance on a more consistent basis. Adjusted EBITDA has limitations as an analytical tool including: (i) Adjusted EBITDA does not reflect the impact of stock-based compensation expense, and (ii) Adjusted EBITDA does not reflect interest expense on any debt we may incur or the cash requirements necessary to service interest or principal payments on such debt. Adjusted EBITDA increased 25.8% for the three months ended September 30, 2024, when compared to the same period in 2023 and 19.3% for the nine months ended September 30, 2024 compared to the same period in 2023, in each case due to organic growth of our medical practice business, new market entries, and growth in Attributed Lives.

#### **Adjusted EBITDA Margin**

We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Care Margin. We included Adjusted EBITDA Margin because it is an important measure by which our management assesses and believes investors should assess our operating performance. We consider Adjusted EBITDA Margin to be an important measure because it helps illustrate underlying trends in our business and our historical operating performance on a more consistent basis. Adjusted EBITDA Margin was 23.3% for three months ended September 30, 2024 an increase from 20.4% for the same period in 2023 and 22.1% for the nine months ended September 30, 2024, an increase from 20.5% for the same period in 2023, due to organic growth of our medical practice business and new market entries.

We believe that Adjusted EBITDA and Adjusted EBITDA Margin, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA and Adjusted EBITDA Margin is helpful to our investors as they are metrics used by management in assessing the health of our business and our operating performance.

The following table provides a reconciliation of net income attributable to the Company, the most closely comparable GAAP financial measure, to Adjusted EBITDA:

(unaudited and amounts in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 3,535	\$ 5,643	\$ 9,986	\$ 20,241
Net income (loss) attributable to non-controlling interests	443	299	1,691	(1,537)
Provision for income taxes	3,999	2,488	8,171	6,049
Interest income, net	(2,164)	(2,894)	(8,114)	(5,524)
Depreciation and amortization	1,797	1,731	5,436	4,761
Stock-based compensation	15,106	10,801	41,401	25,429
Other expenses <sup>(1)</sup>	908	706	6,997	5,531
Adjusted EBITDA	\$ 23,624	\$ 18,774	\$ 65,568	\$ 54,950

<sup>(1)</sup> Other expenses include employer taxes on equity vesting/exercises, severance and certain non-recurring costs.

## **Components of Results of Operations**

### ***Revenue***

As noted above under “Our Revenue,” revenue is earned in three main categories: FFS revenue, VBC revenue and other revenue.

### ***Operating Expenses***

#### *Provider expenses*

Provider expenses are amounts accrued or payments made to physicians, hospitals and other service providers, including Privia physicians, their related physician practices, and providers the Company has contracted with through payer partners. Those costs include physician guaranteed payments and other required distributions pursuant to the service agreements as well as medical claims costs for services provided to attributed beneficiaries under at-risk Capitated revenue arrangements for which the Company is financially responsible whether paid directly by the Company or indirectly by payers with whom the Company has contracted. Provider expenses are recognized in the period in which services are provided.

#### *Cost of platform*

Third-party EMR and practice management software expenses are paid on a percentage of revenue basis, while we pay most of the costs of our platform on a variable basis related to the number of implemented physicians we service. In addition, expenses contain stock-based compensation related to employees that provide cost of platform services but exclude any depreciation and amortization expense. Software development costs that do not meet capitalization criteria are expensed as incurred. As we continue to grow, we expect the cost of platform to continue to grow at a rate slower than the revenue growth rate.

#### *Sales and marketing*

Sales and marketing expenses consist of employee-related expenses, including salaries, commissions, stock-based compensation, and employee benefits costs, for all of our employees engaged in marketing, sales, community outreach, and sales support. In addition, sales and marketing expenses also include central and community-based advertising to generate greater awareness, engagement, and retention among our current and prospective patients as well as the infrastructure required to support all of our marketing efforts.

#### *General and administrative*

Corporate, general and administrative expenses include employee-related expenses, including salaries and related costs and stock-based compensation, technology infrastructure, occupancy costs, operations, clinical and quality support, finance, legal, human resources, and business development departments.

#### *Depreciation and amortization expense*

Depreciation and amortization expenses are primarily attributable to our capital investment and consist of fixed asset depreciation and amortization of intangibles considered to have definite lives. We do not allocate depreciation and amortization expenses to other operating expense categories.

#### *Interest income, net*

Interest income consists primarily of interest earned by the Company on bank balances, offset by interest expense (including deferred financing costs) on any outstanding borrowings. See “Liquidity and Capital Resources—General and Indebtedness.”



## Results of Operations

The following table sets forth our condensed consolidated statements of operations data for the three and nine months ended September 30, 2024 and 2023:

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024	2023	Change (\$)	Change (%)	2024	2023	Change (\$)	Change (%)
<b>(in thousands)</b>								
Revenue	\$ 437,921	\$ 417,282	\$ 20,639	4.9 %	\$ 1,275,490	\$ 1,216,909	\$ 58,581	4.8 %
Operating expenses:								
Provider expense	336,501	325,222	11,279	3.5 %	979,373	949,195	30,178	3.2 %
Cost of platform	56,068	50,324	5,744	11.4 %	167,231	145,254	21,977	15.1 %
Sales and marketing	7,047	7,241	(194)	(2.7)%	19,984	18,483	1,501	8.1 %
General and administrative	30,695	27,228	3,467	12.7 %	91,732	79,987	11,745	14.7 %
Depreciation and amortization	1,797	1,731	66	3.8 %	5,436	4,761	675	14.2 %
Total operating expenses	432,108	411,746	20,362	4.9 %	1,263,756	1,197,680	66,076	5.5 %
Operating income	5,813	5,536	277	5.0 %	11,734	19,229	(7,495)	(39.0)%
Interest income, net	2,164	2,894	(730)	(25.2)%	8,114	5,524	2,590	46.9 %
Income before provision for income taxes	7,977	8,430	(453)	(5.4)%	19,848	24,753	(4,905)	(19.8)%
Provision for income taxes	3,999	2,488	1,511	60.7 %	8,171	6,049	2,122	35.1 %
Net income	3,978	5,942	(1,964)	(33.1)%	11,677	18,704	(7,027)	(37.6)%
Less: Net income (loss) attributable to non-controlling interests	443	299	144	48.2 %	1,691	(1,537)	3,228	(210.0)%
Net income attributable to Privia Health Group, Inc.	\$ 3,535	\$ 5,643	\$ (2,108)	(37.4)%	\$ 9,986	\$ 20,241	\$ (10,255)	(50.7)%

## Revenue

The following table presents our revenues disaggregated by source:

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024	2023	Change (\$)	Change (%)	2024	2023	Change (\$)	Change (%)
<b>(Dollars in Thousands)</b>								
FFS-patient care	\$ 283,278	\$ 245,569	\$ 37,709	15.4 %	\$ 833,862	\$ 704,346	\$ 129,516	18.4 %
FFS-administrative services	30,697	29,845	852	2.9 %	91,906	83,413	8,493	10.2 %
Capitated revenue	53,393	88,526	(35,133)	(39.7)%	161,135	253,481	(92,346)	(36.4)%
Shared savings	47,438	33,530	13,908	41.5 %	134,720	130,304	4,416	3.4 %
Care management fees (PMPM)	21,060	17,778	3,282	18.5 %	47,826	39,904	7,922	19.9 %
Other Revenue	2,055	2,034	21	1.0 %	6,041	5,461	580	10.6 %
Total Revenue	\$ 437,921	\$ 417,282	\$ 20,639	4.9 %	\$ 1,275,490	\$ 1,216,909	\$ 58,581	4.8 %

### Three months ended September 30, 2024 and 2023

Revenue was \$437.9 million for the three months ended September 30, 2024, an increase from \$417.3 million for the three months ended September 30, 2023. Key drivers of this revenue growth include: FFS-patient care revenue and FFS-administrative services, which increased \$37.7 million and \$0.9 million, primarily attributable to the addition of new providers and an increase in visit volume; shared savings revenue, which increased \$13.9 million primarily due to more Attributed Lives in Medicare programs as well as continued strong performance in our value based care programs in the aggregate; and an increase in PMPM revenue of \$3.3 million primarily due to growth in Attributed Lives. The decrease in capitated revenue of \$(35.1) million during the three months ended September 30, 2024 is due to renegotiation of capitated arrangements for a more favorable contract structure which is now reflected on a net basis under shared savings starting with the first quarter of 2024.

### Nine months ended September 30, 2024 and 2023

Revenue was \$1.28 billion for the nine months ended September 30, 2024, an increase from \$1.22 billion for the same period in 2023. Key drivers of this revenue growth include an increase in FFS-patient care revenue and FFS-administrative services, which increased \$129.5 million and \$8.5 million, respectively, due to the addition of new providers and an increase in visit volumes; PMPM revenue, which increased \$7.9 million primarily attributable to growth in Attributed Lives; and shared savings revenue, which increased \$4.4 million primarily related to more Attributed Lives in Medicare programs as well as continued strong performance in our value based care programs. The decrease in capitated revenue in 2024 of \$(92.3) million due to the renegotiation of capitated arrangements for a more favorable contract structure which is now reflected on a net basis under shared shavings starting with the first quarter of 2024.

### Operating Expenses

(Dollars in Thousands)	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024	2023	Change (\$)	Change (%)	2024	2023	Change (\$)	Change (%)
Operating Expenses:								
Provider expense	\$ 336,501	\$ 325,222	\$ 11,279	3.5 %	\$ 979,373	\$ 949,195	\$ 30,178	3.2 %
Cost of platform	56,068	50,324	5,744	11.4 %	167,231	145,254	21,977	15.1 %
Sales and marketing	7,047	7,241	(194)	(2.7)%	19,984	18,483	1,501	8.1 %
General and administrative	30,695	27,228	3,467	12.7 %	91,732	79,987	11,745	14.7 %
Depreciation and amortization expense	1,797	1,731	66	3.8 %	5,436	4,761	675	14.2 %
Total operating expenses	<u>\$ 432,108</u>	<u>\$ 411,746</u>	<u>\$ 20,362</u>	<u>4.9 %</u>	<u>\$ 1,263,756</u>	<u>\$ 1,197,680</u>	<u>\$ 66,076</u>	<u>5.5 %</u>

### Provider expenses

Provider expenses were \$336.5 million for the three months ended September 30, 2024 compared to \$325.2 million for the same period in 2023, and \$979.4 million for the nine months ended September 30, 2024 compared to \$949.2 million for the same period in 2023. The increase was driven primarily by higher FFS-patient care revenue and growth in Implemented Providers during 2024.

### Cost of platform

Cost of platform expenses were \$56.1 million for the three months ended September 30, 2024 compared to \$50.3 million for the same period in 2023. The increase was driven by an increase in salaries and benefits of \$1.8 million related to continued growth during the three months ended September 30, 2024 compared to the same period in 2023, an increase in stock-based compensation expense of \$1.5 million, primarily related to an increase in stock-based awards granted in 2024 compared to 2023, and an increase in platform costs of \$1.4 million, primarily related to an increase in Implemented Providers.

Cost of platform expenses were \$167.2 million for the nine months ended September 30, 2024 compared to \$145.3 million for the same period in 2023. The increase was driven by an increase in salaries and benefits of \$8.0 million related to continued growth during the nine months ended September 30, 2024 compared to the same period in 2023, an increase in platform costs of \$4.8 million primarily related to an increase in Implemented Providers, an increase of \$4.8 million in stock-based compensation expense primarily related to an additional quarter of expense due to timing of the 2023 equity awards being granted during the second quarter of 2023 compared to 2024 equity awards being granted during the first quarter of 2024, an increase of \$2.5 million in professional services related to additional consulting services.

### Sales and marketing

Sales and marketing expenses were \$7.0 million for the three months ended September 30, 2024 compared to \$7.2 million for the same period in 2023. The decrease was primarily driven by various de minimis expenses during the three months ended September 30, 2024 compared to the same period in 2023.

Sales and marketing expenses were \$20.0 million for the nine months ended September 30, 2024 compared to \$18.5 million for the same period in 2023. The increase was driven primarily by an increase in salaries and benefits of \$1.0 million.

### General and administrative

General and administrative expenses were \$30.7 million for the three months ended September 30, 2024 compared to \$27.2 million for the same period in 2023. The increase was driven by the increase of \$2.4 million in stock-based compensation expense, which is primarily attributed an increase in stock-based awards granted in 2024 compared to 2023.

General and administrative expenses were \$91.7 million for the nine months ended September 30, 2024 compared to \$80.0 million for the same period in 2023. The increase was driven by the increase of \$10.0 million in stock-based compensation expense, which is primarily related to an additional quarter of expense due to timing of the 2023 equity awards being granted during the second quarter of 2023 compared to 2024 equity awards being granted during the first quarter of 2024.

#### *Depreciation and amortization expense*

Depreciation and amortization expenses were \$1.8 million for the three months ended September 30, 2024 compared to \$1.7 million for the same period in 2023, and \$5.4 million for the nine months ended September 30, 2024 compared to \$4.8 million for the same period in 2023. This increase was primarily driven by amortization of intangible assets related to acquisitions during the third and fourth quarters of 2023.

#### *Interest income, net*

Interest income was a net interest income amount of \$2.2 million for the three months ended September 30, 2024 compared to \$2.9 million for the same period in 2023 and \$8.1 million for the nine months ended September 30, 2024 compared to \$5.5 million for the same period in 2023. Interest income is primarily based on the cash balance held in interest bearing accounts.

#### *Provision for income taxes*

The provision for income taxes was \$4.0 million for the three months ended September 30, 2024, compared to the provision for income taxes of \$2.5 million for the same period in 2023. The change was primarily attributable to the estimated tax rate for the year and fewer excess tax benefits stemming from share based compensation related stock option exercise and restricted stock unit vesting events.

The provision for income taxes was \$8.2 million for the nine months ended September 30, 2024, an increase from the provision for income taxes of \$6.0 million for the same period in 2023. The provision for income taxes for the nine months ended September 30, 2024 is primarily the result of pre-tax income offset by non-deductible stock-based compensation expense and its impact on the annualized effective tax rate applied to the nine months ended September 30, 2024. The provision for income taxes for the nine months ended September 30, 2023 was driven by the changes in 162(m) limitations, state provision and excess tax benefits from windfalls.

#### *Net income (loss) attributable to non-controlling interests*

Net income attributable to non-controlling interests the three months ended September 30, 2024, compared to the same period in 2023 remained relatively consistent.

Net income attributable to non-controlling interest was \$1.7 million for the nine months ended September 30, 2024 an increase compared to a (loss) of \$(1.5) million during the same period in 2023. The change is primarily related to the ramp up of new markets entered and repurchase of non-controlling interests during 2023.

### **Liquidity and Capital Resources**

#### ***General***

To date, we have financed our operations principally through sale of our equity, payments received from various payers and through borrowings under the prior Credit Agreement. As of September 30, 2024, we had cash and cash equivalents of \$422.0 million. Our cash and cash equivalents primarily consist of highly liquid investments in money market funds and cash.

We believe that our cash and cash equivalents, together with cash flows from operations, will provide adequate resources to fund our short-term and long-term operating and capital needs. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary because of, and our future capital requirements will depend on many factors, including our growth rate, and the timing and extent of spending to increase our sales and marketing activities. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We may in the future seek a credit facility with a financial institution for long term capital structure flexibility, and we may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, and financial condition would be adversely affected.

#### ***Indebtedness***

See Note 6 "Debt" for discussion on our Credit Facilities.

**Cash Flows**

Our cash requirements within the next twelve months include provider liabilities, accounts payable and accrued liabilities, and purchase commitments and other obligations. We expect the cash required to meet these obligations to be primarily generated through cash flows from operations and our available cash. Based on current and anticipated levels of operations, we anticipate that net cash provided by operating activities, together with the available cash on hand at September 30, 2024, should be adequate to meet anticipated cash requirements for the short term (next 12 months) and long term (beyond 12 months).

The following table presents a summary of our condensed consolidated cash flows from operating, investing and financing activities for the periods indicated.

	For the Nine Months Ended September 30,	
	2024	2023
<i>(in thousands)</i>		
<b>Condensed Consolidated Statements of Cash Flows Data:</b>		
Net cash provided by operating activities	\$ 34,484	\$ 16,684
Net cash used in investing activities	(5,713)	(37,948)
Net cash provided by financing activities	3,715	3,663
Net increase (decrease) in cash and cash equivalents	<u>\$ 32,486</u>	<u>\$ (17,601)</u>

**Operating Activities**

Net cash provided by operating activities was \$34.5 million for the nine months ended September 30, 2024, compared to cash provided by operating activities of \$16.7 million for the same period in 2023. Significant changes impacting net cash provided by operating activities for the nine months ended September 30, 2024 compared to net cash provided by operating activities for the same period in 2023 were as follows:

- An increase of \$85.2 million in provider liability for the nine months ended September 30, 2024 compared to an increase of \$123.9 million during the same period in 2023, a difference of \$(38.7) million. The change is primarily due to a decrease in provider expense related to renegotiation of at-risk capitated arrangements during the nine months ended September 30, 2024.
- An increase of \$7.8 million in accounts payable and accrued expenses, for the nine months ended September 30, 2024 compared to the same period in 2023 of \$1.5 million, a difference of \$6.3 million. The change is primarily driven by organic growth and entrance into new markets.
- A decrease of \$(118.2) million in accounts receivable, for the nine months ended September 30, 2024 compared to the same period in 2023 of \$(156.2) million, a difference of \$38.0 million. The change is primarily driven by the renegotiation of at-risk capitated arrangements during the nine months ended September 30, 2024.
- A decrease in net income of \$(7.0) million compared to the same period in 2023. Net income was \$11.7 million for the nine months ended September 30, 2024 compared to income of \$18.7 million for the same period in 2023, primarily driven by the increase in stock-based compensation expense during the nine months ended September 30, 2024 when compared to the same period in 2023.

**Investing Activities**

Net cash used in investing activities was \$5.7 million for the nine months ended September 30, 2024 compared to \$37.9 million during the same period in 2023, primarily due to Privia's investments in new markets during the first and third quarters of 2023.

**Financing Activities**

Net cash provided by financing activities was \$3.7 million for the nine months ended September 30, 2024, compared to net cash provided of \$3.7 million for financing activities for the same period in 2023. The activity primarily consisted of a decrease in proceeds from stock options exercised during the nine months ended September 30, 2024 compared to the same period in 2023 offset by the repurchase of a non-controlling interest in 2023.

### **Contractual Obligations, Commitments and Contingencies**

*Operating Leases.* The Company leases office space under various operating lease agreements. The initial terms of these leases range from 2 to 9 years and generally provide for periodic rent increases, renewal, and termination of operations. Total rent expense under operating leases was \$0.7 million for both the three months ended September 30, 2024 and 2023, and \$2.1 million and \$2.0 million for the nine months ended September 30, 2024 and 2023, respectively.

*Off Balance Sheet Obligations.* We do not have any off-balance sheet arrangements as of September 30, 2024.

*Commitments and Contingencies.* See Note 9, “Commitments and Contingencies” for further discussion on our commitments and contingencies.

### **Critical Accounting Policies and Estimates**

Our management’s discussion and analysis of financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosure. On an ongoing basis we evaluate significant estimates and assumptions, including, but not limited to, provider liability, revenue recognition, stock-based compensation, estimated useful lives of assets, intangible assets subject to amortization, and the computation of income taxes. Future events and their effects cannot be predicted with certainty; accordingly, the Company’s accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Company’s operating environment changes. Management evaluates and updates assumptions and estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

There have been no changes to the critical accounting policies reported in the Annual Report that affect our significant judgments and estimates used in the preparation of our Condensed Consolidated Financial Statements.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

#### **Interest Rate Risk**

Our primary market risk exposure is changing prime rate-based interest rates. Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control. Our Credit Agreement bears interest at a base rate plus applicable margin, with the base rate being the higher of the Prime Rate or the Federal Funds Rate plus 0.50%. In no event will the base rate be less than 1.0%. As of September 30, 2024, the Company had no outstanding debt under the Credit Agreement.

#### **Inflation Risk**

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of September 30, 2024.

#### **Changes to our Internal Controls over Financial Reporting**

There were no changes made to the Company’s internal control over financial reporting during the three and nine months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

We are currently involved in, and may in the future become involved in, legal proceedings, claims and investigations in the ordinary course of our business, including medical malpractice and consumer claims. Although the results of these legal proceedings, claims and investigations cannot be predicted with certainty, we do not believe that the final outcome of any matters that we are currently involved in are reasonably likely to have a material adverse effect on our business, financial condition or results of operations. Regardless of final outcomes, however, any such proceedings, claims, and investigations may nonetheless impose a significant burden on management and employees, be costly to defend, or result in unfavorable or adverse preliminary or interim rulings.

### **ITEM 1A. RISK FACTORS**

In addition to the information in this report and other filings with the SEC, readers should carefully consider the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report. There have been no material changes to the risk factors disclosed in the Company's Annual Report.

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

None.

### **ITEM 3. DEFAULT UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

On August 30, 2024, David Mountcastle, the Company's Chief Financial Officer, adopted a new trading plan for the sale of securities that is intended to satisfy the affirmative defense conditions of Rule 10b5-1 of Exchange Act (the "New Mountcastle Plan"). The first possible trade date under the New Mountcastle Plan is December 2, 2024, and the end date of the New Mountcastle Plan is November 25, 2025, for a duration of approximately one year. The aggregate amount of securities that may be sold under the New Mountcastle Plan is 162,526.

**Item 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Second Amended &amp; Restated Certificate of Incorporation of Privia Health Group, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 23, 2024).</a>
3.2	<a href="#">Fourth Amended &amp; Restated Bylaws of Privia Health Group, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 23, 2024).</a>
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Exchange Act Rules Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</a>
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Exchange Act Rules Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</a>
32.1*	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, filed herewith.</a>
32.2*	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, filed herewith.</a>
101.INS	Inline XBRL Instance Document **
101.SCH	Inline XBRL Taxonomy Schema **
101.CAL	Inline XBRL Taxonomy Definition **
101.DEF	Inline XBRL Taxonomy Calculation **
101.LAB	Inline XBRL Taxonomy Labels **
101.PRE	XBRL Taxonomy Presentation **
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)**

\* The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

\*\* The financial information contained in these XBRL documents is unaudited.

**SIGNATURES**

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

Dated: November 07, 2024

Privia Health Group, Inc.

/s/ David Mountcastle

Name: David Mountcastle

Title: Executive Vice President, Chief Financial Officer and  
Authorized Officer



**Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002**

I, Parth Mehrotra, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Privia Health Group, 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(s) 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(s) 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: November 07, 2024

/s/ Parth Mehrotra  
\_\_\_\_\_  
Parth Mehrotra  
Chief Executive Officer

**Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002**

I, David Mountcastle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Privia Health Group, 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(s) 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(s) 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: November 07, 2024

/s/ David Mountcastle

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David Mountcastle

Executive Vice President, Chief Financial Officer and Authorized  
Officer

**Certification of the Chief Executive Officer**

**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Privia Health Group, Inc. (the “Company”) for the period ended September 30, 2024, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Parth Mehrotra, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 07, 2024

/s/ Parth Mehrotra

Parth Mehrotra  
Chief Executive Officer

**Certification of the Chief Financial Officer****Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Privia Health Group, Inc. (the “Company”) for the period ended September 30, 2024, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, David Mountcastle, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 07, 2024

/s/ David Mountcastle

David Mountcastle

Executive Vice President, Chief Financial Officer and Authorized Officer