

Safe Harbor Statement

All statements other than statements of historical fact included in this presentation are forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “may”, “might”, “will”, “should”, “expects”, “plans”, “anticipates”, “estimates”, “aims”, “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, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. 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. This presentation includes certain non-GAAP financial measures. Tables reconciling such non-GAAP financial measures to the most directly comparable GAAP measures are set forth in the Appendix hereto.

Closing Conditions

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

Agenda

- Executive Summary
- Strategic Rationale and Transaction Summary
- Valence Health Overview
- Combined Opportunity

Executive Summary

The addition of Valence Health will enhance Evolent's market-leading value-based care platform for providers

- Valence Health, based in Chicago, IL, was founded in 1996 and provides value-based administration, population health, and advisory services for providers, with particular expertise in the Medicaid and pediatric markets
- Evolent will purchase a majority of Valence Health for ~\$145 million in upfront consideration plus an earn-out of up to \$50 million; upfront consideration consists of ~5.8 million shares of Evolent Class A common stock and ~\$35 million of cash from Evolent's existing cash reserves; earn-out consideration is Evolent Class A common stock; expected closing in the next 120 days
- The acquired business, on a standalone basis, is expected to generate \$80-85 million in revenue (~90% recurring) in the year ending December 31, 2016, representing ~30%+ growth over calendar year 2015; however, Evolent will consolidate the results of the acquired business only for the period subsequent to the close of the transaction
- Together, the organizations will serve 23 long-term operating partners and more than 1.8 million lives
- The acquisition accelerates Evolent Adjusted EBITDA break-even target in 2017 by one to two quarters
- Evolent core business is expected to be at or above its previously provided guidance for the second quarter and full year 2016

Strategic Rationale

Enhances Capabilities and Growth Potential

- ✓ Adds important value-based care administration and technology capabilities with deep Medicaid and pediatric expertise
 - ✓ More than 90 strategic engagements or population health technology contracts enhance operating partner pipeline
 - ✓ Experienced team continuing with Evolent including founders Todd Stockard and Phil Kamp
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Adds Scale to Evolent Platform

- ✓ >600,000 lives across 10 operating partners
 - ✓ Synergistic operating cost structure and technology roadmap
 - ✓ Acquired business on a standalone basis generates \$80-85 million of 2016 revenue (~90% recurring) in the year ending December 31, 2016; however, Evolent will consolidate the results of the acquired business only for the period subsequent to the close of the transaction
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Accretive to Financial Profile

- ✓ Acquired business growth profile consistent with Evolent's core business
- ✓ Accelerates Evolent timeline to Adjusted EBITDA break-even in 2017 by one to two quarters
- ✓ Diversifies Evolent revenue base

Transaction Rationale



Acquired Business

- Valence Health, headquartered Chicago, IL, founded 1996
- Provider of value-based solutions for hospitals, health systems and physicians to help effectively manage patient populations
- LTM revenues as of May 31, 2016 of ~\$68 million; full year outlook of \$80-85 million revenue
- Evolent is acquiring the total Valence business excluding contracts serving state insurance co-ops



Consideration

- Purchase price of ~\$145 million (~1.7x revenue) based on Evolent Class A common stock share price on July 12, 2016
- ~5.8 million shares of Evolent Class A common stock and ~\$35 million cash upfront
- Upfront consideration represents pro forma ownership for Valence shareholders of ~9% of combined entity's total voting shares
- Potential earn-out of up to \$50 million of equity consideration contingent on new business activities
- Earn-out funded 100% in Evolent Class A common stock (capped at 3.9 million shares), resulting in ownership of approximately 14% for Valence Health shareholders



Management

- Frank Williams will be CEO of the combined entity
- Valence Co-founders Todd Stockard and Phil Kamp will join the Evolent Executive team
- High degree of continuity with existing Valence Health senior team

We anticipate closing within 120 days, subject to regulatory approval and satisfaction of closing conditions

Valence Health Overview



Chicago-based Value-Based Care Company Founded in 1996

Value-Based Administration
(~75% of revenue*)

Population Health & Advisory Services
(~25% of revenue*)

Value Offerings

- Technology and services for provider-sponsored plans and risk-bearing entities
- Extensive experience in Medicaid line of business
- Initial technology deployments for population health work or “Blueprints” to develop the market

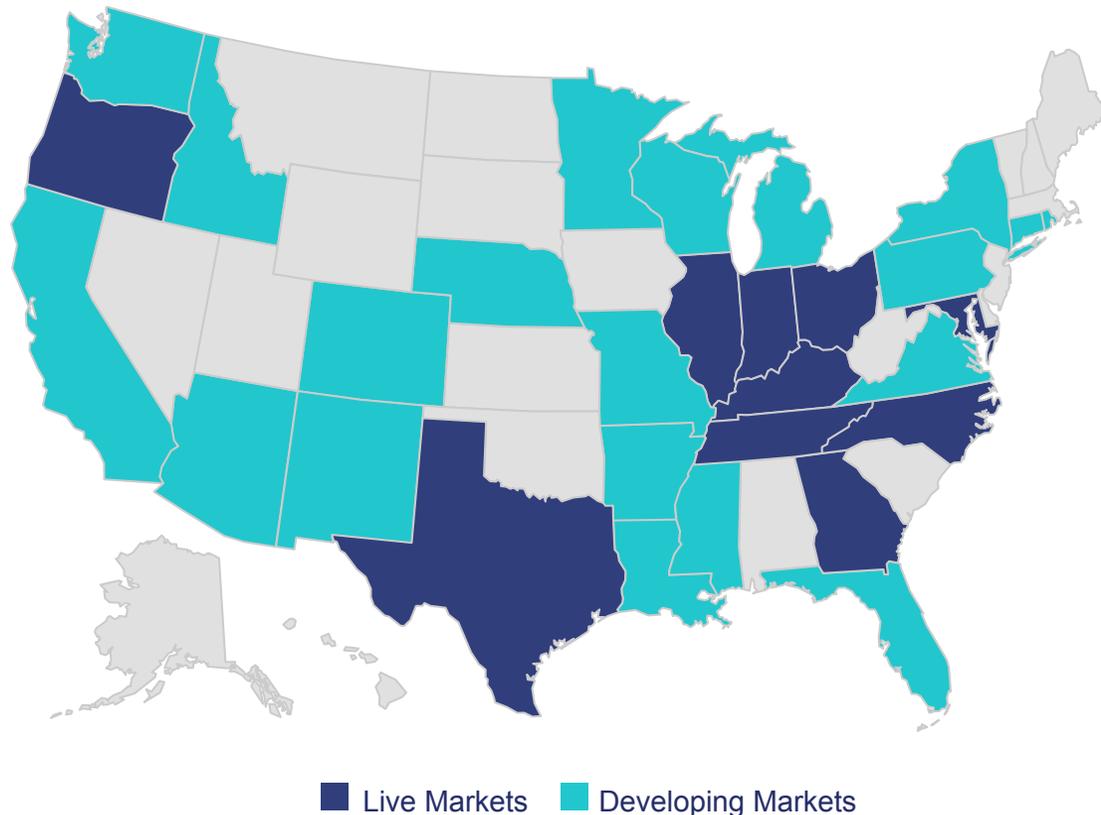
Footprint

- 10 long-term operating partners
- ~600k lives
- ~\$8.25 PMPM
- Over 90 contracts representing significant opportunity for new operating partners



Unparalleled Breadth and Depth of Value-Based Care Services

Combination of states in which Evolent and Valence Health support long-term operating partners



The combined company will serve...:

- 1.8M+ lives
- 23 long term operating partners
- 30+ states

...With proven expertise in:

- All health plan lines of business
 - Medicare
 - Medicaid
 - Commercial
 - Self-funded
- Many types of patient populations
 - Adult
 - Pediatric
 - End of Life

Combined Entity Well-Positioned for Large and Growing Market

government goals  **90%** of Medicare FFS payments link to quality / value by 2018¹

payer goals  **75%** of Medicare Advantage members in VBC by 2017²

retail projections  **86M** lives in retail market by 2018³

provider goals  **75%** of business in value-based arrangements by 2020⁴

Projected Market for Value-Based Care Services 2020

- ✓ \$3.2 trillion health insurance spend
- ✓ \$1.6 trillion in provider value-based care
- ✓ Available market at 2-5% of premium

\$45B+
Total Addressable Market

Sources:

1. HHS Press Office. "Better, Smarter, Healthier: In Historic Announcement, HHS Sets Clear Goals and Timeline for Shifting Medicare Reimbursements from Volume to Value." *HHS.gov*. Department of Health and Human Services, 16 Jan. 2016. Web. 24 May 2016.
2. "Humana Takes a Bold Step Forward in Population Health with the Formation of Transcend and Transcend Insights." *Humana Healthcare*. Humana Healthcare, 24 Mar. 2015. Web. 24 May 2016.
3. <https://www.advisory.com/research/health-care-advisory-board/blogs/at-the-helm/2014/07/retail-medicine>
4. "20 Health Systems, Insurers Agree to Make 75% of Contracts Value-based." *The Advisory Board*. The Advisory Board, 29 Jan. 2015. Web. 24 May 2016.

Aligned Cultures

A common mission centered on supporting and accelerating the value-based care journey for health care providers and health plans



To change the health of the nation by changing the way health care is delivered

VALUES

Start by listening | Own the opportunity
Pioneer's spirit | Excellence in all
Humility | Unflinchingly can-do



To empower healthcare providers to better manage their patient populations and be rewarded for clinical and financial success

VALUES

Client Success | Integrity
Innovation | Fun | Teamwork