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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 June 30, 2025

☐ **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: 001-39228



CLARITEV CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**84-3536151**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

7900 Tysons One Place, Suite 400

McLean, Virginia 22102

(Address of principal executive offices)

(212) 780-2000

(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Shares of Class A common stock, $0.0001 par value per share	CTEV	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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

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

As of August 4, 2025, 16,474,835 shares of Class A common stock, par value $0.0001 per share, were issued and outstanding.

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Part I. Financial Information

Item 1. Financial Statements

CLARITEV CORPORATION

Unaudited Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 56,390	$ 16,848
Restricted cash	10,898	12,824
Trade accounts receivable, net	123,579	89,758
Prepaid expenses	26,241	20,493
Prepaid taxes	—	6,747
Unbilled Independent Dispute Resolution fees, net	18,993	21,850
Other current assets, net	11,037	6,995
Total current assets	247,138	175,515
Property and equipment, net	308,358	292,649
Operating lease right-of-use assets	15,056	16,097
Goodwill	2,403,140	2,403,140
Other intangibles, net	2,054,381	2,226,323
Other assets, net	43,907	37,103
Total assets	$ 5,071,980	$ 5,150,827
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 43,431	$ 86,327
Accrued interest	100,254	55,532
Accrued taxes	10,909	—
Operating lease obligation, short-term	4,466	4,385
Current portion of long-term debt	14,690	13,250
Accrued compensation	37,982	33,690
Other accrued expenses	41,410	20,606
Total current liabilities	253,142	213,790
Long-term debt	4,533,078	4,509,725
2025 revolving credit facility	80,000	—
Operating lease obligation, long-term	17,207	13,857
Private Placement Warrants and Unvested Founder Shares	—	—
Deferred income taxes	225,877	325,834
Other liabilities	2,584	3,599
Total liabilities	5,111,888	5,066,805
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Shareholder interests		
Preferred stock, $0.0001 par value — 10,000,000 shares authorized; no shares issued	—	—
Common stock, $0.0001 par value — 1,500,000,000 shares authorized; 17,214,985 and 16,930,827 issued; 16,472,126 and 16,187,968 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	2	2
Additional paid-in capital	2,383,854	2,372,954
Accumulated other comprehensive loss	(5,934)	(5,063)
Retained deficit	(2,279,097)	(2,145,138)
Treasury stock — 742,859 and 742,859 shares	(138,733)	(138,733)
Total shareholders' equity	(39,908)	84,022
Total liabilities and shareholders' equity	$ 5,071,980	$ 5,150,827

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

CLARITEV CORPORATION

Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss

(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 241,570	$ 233,476	$ 472,900	$ 467,984
Costs of services (exclusive of depreciation and amortization of intangible assets shown below)	60,823	61,369	121,259	121,446
General and administrative expenses	52,937	34,551	103,572	69,408
Depreciation	25,261	21,811	49,807	42,800
Amortization of intangible assets	85,971	85,971	171,942	171,942
Loss on impairment of goodwill and intangible assets	—	553,701	—	1,072,751
Total expenses	224,992	757,403	446,580	1,478,347
Operating income (loss)	16,578	(523,927)	26,320	(1,010,363)
Interest expense	99,746	81,129	191,382	163,327
Interest income	(323)	(551)	(811)	(1,477)
Transaction costs - Refinancing Transaction	87	—	7,879	—
Loss (gain) on extinguishment of debt	—	—	670	(5,913)
Gain on change in fair value of Private Placement Warrants and Unvested Founder Shares	—	(259)	—	(389)
Net loss before taxes	(82,932)	(604,246)	(172,800)	(1,165,911)
Benefit for income taxes	(20,292)	(27,519)	(38,841)	(49,495)
Net loss	$ (62,640)	$ (576,727)	$ (133,959)	$ (1,116,416)
Weighted average shares outstanding – Basic and Diluted[1]	*16,453,896*	*16,116,996*	*16,364,573*	*16,137,493*
Net loss per share – Basic and Diluted[1]	*$ (3.81)*	*$ (35.78)*	*$ (8.19)*	*$ (69.18)*
Net loss	(62,640)	(576,727)	(133,959)	(1,116,416)
Other comprehensive income:				
Change in unrealized gains (losses) on interest rate swaps, net of tax	753	2,115	(871)	10,657
Comprehensive loss	$ (61,887)	$ (574,612)	$ (134,830)	$ (1,105,759)

[1]Shares and net loss per share have been retroactively adjusted for all periods presented to reflect the one-for-forty (1-for-40) reverse stock split that became effective on September 20, 2024 (the "Reverse Stock Split"). See Note 1 General Information and Basis of Accounting.

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

CLARITEV CORPORATION

Unaudited Condensed Consolidated Statements of Shareholders' Equity

(in thousands, except share data)

	Three Months Ended June 30, 2025							
	Common Stock Issued[1]		Additional Paid-in Capital[1]	Accumulated Other Comprehensive Loss	Retained Deficit	Treasury stock[1]		Total Shareholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of March 31, 2025	17,205,648	— $ 2	$ 2,376,700	$ (6,687)	$ (2,216,457)	(742,859)	$ (138,733)	$ 14,8
Stock Incentive Plans	(560)	—	6,706	—	—	—	—	6,7
Gain arising during the period on Interest rate swaps	—	—	—	1,009	—	—	—	1,0
Reclassification adjustments for losses included in net income (interest expense)	—	—	—	(256)	—	—	—	(2
Issuance of common stock in connection with employee stock purchase plan	9,897	—	448	—	—	—	—	4
Net loss	—	—	—	—	(62,640)	—	—	(62,6
Balance as of June 30, 2025	17,214,985	$ 2	$ 2,383,854	$ (5,934)	$ (2,279,097)	(742,859)	$ (138,733)	$ (39,9

	Three Months Ended June 30, 2024							
	Common Stock Issued[1]		Additional Paid-in Capital[1]	Accumulated Other Comprehensive Loss	Retained Deficit	Treasury stock[1]		Total Shareholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of March 31, 2024	16,847,492	$ 2	$ 2,351,345	$ (3,236)	$ (1,038,996)	(742,859)	$ (138,733)	$ 1,170,3
Stock Incentive Plans	17,214	—	7,266	—	—	—	—	7,2
Tax withholding related to vesting of equity awards	—	—	(3)	—	—	—	—	
Gains arising during the period on Interest rate swaps	—	—	—	593	—	—	—	5
Reclassification adjustments for gains included in net income (interest expense)	—	—	—	1,522	—	—	—	1,5
Issuance of common stock in connection with employee stock purchase plan	21,248		331	—	—	—	—	3
Net loss	—	—	—	—	(576,727)	—	—	(576,7
Balance as of June 30, 2024	16,885,954	$ 2	$ 2,358,939	$ (1,121)	$ (1,615,723)	(742,859)	$ (138,733)	$ 603,3

[1]Shares, common stock and additional paid-in capital have been retroactively adjusted for all periods presented to reflect the one-for-forty (1-for-40) reverse stock split that became effective on September 20, 2024. See Note 1 General Information and Basis of Accounting.

CLARITEV CORPORATION

Unaudited Condensed Consolidated Statements of Shareholders' Equity

(in thousands, except share data)

	Six Months Ended June 30, 2025							
	Common Stock Issued[1]		Additional Paid-in Capital[1]	Accumulated Other Comprehensive Loss	Retained Deficit	Treasury stock[1]		Total Shareholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of December 31, 2024	16,930,827	$ —	$ 2,372,954	$ (5,063)	$ (2,145,138)	(742,859)	$ (138,733)	$ 84,022
Stock Incentive Plans	259,648	—	13,035	—		—	—	13,035
Tax withholding related to vesting of equity awards	—	—	(2,884)	—	—	—	—	(2,884
Loss arising during the period on Interest rate swaps	—	—	—	(321)	—	—	—	(321
Reclassification adjustments for losses included in net loss (interest expense)	—	—	—	(550)	—	—	—	(550
Issuance of common stock in connection with employee stock purchase plan	24,510	—	749	—	—	—	—	749
Net loss	—	—	—	—	(133,959)	—	—	(133,959
Balance as of June 30, 2025	17,214,985	$ 2	$ 2,383,854	$ (5,934)	$ (2,279,097)	(742,859)	$ (138,733)	$ (39,908

	Six Months Ended June 30, 2024							
	Common Stock Issued[1]		Additional Paid-in Capital[1]	Accumulated Other Comprehensive Loss	Retained Deficit	Treasury stock[1]		Total Shareholders' Equity
	Shares	Amount				Shares	Amount	
Balance as of December 31, 2023	16,695,207	$ 2	$ 2,348,570	$ (11,778)	$ (499,307)	(487,223)	$ (128,363)	$ 1,709,124
Stock Incentive Plans	153,822	—	12,885	—	—	—	—	12,885
Tax withholding related to vesting of equity awards	—	—	(3,355)	—	—	—	—	(3,355
Gains arising during the period on Interest rate swaps	—	—	—	7,556	—	—	—	7,556
Reclassification adjustments for gains included in net income (interest expense)				3,101	—			3,101
Repurchase of common stock	—	—	—	—	—	(255,636)	(10,370)	(10,370
Issuance of common stock in connection with employee stock purchase plan	36,925		839	—	—	—	—	839
Net loss	—	—	—	—	(1,116,416)	—	—	(1,116,416
Balance as of June 30, 2024	16,885,954	$ 2	$ 2,358,939	$ (1,121)	$ (1,615,723)	(742,859)	$ (138,733)	$ 603,364

[1]Shares, common stock and additional paid-in capital have been retroactively adjusted for all periods presented to reflect the one-for-forty (1-for-40) reverse stock split that became effective on September 20, 2024. See Note 1 General Information and Basis of Accounting.

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

CLARITEV CORPORATION

Unaudited Condensed Consolidated Statements of Cash Flows

(in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Operating activities:		
Net loss	$ (133,959)	$ (1,116,416)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	49,807	42,800
Amortization of intangible assets	171,942	171,942
Amortization of the right-of-use asset	1,809	2,330
Loss on impairment of goodwill and intangible assets	—	1,072,751
Stock-based compensation	13,035	13,011
Deferred income taxes	(99,682)	(97,024)
Non-cash interest costs	29,036	5,818
Loss (gain) on extinguishment of debt	670	(5,913)
Loss on disposal of property and equipment	480	130
Loss on disposal of leases	5,006	—
Gain on change in fair value of Private Placement Warrants and Unvested Founder Shares	—	(389)
Changes in assets and liabilities:		
Accounts receivable, net	(33,821)	(4,862)
Prepaid expenses and other assets	(7,631)	(22,747)
Prepaid taxes	6,747	1,364
Operating lease obligation	(2,354)	(2,440)
Accounts payable, accrued interest, accrued taxes, accrued expenses, and other	30,096	7,832
Net cash provided by operating activities	31,181	68,187
Investing activities:		
Purchases of property and equipment	(63,489)	(55,989)
Net cash (used in) investing activities	(63,489)	(55,989)
Financing activities:		
Repayments of Term Loan	(3,674)	(6,625)
Repurchase of Senior Convertible PIK Notes	—	(14,886)
Taxes paid on settlement of vested share awards	(2,884)	(3,355)
Borrowings on 2025 revolving credit facility	130,000	—
Repayment of 2025 revolving credit facility	(50,000)	—
Purchase of treasury stock	—	(10,370)
Payment of debt issuance costs	(4,267)	—
Proceeds from issuance of common stock under Employee Stock Purchase Plan	749	713
Net cash provided by (used in) financing activities	69,924	(34,523)
Net increase (decrease) in cash, cash equivalents and restricted cash	37,616	(22,325)
Cash, cash equivalents and restricted cash at beginning of period	29,672	81,494
Cash, cash equivalents and restricted cash at end of period	$ 67,288	$ 59,169
Cash and cash equivalents	$ 56,390	$ 48,767
Restricted cash	10,898	10,402
Cash, cash equivalents and restricted cash at end of period	$ 67,288	$ 59,169
Noncash investing and financing activities:		
Purchases of property and equipment not yet paid	$ 15,027	$ 14,937
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 5,316	$ —
PIK Interest Added to Long Term Debt Principal	$ (26,029)	$ —
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ (117,510)	$ (158,395)
Income taxes, net of refunds	$ (43,977)	$ (34,083)

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

1. General Information and Basis of Accounting

General Information

We are a leading provider of data-driven cost management solutions that deliver transparency and promote fairness, quality and affordability to the healthcare industry. Through our proprietary data and technology platform, we provide out-of-network cost management, payment and revenue integrity, data and decision science, business-to-business healthcare payments and other services to the payors of healthcare, which are primarily health insurers and their administrative-services-only platforms, self-insured employers, federal and state government-sponsored health plans and other health plan sponsors (typically through their health plan administrators), and, indirectly, the plan members who are the consumers of healthcare services.

On February 17, 2025, the Company changed its name from "MultiPlan Corporation" to "Claritev Corporation". The Company's Class A common stock ceased trading under the ticker symbol “MPLN” and began trading under its new ticker symbol, “CTEV”, on the New York Stock Exchange, effective on February 28, 2025.

Throughout the notes to the unaudited condensed consolidated financial statements, unless otherwise noted, "we," "us," "our," "Claritev," and the "Company" and similar terms refer to Claritev and its subsidiaries.

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements of Claritev Corporation have been prepared in accordance with U.S. Generally Accepted Principles ("GAAP") and pursuant to the rules and regulations for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain information and disclosures required by GAAP for complete consolidated financial statements are not included herein. The unaudited condensed consolidated financial statements and notes herein should be read in conjunction with the audited consolidated financial statements of Claritev Corporation and the notes thereto, included in the Company’s 2024 Annual Report. All intercompany transactions have been eliminated. In the opinion of management, all adjustments, which are of a normal and recurring nature, necessary for a fair statement of the Company’s financial position as of June 30, 2025 and December 31, 2024, and its results of operations and cash flows for the three and six months ended June 30, 2025 and 2024 have been included.

Reverse Stock Split

On September 20, 2024, the Company effected a one-for-forty (1-for-40) reverse stock split of its Class A common stock (the "Reverse Stock Split").

References to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock units, performance stock units, share data, per share data and conversion rates with respect to convertible notes and related information contained in the unaudited condensed consolidated financial statements have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from the Company's estimates and assumptions. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, revenue recognition, recoverability of long-lived assets, goodwill, valuation of stock-based compensation awards and income taxes.

Revenue Recognition

Disaggregation of Revenue

The following table presents revenues disaggregated by services and contract types:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	**2024**	**2025**	**2024**
Revenues				
Network-Based Services	**$ 54,125**	**$ 45,723**	**$ 101,015**	**$ 91,878**
PSAV	*27,960*	*31,647*	*56,842*	*62,869*
PEPM	*12,295*	*12,356*	*24,743*	*25,409*
Other	*13,870*	*1,720*	*19,430*	*3,600*
Analytics-Based Services	**156,966**	**159,896**	**310,396**	**319,988**
PSAV	*141,243*	*148,758*	*279,987*	*296,403*
PEPM	*11,238*	*9,177*	*21,969*	*18,577*
Other	*4,485*	*1,961*	*8,440*	*5,008*
Payment and Revenue Integrity Services	**30,479**	**27,857**	**61,489**	**56,118**
PSAV	*30,352*	*27,749*	*61,241*	*55,901*
PEPM	*127*	*108*	*248*	*217*
Total Revenues	**$ 241,570**	**$ 233,476**	**$ 472,900**	**$ 467,984**
Percent of PSAV revenues	82.6 %	89.2 %	84.2 %	88.7 %
Percent of PEPM revenues	9.8 %	9.3 %	9.9 %	9.4 %
Percent of other revenues	7.6 %	1.6 %	5.9 %	1.8 %

Due to the nature of our arrangements, certain estimates may be constrained if it is probable that a significant reversal of revenue will occur when the uncertainty is resolved. For our percentage of savings contracts, portions of revenue that are recognized and collected in a reporting period may be returned or credited in subsequent periods. These credits are the result of payors not utilizing the discounts that were initially calculated, or differences between the Company's estimates of savings achieved for a customer and the amounts self-reported in the following month by that same customer. Significant judgment is used in estimating constrained estimates of variable consideration. During the quarter ended June 30, 2025, we refined the methodology used to estimate constrained variable consideration as a result of a new enterprise resource planning system implementation. Our estimate continues to be based upon both customer-specific and aggregated factors but now also includes historical payment yields in addition to customer contractual terms and performance guarantees. The effects of this change in estimate did not have a material impact the Condensed Consolidated Statements of Loss and Comprehensive Loss during the three and six months ended June 30, 2025.

The timing of payments from customers may generate contract assets or contract liabilities; however, these amounts are immaterial in all periods presented.

Derivatives

Interest Rate Swap Agreements

The Company is exposed to interest rate risk on its floating-rate debt. In September 2023, the Company entered into interest rate swap agreements to effectively convert some of its floating-rate debt to a fixed-rate basis. The Company entered into these agreements to reduce the variability of the cash flows in interest payments associated with the Company's floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows.

The Company elected to apply the hedge accounting rules in accordance with authoritative guidance for the agreements entered into during the twelve months ended December 31, 2023. Changes in the fair value of interest rate swap agreements designated as cash flow hedges are recorded as a component of accumulated other comprehensive income within stockholders' equity and are subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects "Earnings."

Stock-Based Compensation

In 2025, the Company began granting a new type of award via the Claritev Corporation 2020 Omnibus Incentive Plan (the "2020 Omnibus Incentive Plan"), in the form of cash settled Restricted Stock Units ("cRSUs"). The Company granted 565.6 thousand shares with a fair value at grant date of $8.2 million. The cRSUs vest in two tranches, one-half on each of the first and second anniversaries of the date of the grant.

Each tranche of cRSUs is entitled to receive a cash payment equivalent to the fair market value of common stock on the vesting date, subject to a cap of 4.0x the fair market value of common stock on the grant date.

The fair value assigned to cRSUs is determined using the market price of the Company's stock on the grant date minus a call option valued using the Black-Sholes formula to derive a closed-form solution for the payoff. Expected volatility in the model was estimated based on the volatility of historical stock prices over a period matching the expected term of the award. The risk-free interest rate is based on U.S. Treasury yield constant maturities for a term matching the expected term of the award.

The Company classifies the cRSUs as a liability on its consolidated balance sheets as the vesting results in payment of cash by the Company. The cRSUs are adjusted to fair value at each reporting date.

Stock-based compensation is recognized as compensation expense, net of forfeitures, over the applicable requisite service period of the stock award using the straight-line method for the awards. The Company recognizes forfeitures as they occur.

New Accounting Pronouncements Issued but Not Yet Adopted

ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740). In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). This standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is effective for public business entities for annual periods beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively for all prior periods presented. The ASU will result in additional income tax disclosures within the Company's financial statements but is not expected to impact the Company's financial condition, results of operations or cash flows.

ASU 2024-03 Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). On November 4, 2024, the FASB issued ASU 2024-03,2 which requires disaggregated disclosure of income statement expenses for public business entities (PBEs). The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The standard is effective for all PBEs for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this disclosure.

2. Goodwill and Other Intangible Assets

As of each balance sheet date, other intangible assets consisted of the following:

		June 30, 2025			December 31, 2024		
(in thousands)	Weighted-average amortization period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Customer relationships	15 years	$ 4,197,480	$ (2,510,946)	$ 1,686,534	$ 4,197,480	$ (2,370,865)	$ 1,826,61
Provider network	15 years	896,800	(542,066)	354,734	896,800	(512,172)	384,62
Technology	6 years	21,850	(10,682)	11,168	21,850	(8,940)	12,91
Trade names	9 years	2,670	(1,295)	1,375	2,670	(1,170)	1,50
Non-compete	5 years	1,000	(430)	570	1,000	(330)	67
Total		$ 5,119,800	$ (3,065,419)	$ 2,054,381	$ 5,119,800	$ (2,893,477)	$ 2,226,32

Goodwill for the three and six months ended June 30, 2025 and 2024 was as follows:

($ in thousands)	2025	2024
Balance as of December 31 (Prior Year)		
Goodwill	$ 4,486,923	$ 4,486,923
Accumulated impairment losses	$ (2,083,783)	$ (657,921)
	$ 2,403,140	$ 3,829,002
Goodwill acquired during period	$ —	$ —
Impairment Losses	$ —	$ (516,350)
Balance as of March 31	$ 2,403,140	$ 3,312,652
Goodwill acquired during period	$ —	$ —
Impairment Losses	$ —	$ (553,701)
Balance as of June 30		
Goodwill	$ 4,486,923	$ 4,486,923
Accumulated impairment losses	$ (2,083,783)	$ (1,727,972)
	$ 2,403,140	$ 2,758,951

The goodwill arose from the acquisition of the Company in 2016 by Polaris Investment Holdings, L.P. ("Holdings"), the HSTechnology Solutions, Inc. ("HST") acquisition in 2020, the Discovery Health Partners ("DHP") acquisition in 2021 and the BST acquisition in 2023. The carrying value of goodwill was $2,403.1 million and $2,403.1 million as of June 30, 2025 and December 31, 2024, respectively. No impairment was recorded in the six month ended June 30, 2025.

During the three months ended March 31, 2024

During the three months ended March 31, 2024, we concluded that the significant declines in our stock price and market capitalization during the month of March 2024 represented a triggering event and therefore performed an impairment assessment of goodwill and indefinite-lived intangible assets as of March 31, 2024.

The estimated fair value of our indefinite-lived trade names was less than their carrying value and as a result a loss on impairment of $2.7 million was recorded during the three months ended March 31, 2024.

The quantitative assessment of our goodwill as of March 31, 2024 indicated that the estimated fair value of the reporting unit was less than its carrying value, and as a result a loss on impairment of $516.4 million was recorded during the three months ended March 31, 2024. The loss on impairment of goodwill and intangible assets was primarily due to the use of a higher discount rate in response to significant declines in the stock price, and lower EBITDA multiples. There were no material changes in the forecasted revenues and expenses utilized in the analysis compared to November 1, 2023.

During the three months ended June 30, 2024

We concluded that the significant declines in our stock price and market capitalization during the three months ended June 30, 2024, along with revised forecasts, represented triggering events and therefore performed an impairment assessment of goodwill and indefinite-lived intangible assets as of June 30, 2024.

No impairment was recorded for our indefinite-lived trade names during the three months ended June 30, 2024 as their fair value exceeded their carrying value.

The quantitative assessment of our goodwill as of June 30, 2024 indicated that the estimated fair value of the reporting unit was less than its carrying value, and as a result a loss on impairment of $553.7 million was recorded during the three months ended June 30, 2024. This loss on impairment of goodwill was primarily due to the use of lower projected cash flows, lower EBITDA multiples and the use of a higher discount rate in response to the estimation uncertainty of our cash flow projections.

Of this impairment charge, $522.1 million is permanently nondeductible for income tax purposes resulting in an income tax expense of $109.6 million. The impairment charge is treated as a discrete item for the three months ended June 30, 2024, which impacted our effective tax rate versus our statutory tax rate.

Impairment losses are included in Loss on impairment of goodwill and intangible assets in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss.

3. Derivative Financial Instruments

The Company is exposed to interest risk on its floating rate debt. On September 12, 2023, the Company entered into interest rate swap agreements with a total notional value of $800 million to effectively convert a portion of its floating rate debt to a fixed-rate basis. The interest rate swap agreements are effective August 31, 2023 and mature on August 31, 2026. The Company entered into these agreements to reduce the volatility of the cash flows in interest payments associated with the Company's floating rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. The Company's interest rate swaps are highly effective at offsetting the changes in cash outflows and therefore designated as cash flow hedging instruments.

The Company records derivatives on the balance sheet at fair value, as described in Note 6 Fair Value Measurements. The gain or loss on the derivative is recorded in accumulated other comprehensive income and subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects earnings.

The following table represents the activity of cash flow hedges included in accumulated other comprehensive loss for the periods presented:

(in thousands)	2025	2024
Balance as of December 31, net of tax (Prior Year)	$ (5,063)	$ (11,778)
Unrealized (loss) gain recognized in other comprehensive income before reclassifications	$ (1,330)	$ 6,963
Reclassifications to interest expense	$ (294)	$ 1,579
Balance as of March 31, net of tax	$ (6,687)	$ (3,236)
Unrealized gain recognized in other comprehensive income before reclassifications	$ 1,009	$ 593
Reclassifications to interest expense	$ (256)	$ 1,522
Balance as of June 30, net of tax	$ (5,934)	$ (1,121)

The Company recognized a loss related to the cash flow derivatives of $0.3 million and $0.6 million during the three and six months ended June 30, 2025, and a gain of $1.5 million and $3.1 million during the three and six months ended June 30, 2024, respectively. The gains and losses are recognized within interest expense in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss.

The following table represents the fair value of derivative assets and liabilities within the unaudited condensed consolidated balance sheets:

(in thousands)	Fair Value at June 30, 2025	Fair Value at December 31, 2024
Derivatives designated as cash flow hedging instruments:		
Other accrued expenses	$ 5,400	$ 3,115
Other liabilities	$ 2,584	$ 3,599

4. Long-Term Debt

As of June 30, 2025, and December 31, 2024, long-term debt consisted of the following:

(in thousands)	Key Terms					June 30, 2025	December 31, 2024
	Character	Priority	Maturity	Repayment	Coupon		
Term Loan B	Term Loan	Senior Secured	9/1/2028	Par	Variable	$ —	$ 1,281,938
5.750% Notes	Notes	Senior Unsecured	11/1/2028	Par	5.75%	5,310	979,827
5.50% Notes	Notes	Senior Unsecured	9/1/2028	Par	5.50%	5,814	1,050,000
Senior Convertible PIK Notes	Convertible Notes	Senior Unsecured	10/15/2027	Par	Cash 6.00%, or PIK 7.00%	420	1,253,890
New First-Out First Lien Term Loans	Term Loan	Senior Secured	12/31/2030	Par	Variable[1]	324,236	—
New Second-Out First Lien Term Loans	Term Loan	Senior Secured	12/31/2030	Par	Variable[2]	1,141,076	—
New Second-Out First Lien A Notes	Notes	Senior Secured	12/31/2030	Par	Cash 6.50% and PIK 5.00%	612,681	—
New Second-Out First Lien B Notes	Notes	Senior Secured	12/31/2030	Par	5.750%	763,075	—
New Third-Out First Lien A Notes	Notes	Senior Secured	3/31/2031	107%	Cash 6.00% and PIK 0.75%	758,419	—
New Third-Out First Lien B Notes	Notes	Senior Secured	3/31/2031	107%	Cash 6.00% and PIK 0.75%	976,979	—
Finance lease obligations, non-current	Other	Senior Secured	2022-2024	Par	3.38% - 20.31%	64	82
Long-term debt						4,588,074	4,565,737
Less: current portion of long-term debt						(14,690)	(13,250)
Less: debt discounts, net						(20,243)	(21,485)
Less: debt issuance costs, net						(20,063)	(21,277)
Long-term debt, net						$ 4,533,078	$ 4,509,725

(1) Interest on the New First-Out First Lien Term Loans (as defined below) is calculated, at MPH Acquisition Holdings LLC's ("MPH") option, as (a) Term Secured Overnight Financing Rate ("Term SOFR") (or 0.50%, if higher) plus 3.75% or (b)(x) the highest rate of (1) the prime rate, (2) the federal funds effective rate plus 0.50%, (3) Term SOFR for an interest period of one month plus 1.00% and (4) 1.50% plus (y) 2.75%.

(2) Interest on the New Second-Out First Lien Term Loans (as defined below) is calculated, at MPH's option, as (a) Term SOFR (or 0.50%, if higher) plus the applicable SOFR adjustment plus 4.60% or (b)(x) the highest rate of (1) the prime rate, (2) the federal funds effective rate plus 0.50%, (3) Term SOFR for an interest period of one month plus the applicable SOFR adjustment plus 1.00% and (4) 1.50% plus (y) 3.60%.

As of June 30, 2025, the aggregate future principal payments for long-term debt, including non-current finance lease liabilities, for each of the next five years and thereafter are as follows:

($ in thousands)		
2025	$	14,653
2026		14,685
2027		15,105
2028		25,777
2029		14,653
Thereafter		4,503,201
Total	$	4,588,074

On January 30, 2025, the Company, MPH and certain other of the Company's direct and indirect subsidiaries completed the Refinancing Transaction. As used herein, references to the "Refinancing Transaction" are to the below transactions, which were consummated on January 30, 2025:

- separate offers to exchange (i) 5.50% Senior Notes due 2028 issued by MPH ("5.50% Notes") for a portion of (a) new "first-out" first lien term loans maturing on December 31, 2030 under that certain Super Senior Credit Agreement, dated as of January 30, 2025 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "New First Lien Credit Agreement"), by and among MPH, as borrower, MPH Acquisition, the parent guarantors from time to time party thereto, the co-obligors from time to time party thereto, the lenders from time to time party thereto, and Goldman Sachs Lending Partners LLC, as administrative agent, collateral agent, swingline lender, and a letter of credit issuer (such loans, the "New First-Out First Lien Term Loans"), (b) new "second-out" 6.50% cash & 5.00% PIK first lien notes due 2030 issued by MPH (the "New Second-Out First Lien A Notes") and (c) new "second-out" 5.75% first lien notes due 2030 issued by MPH (the "New Second-Out First Lien B Notes" and, together with the New Second-Out First Lien A Notes, the "New Second-Out First Lien Notes"); (ii) 5.750% Senior Notes due 2028 issued by MPH ("5.750% Notes") for a portion of (a) New Second-Out First Lien A Notes, (b) New Second-Out First Lien B Notes and (c) new "third-out" 6.00% cash & 0.75% PIK first lien notes due 2031 issued by MPH (the "New Third-Out First Lien A Notes"); (iii) the 6.00% / 7.00% Convertible Senior PIK Toggle Notes due 2027 ("Senior Convertible PIK Notes") for a portion of (a) New Second-Out First Lien A Notes, (b) New Second-Out First Lien B Notes and (c) new "third-out" 6.00% cash & 0.75% PIK first lien notes due 2031 issued by Claritev (the "New Third-Out First Lien B Notes" and, together with the New Third-Out First Lien A Notes, the "New Third-Out First Lien Notes"); and (iv) MPH's existing term loans maturing on September 1, 2028 (such loans, the "Existing Term Loans") under that certain Credit Agreement, dated as of August 24, 2021 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Existing First Lien Credit Agreement"), by and among MPH, as borrower, MPH Acquisition, the co-obligors from time to time party thereto, the lenders from time to time party thereto, and Goldman Sachs Lending Partners LLC, as administrative agent, collateral agent, swingline lender and a letter of credit issuer for a portion of (a) New First-Out First Lien Term Loans and (b) new "second-out" first lien term loans maturing on December 31, 2030 under the New First Lien Credit Agreement (the "New Second-Out First Lien Term Loans") (collectively, the "Exchange Offers");

- (i) the termination of all revolving credit commitments under the Existing First Lien Credit Agreement (such commitments, the "Existing Revolving Credit Commitments") and (ii) the establishment of $350 million in new "first-out" first lien revolving credit commitments terminating on December 31, 2029 under the New First Lien Credit Agreement (such commitments, the "New Revolving Commitments");

- the related consent solicitations (the "Consent Solicitations") to (i) holders of the 5.50% Notes, the 5.750% Notes and the Senior Convertible PIK Notes to remove substantially all of the covenants, certain events of default and certain other provisions contained in the indentures governing the 5.50% Notes, the 5.750% Notes and the Senior Convertible PIK Notes, and to release all of the collateral securing the 5.50% Notes and (ii) to holders of Existing Term Loans and Existing Revolving Credit Commitments to eliminate substantially all covenants, certain default provisions, and substantially all representations and warranties in the Existing First Lien Credit Agreement, as well as release certain of the collateral and guarantors thereunder, which had the effect of releasing (i) the same guarantors under the indentures governing the 5.50% Notes and the 5.750% Notes and (ii) the same collateral securing the 5.50% Notes; and

- the amendment to the Existing First Lien Credit Agreement (the "Credit Agreement Amendment") to (i) explicitly permit the Refinancing Transaction, (ii) eliminate substantially all affirmative covenants, negative covenants, representations and warranties and events of default set forth in the Existing First Lien Credit Agreement and (iii) release the Released Guarantors from their guarantee obligations and release any and all security interests or liens on the assets of such Released Guarantors.

As used herein, references to "Released Guarantors" are to (i) Benefits Science LLC, (ii) BST Acquisition Corp., (iii) American Lifecare Holdings, Inc., (iv) American Lifecare, Inc., (v) Statewide Independent PPO Inc., (vi) Private Healthcare Systems, Inc., (vii) HST, (viii) HST Acquisition Corp., (ix) Launchpoint Ventures, LLC, (x) DHP Acquisition Corp. and (xi) Data & Decision Science LLC.

Interest on the revolving loans (borrowed pursuant to MPH's $350 million senior secured revolving credit facility maturing on December 31, 2029 under the New First Lien Credit Agreement (the "2025 revolving credit facility")) is calculated, at MPH's option, as (a) Term SOFR (or 0.00%, if higher) plus 3.75% or (b) (x) the highest rate of (1) the prime rate, (2) the federal funds effective rate plus 0.50%, (3) Term SOFR for an interest period of one month plus 1.00% and (4) 1.00% plus (y) 2.75%. We are obligated to pay a commitment fee on the average daily unused amount of our 2025 revolving credit facility. The fee can range from an annual rate of 0.25% to 0.50% based on our consolidated first out first lien debt to consolidated EBITDA ratio, as defined in the New First Lien Credit Agreement.

As part of the Refinancing Transactions, we have incurred transaction expenses of approximately $71.8 million, of which $63.9 million, $7.8 million, and $0.1 million have been expensed as incurred for twelve months ending December 31, 2024, three months ended March 31,2025, and three months ended June 30, 2025, respectively, and are included in Transaction Costs in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss. Debt issuance costs of $4.9 million associated with the 2025 revolving credit facility are included in other assets in the accompanying unaudited condensed consolidated balance sheets as of December 31, 2024. Certain transaction costs were paid in conjunction with the transaction closing and, as such, the revolver was drawn down in the amount of $130 million to fund the Refinancing Transaction. The 2025 revolving credit facility had $80 million and $0 outstanding at June 30, 2025 and December 31, 2024, respectively.

The Exchange Offers were treated as debt modifications, and all unamortized debt issue costs and discounts associated with the pre-existing notes were ratably applied to the new notes issued, and will be amortized over the new term.

The Refinancing Transactions will increase the Company's taxable income for the year. Additional income tax due, estimated between $ 55 million and $75 million, are paid in the ordinary course of business throughout the remainder of 2025.

The financial covenant under the 2025 revolving credit facility is such that, if as of the last day of any fiscal quarter of MPH (commencing with the fiscal quarter ending March 31, 2025), the aggregate amount of loans under the 2025 revolving credit facility, letters of credit issued under the 2025 revolving credit facility (to the extent not cash collateralized or backstopped or, in the aggregate, in excess of $15 million) and swingline loans are outstanding and/or issued in an aggregate amount greater than 40.0% of the total commitments in respect of the 2025 revolving credit facility at such time, the 2025 revolving credit facility will require MPH to maintain a consolidated first out, first lien debt to consolidated EBITDA ratio not to exceed 2.50 to 1.00. As of June 30, 2025, we did not meet the financial covenant threshold and had $263.6 million of loan availability under the revolving credit facility.

As of June 30, 2025 and December 31, 2024, the Company was in compliance with all of the debt covenants. See our discussion of *Debt Covenants and Events of Default* provided in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"*.

5. Private Placement Warrants and Unvested Founder Shares

Warrants were issued to Churchill Sponsor III, LLC ("Sponsor") (the "Private Placement Warrants") in a private placement simultaneously with the closing of the initial public offering by Churchill Capital Corporation III ("Churchill") which closed on February 19, 2020, which include the warrants to purchase Churchill's Class A common stock ("Working Capital Warrants") issued pursuant to the terms of an unsecured promissory note issued by the Company to the Sponsor, and which are on terms identical to the terms of the Private Placement Warrants. On July 12, 2020, Churchill entered into the Merger Agreement (the "Merger Agreement") by and among Music Merger Sub I, Inc., Music Merger Sub II, LLC, Holdings, and Polaris Parent Corp. In connection with the execution of the Merger Agreement, Churchill and Michael Klein, Jay Taragin, Jeremy Paul Abson, Glenn R. August, Mark Klein, Malcolm S. McDermid, and Karen G. Mills entered into a Sponsor Agreement (as amended, the "Sponsor Agreement"). Pursuant to the terms of the Sponsor Agreement, 310,102 of the founder shares ("Unvested Founder Shares") and 120,000 Private Placement Warrants were unvested as of October 8, 2020 and will re-vest at such time as, during

the period starting on October 8, 2021 and ending on October 8, 2025, the closing price of our Class A common stock exceeds $500.00 per share for any forty (40) trading days in a sixty (60) consecutive day period. Such founder shares and Private Placement Warrants that do not re-vest on or before October 8, 2025 will be forfeited and cancelled.

The 120,000 Private Placement Warrants that unvested are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with the Sponsor and other permitted transferees, each of whom will be subject to the same transfer restrictions) until they re-vest.

The Private Placement Warrants and Unvested Founder Shares were initially recorded at fair value on the date of consummation of the Merger and the other transactions contemplated by the Merger Agreement and the related agreements (the "Transactions") and are subsequently adjusted to fair value at each subsequent reporting date. The fair value of the Unvested Founder Shares and unvested Private Placement Warrants is obtained using a Monte Carlo model and the fair value of the remaining Private Placement Warrants is obtained using a Black Scholes model, together referenced as the "option pricing" model. The Company will continue to adjust the liability for changes in fair value for the founder shares until the earlier of the re-vesting or forfeiture of these instruments. The Company will continue to adjust the liability for changes in fair value for the Private Placement Warrants until the warrant is equity classified.

There are 476,717 Private Placement Warrants and 310,102 Unvested Founder Shares outstanding as of December 31, 2024 and June 30, 2025.

As of June 30, 2025 and December 31, 2024, the Private Placement Warrants and the Unvested Founder Shares had no value.

6. Fair Value Measurements

Fair value measurements are based on the premise that fair value represents an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the following three-tier fair value hierarchy has been used in determining the inputs used in measuring fair value:

- Level 1 — Quoted prices in active markets for identical assets or liabilities on the reporting date.
- Level 2 — Inputs, other than quoted prices in active markets (Level 1), that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Unobservable inputs in which there is little or no market data, which require the entity to develop its own assumptions.

Financial instruments

Certain financial instruments which are not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable and accounts payable, which approximate fair value due to their short-term nature. The financial instrument that potentially subjects the Company to concentrations of credit risk consists primarily of accounts receivable.

Cash and cash equivalents as of June 30, 2025 and December 31, 2024 did not include money market funds.

As of June 30, 2025 and December 31, 2024, the Company's carrying amount and fair value of long-term debt consisted of the following:

(in thousands)	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term Debt:				
Term Loan B, net of discount (includes current portion)	$ —	$ —	$ 1,274,472	$ 978,794
5.50% Notes	5,814	4,576	1,050,000	891,450
5.750% Notes	5,310	3,335	979,827	645,706
Senior Convertible PIK Notes, net of discount	420	285	1,239,871	830,714
New First-Out First Lien Term Loans, net of discount	323,485	319,247	—	—
New Second-Out First Lien Term Loans, net of discount	1,134,839	1,019,199	—	—
New Second-Out First Lien A Notes, net of discount	610,852	606,087	—	—
New Second-Out First Lien B Notes, net of discount	761,895	629,401	—	—
New Third-Out First Lien A Notes	758,419	564,264	—	—
New Third-Out First Lien B Notes, net of discount	966,733	648,098	—	—
Finance lease obligations	64	64	82	82
Total Long-term Debt	$ 4,567,831	$ 3,794,556	$ 4,544,252	$ 3,346,746

We estimate the fair value of long-term debt using Level 2 inputs as they are not registered securities nor listed on any securities exchange but may be traded by qualified institutional buyers.

Recurring fair value measurements

The Private Placement Warrants and Unvested Founder Shares are measured at fair value on a recurring basis. The fair value of these instruments was determined based on significant inputs not observable in the market which would represent a level 3 measurement within the fair value hierarchy. The Company uses an option pricing simulation to estimate the fair value of these instruments.

The Company records derivatives on the balance sheet at fair value, which represents the estimated amounts it would receive or pay upon termination of the derivative prior to the scheduled expiration date. The fair value is derived from model-driven information based on observable Level 2 inputs, such as SOFR forward rates.

Non-recurring fair value measurements

We also measure certain non-financial assets at fair value on a nonrecurring basis, primarily goodwill and long-lived tangible and intangible assets, in connection with periodic evaluations for potential impairment. We estimate the fair value of these assets using primarily unobservable inputs and, as such, these are considered Level 3 fair value measurements. There were no impairment charges for the three and six months ended June 30, 2025. There were impairment charges of $553.7 million for goodwill and $1,072.8 million for goodwill and long-lived intangible assets for the three and six months ended June 30, 2024.

Our non-marketable equity securities using the measurement alternative are adjusted to fair value on a non-recurring basis. Adjustments are made when observable transactions for identical or similar investments of the same issuer occur, or due to impairment. These securities are classified as Level 2 in the fair value hierarchy because we estimate the value based on valuation methods using the observable transaction price at the transaction date. At June 30, 2025, the carrying amount of these alternative investments, recorded under Other assets, net in the unaudited condensed consolidated balance sheets, was $15.0 million. There were no write-ups due to observable price changes or write-downs due to impairment in the current period.

7. Commitments and Contingencies

Commitments

The Company has certain irrevocable letters of credit used to satisfy real estate lease agreements for four of our offices in lieu of security deposits in the amount of $4.4 million outstanding as of June 30, 2025 and December 31, 2024. The Company also has an irrevocable letter of credit to satisfy the obligations of a captive insurance subsidiary in the amount of $2.0 million outstanding as of June 30, 2025 and $6.1 million as of December 31, 2024.

Claims and Litigation

We are a defendant in various lawsuits and other pending and threatened litigation and other adversarial matters which have arisen in the ordinary course of business as well as regulatory investigations, all which have arisen in the ordinary course of business. While the ultimate outcome with respect to such proceedings cannot be predicted with certainty, we do not currently believe they will not have a material adverse effect on our financial condition or results of operations.

On July 11, 2024, we settled litigation filed in 2014 in which a dialysis company alleged that an entity we acquired in 2011 was liable for certain payments owed to the dialysis provider. As a result of this settlement, we received $9.8 million of recoveries from insurers in the three months ended September 30, 2024, and on October 7, 2024, we completed the settlement payment.

We have been named in numerous federal lawsuits, including putative class action lawsuits relating to litigation on the basis of alleged violation of antitrust laws, asserting that, among other things, the Company is conspiring with commercial health insurance payors to suppress out-of-network reimbursements in violation of applicable antitrust law. These lawsuits were initially filed in various venues, including the Southern District of New York, the Northern District of Illinois, and the Northern District of California, naming the Company and, in certain cases, certain payors, as defendants. The lawsuits have now been centralized in the Northern District of Illinois (the "Court") pursuant to a transfer order issued by the federal Judicial Panel on Multidistrict Litigation and assigned to the Honorable Matthew F. Kennelly. Consolidated complaints were filed on November 18, 2024 and the defendants filed joint motions to dismiss the consolidated complaints on January 16, 2025, which were granted in part and denied in part on June 3, 2025. Discovery in the case is ongoing. We believe these lawsuits are without merit and intend to vigorously defend the Company.

We accrue for costs associated with certain contingencies, including, but not limited to, settlement of legal proceedings, regulatory compliance matters and self-insurance exposures when such costs are probable and reasonably estimable. Such accruals are included in other accrued expenses on the accompanying consolidated balance sheets. In addition, we accrue for legal fees incurred in defense of asserted litigation and regulatory matters as such legal fees are incurred. To the extent it is probable under our existing insurance coverage that we are able to recover losses and legal fees related to contingencies, we record such recoveries concurrently with the accrual of the related loss or legal fees. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In our determination of the probability and ability to estimate contingent liabilities and related insurance recoveries we consider the following: litigation exposure based on currently available information, consultations with external legal counsel, adequacy and applicability of existing insurance coverage and other pertinent facts and circumstances regarding the contingency. Liabilities established to provide for contingencies are adjusted as further information develops, circumstances change, or contingencies are resolved; and such changes are recorded in the accompanying consolidated statements of loss and comprehensive loss during the period of the change and appropriately reflected in other accrued expenses on the accompanying consolidated balance sheets.

8. Segment Information

ASC 280, Segment Reporting, establishes standards for reporting information about operating segments. Operating segments are defined as components of an entity for which separate financial information is available and regularly reviewed by the chief operating decision maker. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The Company manages its operations as a single segment for the purposes of assessing performance and making decisions. The Company's singular focus is being a leading value-added provider of data analytics and technology-enabled end-to-end cost management, payment and revenue integrity solutions to the U.S. healthcare industry.

The CODM assesses performance for our reporting segment and decides how to allocate resources based on consolidated net income (loss). The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM uses net income (loss) to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits into our segment or into other parts of the entity, such as for acquisitions or debt and equity repurchases. Additionally, we have identified personnel costs, stock based compensation ("SBC"), and access and bill review fees as significant expenses that are regularly provided to the CODM and included in net income (loss). Personnel costs are defined as salaries and corresponding benefits (excluding SBC), severance costs, indirect costs such as recruitment fees, contract labor, and are presented net of capitalized costs. Stock based compensation includes expense under the 2020 Omnibus Incentive Plan and ESPP. Access and bill review fees include fees for accessing non-owned third-party provider networks, expenses associated with vendor fees for database access and systems technology used to reprice claims, and outsourced services. Third-party network expenses are fees paid to non-owned provider networks used to supplement our owned network assets to provide more network claim savings to our clients.

In addition, all of the Company's revenues and long-lived assets are attributable to operations in the United States for all periods presented.

The following table presents summary results for our reporting segment for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	241,570	233,476	472,900	467,984
Cost of Services ("COS")				
Personnel costs (excluding SBC)	46,084	47,731	93,963	95,794
Stock Based Compensation (including cRSUs)	2,518	2,298	4,295	4,054
Access and Bill Review Fees	6,713	4,670	12,221	9,571
Other COS Expense	5,508	6,670	10,780	12,027
Costs of services (exclusive of depreciation and amortization of intangible assets shown below)	60,823	61,369	121,259	121,446
General and Administrative ("G&A")				
Personnel costs (excluding SBC)	18,307	13,874	35,075	28,813
Stock Based Compensation (including cRSUs)	6,580	5,019	11,521	8,957
Other G&A Expense	28,050	15,658	56,976	31,638
General and Administrative Expenses	52,937	34,551	103,572	69,408
Depreciation	25,261	21,811	49,807	42,800
Amortization of intangible assets	85,971	85,971	171,942	171,942
Loss on impairment of goodwill and intangible assets	—	553,701	—	1,072,751
Total expenses	224,992	757,403	446,580	1,478,347
Operating income (loss)	16,578	(523,927)	26,320	(1,010,363)
Interest expense	99,746	81,129	191,382	163,327
Interest income	(323)	(551)	(811)	(1,477)
Transaction costs - Refinancing Transaction	87	—	7,879	—
Gain on extinguishment of debt	—	—	670	(5,913)
Loss (Gain) on change in fair value of Private Placement Warrants and Unvested Founder Shares	—	(259)	—	(389)
Net loss before taxes	(82,932)	(604,246)	(172,800)	(1,165,911)
Benefit for income taxes	(20,292)	(27,519)	(38,841)	(49,495)
Net loss	(62,640)	(576,727)	(133,959)	(1,116,416)

9. Basic and Diluted Loss Per Share

The following table sets for the weighted average number of shares outstanding and the computation of basic and diluted net loss per share, retroactively adjusted to reflect the Reverse Sock Split for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except number of shares and per share data)	**2025**	**2024**	**2025**	**2024**
Numerator for earnings per share calculation				
Net loss	$ (62,640)	$ (576,727)	$ (133,959)	$ (1,116,416)
Denominator for earnings per share calculation				
Weighted average number of shares outstanding – basic	16,453,896	16,116,996	16,364,573	16,137,493
Weighted average number of shares outstanding – diluted	16,453,896	16,116,996	16,364,573	16,137,493
(Loss) Income per share – basic and diluted:				
Net loss per share – basic	$ (3.81)	$ (35.78)	$ (8.19)	$ (69.18)
Net loss per share – diluted	$ (3.81)	$ (35.78)	$ (8.19)	$ (69.18)

For the three and six months ended June 30, 2025 and June 30, 2024, we have excluded from the calculation of diluted net loss per share the instruments whose effect would have been antidilutive, including (i) 476,717 warrants outstanding, (ii) 808 shares which may be issued upon conversion of the Senior Convertible PIK Notes, and (iii) 310,102 Unvested Founder Shares. Additionally, we have excluded from the calculation of diluted net loss per share stock-based compensation awards whose effect would have been anti-dilutive of 1,033,248 and 796,168 for three and six months ended June 30, 2025 . Therefore, the weighted average number of shares outstanding used to calculate both basic and diluted net loss per share is the same.

10. Related Party Transactions

The accompanying unaudited condensed consolidated statements of loss and comprehensive loss include related party expenses of $40 thousand and $59 thousand for the three and six months ended June 30, 2025 and $23 thousand and $59 thousand for the three and six months ended June 30, 2024. These expenses are associated with a software license from Abacus Insights, Inc., as well as customer service software and captive management services from companies controlled by Hellman & Friedman LLC.

The accompanying unaudited condensed consolidated balance sheets include prepaid expenses of $22 thousand and $37 thousand from related parties as of June 30, 2025 and December 31, 2024, respectively.

11. Subsequent Events

On July 4, 2025, H.R.1, One Big Beautiful Bill Act (the “OBBBA”) was signed into law. The bill contains corporate tax provisions that apply to the Company and have favorable impact to US based technology companies. In accordance with ASC 740 provisions in the OBBBA will be applicable starting in the third quarter of 2025. The Company is currently evaluating the provisions of the legislation and its potential impacts on its consolidated financial statements and related disclosures.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes thereto contained elsewhere in this Quarterly Report and together with the information included in the Company's 2024 Annual Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties; the results described below are not necessarily indicative of the results to be expected in any future periods. References to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock units, performance stock units, share date, per share data and conversion rates with respect to convertible notes and related information have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented.

Cautionary Note Regarding Forward-looking Statements

All statements other than statements of historical fact included in this Quarterly Report including, without limitation, statements under this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), each as amended, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the next quarter and beyond. When used in this Quarterly Report, words such as "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology represent forward-looking statements that include matters that are not historical facts. They may appear in a number of places throughout this Quarterly Report and these forward-looking statements reflect management's expectations regarding our future growth, results of operations, operational and financial performance and business prospects and opportunities. Such forward-looking statements are based on available current market material and management's expectations, beliefs and forecasts concerning future events impacting our business. Factors that may impact such forward-looking statements include:

- loss of our clients, particularly our largest clients;
- the ability to achieve the goals of our strategic plans and recognize the anticipated strategic, operational, growth and efficiency benefits when expected;
- our ability to enter new lines of business and broaden the scope of our services;
- the loss of key members of our management team or inability to maintain sufficient qualified personnel;
- our ability to continue to attract, motivate and retain a large number of skilled employees, and adapt to the effects of inflationary pressure on wages;
- trends in the U.S. healthcare system, including recent trends of unknown duration of reduced healthcare utilization and increased patient financial responsibility for services;
- effects of competition;
- effects of pricing pressure;
- the inability of our clients to pay for our services;
- changes in our industry and in industry standards and technology;
- adverse outcomes related to litigation or governmental proceedings;
- interruptions or security breaches of our information technology systems and other cybersecurity attacks;
- our ability to maintain the licenses or right of use for the software we use;
- our ability to protect proprietary information, processes and applications;
- our inability to expand our network infrastructure;

- inability to preserve or increase our existing market share or the size of our preferred provider organization ("PPO") networks;
- decreases in discounts from providers;
- pressure to limit access to preferred provider networks;
- changes in our regulatory environment, including healthcare law and regulations;
- the expansion of privacy and security laws;
- heightened enforcement activity by government agencies;
- our ability to obtain additional financing;
- our ability to pay interest and principal on our notes and other indebtedness;
- lowering or withdrawal of our credit ratings;
- changes in accounting principles or the incurrence of impairment charges;
- the possibility that we may be adversely affected by other political, economic, business, and/or competitive factors;
- other factors disclosed in this Quarterly Report; and
- other factors beyond our control.

The forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on our business. There can be no assurance that future developments affecting our business will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors referred to under the heading "*Risk Factors*" in Part II, Item 1A of this Quarterly Report or as described in our 2024 Annual Report. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Company Overview

Claritev is a leading provider of data-driven cost management solutions that deliver transparency and promote fairness, quality and affordability to the healthcare industry. Through our proprietary data and technology platform, we provide out-of-network cost management, payment and revenue integrity, data and decision science, business-to-business healthcare payments and other services to the payors of healthcare, which are primarily health insurers and their administrative-services-only platforms, self-insured employers, federal and state government-sponsored health plans and other health plan sponsors (typically through their health plan administrators), and, indirectly, the plan members who are the consumers of healthcare services.

Although the end beneficiary of our services are employers and other plan sponsors and their health plan members, our direct customers are typically payors, including payors providing administrative services only, third-party administrators ("TPAs"), who go to market with our services to those end customers. We offer these payors a single interface to our services, which are used in combination or individually to reduce the medical cost burden on their health plan customers, by lowering the per-unit cost of medical services incurred, managing the utilization of medical services, and increasing the likelihood that the services are reimbursed without error and accepted by the provider. We are a technology-enabled service provider and transaction processor and do not deliver health-care services, provide or manage healthcare services, provide care or care management, or adjudicate or pay claims.

The Company, primarily through its operating subsidiary, Claritev, Inc., offers its solutions nationally through a range of service lines, which include:

- ***Analytics-Based Services*** reduce medical cost through data-driven algorithms and insights that detect claims over-charges and either negotiate or recommend fair reimbursement for out-of-network medical costs using a variety of data sources and pricing algorithms. Our Analytics-Based Services claim pricing services are generally priced based on a percentage of savings achieved. Also included in this category are services that enable lower cost health plans that feature reference-based pricing either in conjunction with or in place of a provider network. These services are generally priced at a bundled per-employee-per-moth ("PEPM") rate;

- ***Network-Based Services*** reduce medical cost by providing access to contracted discounts with healthcare providers with whom payors do not have a contractual relationship, through our expansive network of over 1.4 million healthcare providers, which forms one of the largest independent preferred provider organizations in the United States. Our Network-Based Services are priced based on either a percentage of savings achieved or at a per employee/member per month fee. This service category also includes customized network development and management services for payors seeking to expand their network footprint using outsourced services. These services are generally priced on a per provider contract or other project-based price;

- ***Payment and Revenue Integrity Services*** reduce medical cost through data, technology, and clinical expertise deployed to identify and remove improper and unnecessary charges before or after claims are paid, or to identify and help restore premium dollars underpaid by CMS for government health plans caused by discrepancies with enrollment-related data. Payment and Revenue Integrity Services are generally priced based on a percentage of savings achieved; and

- ***Data and Decision Science Services*** reduce medical costs through a next generation suite of solutions that apply modern methods of data science to produce descriptive, predictive, and prescriptive analytics that enable customers to optimize decision-making about plan design and network configurations and to support decision-making to improve clinical outcomes, plan performance, and competitive positioning. We formed this new service category in the second quarter of 2023 and accelerated its development through the acquisition of BST. Data and Decisions Science Services are generally priced based on a subscription, licensing, or per-member-per month basis.

Additionally, in 2023 the Company entered into a partnership agreement with ECHO Health, Inc., which through a joint marketing and services agreement adds payment processing of healthcare provider claims as well as payments made to other service providers.

During the three months ended June 30, 2025, the Company advanced its long-term growth strategy by initiating its first international market expansion into the Middle East and North Africa ("MENA") region through a strategic partnership with Claims Care Revenue Cycle Management LLC ("Claims Care"), a division of Burjeel Holdings. Through this partnership, we will collaborate on a comprehensive product roadmap to deliver state-of-the-art revenue cycle management solutions, tailored to the needs of the MENA market. The relationship will involve the transition of certain of Claritev's offshore business processes to Claims Care, in an effort to foster deeper operational synergies and market alignment.

We believe our solutions provide a strong value proposition to payors, their health plan customers and healthcare consumers, as well as to providers. Overall, our service offerings aim to reduce healthcare costs in a manner that is orderly, efficient, and fair to all parties. In addition, because in most instances the fee for our services is linked to the savings we identify, our revenue model is aligned with the interests of our customers. For the six months ended June 30, 2025 and June 30, 2024 and for the year ended December 31, 2024, our comprehensive services identified approximately $12.5 billion, $11.9 billion, and $24.7 billion in potential medical cost savings, respectively.

Reverse Stock Split

On September 20, 2024, the Company effected a one-for-forty (1-for-40) reverse stock split of its Class A common stock.

References to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock units, performance stock units, share data, per share data and conversion rates with respect to convertible notes and related

information contained in the unaudited condensed consolidated financial statements have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented.

Factors Affecting Our Results of Operations

Medical Cost Savings

Our business and revenues are driven by the ability to lower medical costs through claim savings for our customers. The volume of medical charges associated with those claims is a primary driver of our ability to generate claim savings.

The following table presents the medical charges processed and the potential savings identified across our products and revenue streams, including PEPM and percentage of savings ("PSAV"), for the periods presented:

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
(in millions)	2025	2024	%	2025	2024	
Commercial Health Plans						
Medical charges processed	$ 21,142	$ 19,841	6.6%	$42,019	$38,146	10.2%
Potential medical cost savings	$ 5,848	$ 5,828	0.3%	$11,683	$11,228	4.1%
Potential savings as a % of charges	27.7 %	29.4 %		27.8 %	29.4 %	
Payment & Revenue Integrity, Property & Casualty, and Other						
Medical charges processed	$ 22,707	$ 25,420	(10.7)%	$44,710	$48,635	(8.1)%
Potential medical cost savings	$ 441	$ 345	27.8%	$834	$681	22.4%
Potential savings as a % of charges	1.9 %	1.4 %		1.9 %	1.4 %	
Total						
Medical charges processed	$ 43,849	$ 45,261	(3.1)%	$86,729	$86,781	(0.1)%
Potential medical cost savings	$ 6,289	$ 6,173	1.9%	$12,517	$11,909	5.1%
Potential savings as a % of charges	14.3 %	13.6 %		14.4 %	13.7 %	

Medical charges processed represent the aggregate dollar amount of claims processed by our cost management and payment and revenue integrity solutions in the period presented. The dollar amount of the claim for the purposes of this calculation is the dollar amount of the claim prior to any reductions that may be made as a result of the claim being processed by our solutions.

Potential medical cost savings represent the aggregate amount of potential savings in dollars identified by our cost management and payment and revenue integrity solutions in the period presented. Since certain of our fees are based on the amount of savings achieved by our customers, and our customers are the final adjudicator of the claims and may choose not to reduce claims or reduce claims by only a portion of the potential savings identified, potential medical cost savings may not directly correlate with the amount of fees earned in connection with the processing of such claims.

Components of Results of Operations

Revenues

We generate revenues from several sources including: (i) Network-Based Services that process claims at a discount compared to billed fee-for-service rates and by using an extensive network, (ii) Analytics-Based Services that use our leading and proprietary information technology platform to offer customers solutions to reduce medical costs, and (iii) Payment and Revenue Integrity Services that use data, technology, and clinical expertise to identify improper, unnecessary and excessive charges. Payors typically compensate us through either a PSAV achieved or a PEPM rate. Approximately 88% of revenue for the year ended December 31, 2024 was based on a PSAV achieved rate.

Costs of Services (exclusive of depreciation and amortization of intangible assets)

Costs of services (exclusive of depreciation and amortization of intangible assets) consist of all costs specifically associated with claims processing activities for clients, sales and marketing, and the development and maintenance of our networks, analytics-based services, and payment and revenue integrity services. Two of the largest components in costs of services are personnel expenses and access and bill review fees. Access and bill review fees include fees for accessing non-owned third-party provider networks, expenses associated with vendor fees for database access and systems technology used to reprice

claims, and outsourced services. Third-party network expenses are fees paid to non-owned provider networks used to supplement our owned network assets to provide more network claim savings to our clients.

General and Administrative Expenses

General and administrative expenses include corporate management and governance functions composed of general management, legal, treasury, tax, real estate, financial reporting, auditing, benefits and human resource administration, communications, public relations, billing and information management. In addition, general and administrative expenses include taxes, insurance, advertising, transaction costs, and other general expenses.

Depreciation Expense

Depreciation expense consists of depreciation and amortization of property and equipment related to our investments in leasehold improvements, furniture and equipment, computer hardware and software, and internally generated capitalized software development costs. We provide for depreciation and amortization on property and equipment using the straight-line method to allocate the cost of depreciable assets over their estimated useful lives.

Amortization of Intangible Assets

Amortization of intangible assets includes amortization of the value of our customer relationships, provider network, technology, and trademarks which were identified in valuing the intangible assets in connection with the June 6, 2016 acquisition by Hellman & Friedman Capital Partners VIII, L.P. and its affiliates, as well as the subsequent acquisitions of BST, HST and DHP by the Company.

Loss on Impairment of Goodwill and Intangible Assets

A loss on impairment can be recorded in connection with the quantitative impairment testing of our goodwill and indefinite-lived intangibles and is performed annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable, and their fair value is less than their carrying value.

Interest Expense

Interest expense consists of accrued interest and related interest payments on our outstanding long-term debt and amortization of debt issuance costs and discounts.

Interest Income

Interest income consists primarily of bank interest.

Transaction Costs - Refinancing Transaction

Costs incurred with third parties directly related to an exchange or modification that is not to be accounted for in the same manner as a debt extinguishment, are expensed as incurred.

Loss (Gain) on Extinguishment of Debt

The Company recognizes a loss or (gain) on extinguishment of debt for the difference between the net carrying amount of the extinguished debt immediately before the refinancing and the fair value of the new debt instruments, and fees associated with the issuance of the new debt under the refinancing.

Gain (Loss) on change in fair value of Private Placement Warrants and Unvested Founder Shares

The Company re-measures, at each reporting period, the fair value of the Private Placement Warrants and Unvested Founder Shares. The changes in fair value are primarily due to the change in the stock price of the Company's Class A common stock and the passage of time over that period.

Income Tax Benefit

Income tax benefit consists of federal, state, and local income taxes.

Non-GAAP Financial Measures

We use EBITDA, Adjusted EBITDA, and adjusted earnings per share ("Adjusted EPS") to evaluate our financial performance. EBITDA, Adjusted EBITDA, and Adjusted EPS are financial measures that are not presented in accordance with GAAP. We believe the presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our financial operating results of our core business.

These measurements of financial performance have important limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Additionally, they may not be comparable to other similarly titled measures of other companies. Some of these limitations are:

- such measures do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the significant interest expense, or cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect any cash requirements for any future replacement of depreciated assets;
- such measures do not reflect the impact of stock-based compensation upon our results of operations;
- such measures do not reflect our income tax (benefit) expense or the cash requirements to pay our income taxes;
- such measures do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate these measures differently from how we do, limiting their usefulness as a comparative measure.

In evaluating EBITDA, Adjusted EBITDA, and Adjusted EPS, you should be aware that in the future we may incur expenses similar to those eliminated in the presentation.

EBITDA, Adjusted EBITDA, and Adjusted EPS are widely used measures of corporate profitability eliminating the effects of financing and capital expenditures from the operating results. We define EBITDA as net loss adjusted for interest expense, interest income, income tax (benefit) expense, depreciation, amortization of intangible assets, and non-income taxes. Non-income taxes includes personal property taxes, real estate taxes, sales and use taxes and franchise taxes which are included in cost of services and general and administrative expenses. We define Adjusted EBITDA as EBITDA further adjusted to eliminate the impact of certain items that we do not consider to be indicative of our core business, including other expenses, net, Loss on disposal of assets, including right-of-use assets, integration expenses, gain (loss) on change in fair value of Private Placement Warrants and Unvested Founder Shares, transaction related expenses, transformation costs, (gain) loss on debt extinguishment, (gain) loss on investments, loss on impairment of goodwill and intangible assets, and stock-based compensation. See our unaudited condensed consolidated financial statements included in this Quarterly Report for more information regarding these adjustments. Adjusted EBITDA is used in our agreements governing our outstanding indebtedness for debt covenant compliance purposes. Our Adjusted EBITDA calculation is consistent with the definition of Adjusted EBITDA used in our debt instruments.

Adjusted EPS is used in reporting to our Board and executive management and as a component of the measurement of our performance. We believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate earnings performance on a comparable year-to-year basis. Adjusted EPS is defined as net loss adjusted for amortization of intangible assets, stock-based compensation, transaction related expenses, (gain) loss on debt extinguishment, (gain) loss on investments, other expense, gain on change in fair value of Private Placement Warrants and Unvested Founder Shares, loss on impairment of goodwill and intangible assets, and tax effect of adjustments to arrive at Adjusted net income divided by our basic weighted average number of shares outstanding.

The following table presents a reconciliation of net loss to EBITDA and Adjusted EBITDA for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	$ (62,640)	$ (576,727)	$ (133,959)	$ (1,116,416)
Adjustments:				
Interest expense	99,746	81,129	191,382	163,327
Interest income	(323)	(551)	(811)	(1,477)
Benefit for income taxes	(20,292)	(27,519)	(38,841)	(49,495)
Depreciation	25,261	21,811	49,807	42,800
Amortization of intangible assets	85,971	85,971	171,942	171,942
Non-income taxes	563	580	1,116	1,108
EBITDA	$ 128,286	$ (415,306)	$ 240,636	$ (788,211)
Adjustments:				
Other expenses, net [1]	6,690	426	9,454	1,067
Loss on disposal of assets, including right-of-use assets	1,809	—	5,476	—
Integration expenses	133	791	513	1,144
Change in fair value of Private Placement Warrants and Unvested Founder Shares	—	(259)	—	(389)
Transformation costs [2]	7,925	—	15,653	—
Transaction costs - Refinancing Transaction	87	—	7,879	—
Loss (Gain) on extinguishment of debt	—	—	670	(5,913)
Loss on impairment of goodwill and intangible assets	—	553,701	—	1,072,751
Stock-based compensation, including cRSUs	9,098	7,317	15,816	13,011
Adjusted EBITDA	$ 154,028	$ 146,670	$ 296,097	$ 293,460

(1) "Other expenses, net" represents miscellaneous non-recurring expenses, impairment of other assets, tax penalties, non-integration related severance costs, legal expenses associated with antitrust matters, start-up costs related to international expansion, and implementation costs for cloud computing arrangements.

(2) "Transformation costs" represents costs directly associated with our multi-year transformation program which include personnel costs as well as non-recurring and duplicative costs.

Material differences between Claritev Corporation and MPH for the three and six months ended June 30, 2025 and June 30, 2024 include differences in interest expense, income taxes, gain on extinguishment of debt, and stock-based compensation.

For the three and six months ended June 30, 2025, interest expense for Claritev Corporation was higher than MPH by $19.5 million and $38.4 million, respectively, due to interest expense incurred by Claritev Corporation on the Senior Convertible PIK Notes and the New Third-Out First Lien B Notes. For the three and six months ended June 30, 2024, interest expense for Claritev Corporation was higher than MPH by $19.3 million and $39.6 million, respectively, due to interest expense incurred by Claritev Corporation on the Senior Convertible PIK Notes

The change in fair value of Private Placement Warrants and Unvested Founder Shares, gain on extinguishment of debt, and stock-based compensation (excluding the employee stock purchase plan) are recorded in the parent company Claritev Corporation and not in the MPH operating company and therefore represent differences between Claritev Corporation and MPH.

In the three and six months ended June 30, 2025, EBITDA expenses for Claritev Corporation were lower than MPH by $1 million and $1.9 million, respectively, primarily due to insurance premiums paid to our captive insurance company, net of related captive insurance company costs, which are eliminated in the consolidated financial reporting of Claritev Corporation. In the three and six months ended June 30, 2024, EBITDA expenses for Claritev Corporation were lower than MPH by $0.7 million and $1.3 million, respectively, primarily due to insurance premiums paid to our captive insurance company, net of related captive insurance company costs, which are eliminated in the consolidated financial reporting of Claritev Corporation.

The following table presents a reconciliation of net loss to Adjusted EPS for the periods presented:

(in thousands, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	$ (62,640)	$ (576,727)	$ (133,959)	$ (1,116,416)
Adjustments:				
Amortization of intangible assets	85,971	85,971	171,942	171,942
Other expenses, net [1]	6,690	426	9,454	1,067
Integration expenses	133	791	513	1,144
Loss on disposal of assets, including right-of-use assets	1,809	—	5,476	—
Transaction costs - Refinancing Transaction	87	—	7,879	—
Change in fair value of Private Placement Warrants and Unvested Founder Shares	—	(259)	—	(389)
Transformation costs (2)	7,925	—	15,653	—
Loss (Gain) on extinguishment of debt	—	—	670	(5,913)
Stock-based compensation, including cRSUs	9,098	7,317	15,816	13,011
Loss on impairment of goodwill and intangible assets	—	553,701	—	1,072,751
Estimated tax effect of adjustments	(25,365)	(30,985)	(49,986)	(58,201)
Adjusted net income	$ 23,708	$ 40,235	$ 43,458	$ 78,996
Weighted average shares outstanding – basic and diluted[3]	16,453,896	16,116,996	16,364,573	16,137,493
Net loss per share – basic and diluted	$ (3.81)	$ (35.78)	$ (8.19)	$ (69.18)
Adjusted EPS	$ 1.44	$ 2.50	$ 2.66	$ 4.90

(1) "Other expenses, net" represents miscellaneous non-recurring expenses, impairment of other assets, tax penalties, non-integration related severance costs, legal expenses associated with antitrust matters, start-up costs related to international expansion, and implementation costs for cloud computing arrangements.

(2) "Transformation costs" represents costs directly associated with our multi-year transformation program which include personnel costs as well as non-recurring and duplicative costs.

(3) Shares, common stock and additional paid-in capital have been retroactively adjusted for all periods presented to reflect the one-for-forty (1-for-40) reverse stock split that became effective on September 20, 2024. See Note 1 General Information and Basis of Accounting of the Notes to the unaudited condensed consolidated financial statements included in this Quarterly Report for additional information.

Factors Affecting the Comparability of our Results of Operations

As a result of a number of factors, our historical results of operations may not be comparable to our results of operations in future periods and may not be directly comparable from period to period. Set forth below is a brief discussion of the key factors impacting the comparability of our results of operations.

Refinancing Transaction

As part of the Refinancing Transactions, we have incurred transaction expenses of approximately $71.8 million, of which $7.9 million have been expensed as incurred for six months ended June 30, 2025, and are included in Transaction costs - Refinancing Transaction in the accompanying unaudited condensed consolidated statements of loss and comprehensive loss.

Debt Repurchase and Cancellation

During the six months ended June 30, 2024, the Company repurchased and cancelled $21.1 million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $5.9 million, representing the difference between the purchase price including associated fees and the net carrying amount of the extinguished debt.

Remittance delays

During the quarter ended June 30, 2025, delays in the timing of receipt and remittance of certain fees collected from our customers and remitted to third party service providers contributed to an increase in Trade accounts receivable, net and Other accrued expenses recorded on the Condensed Consolidated Balance Sheet. These delays did not materially impact the Results of Operations for the three and six months ended June 30, 2025.

Results of Operations for the Three and Six Months Ended June 30, 2025 and 2024

The following table provides the results of operations for the periods indicated:

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Revenues								
Network-Based Services	$ 54,125	$ 45,723	$ 8,402	18.4 %	$ 101,015	$ 91,878	$ 9,137	9.9 %
Analytics-Based Services	156,966	159,896	(2,930)	(1.8)%	310,396	319,988	(9,592)	(3.0)%
Payment and Revenue Integrity Services	30,479	27,857	2,622	9.4 %	61,489	56,118	5,371	9.6 %
Total Revenues	$ 241,570	$ 233,476	$ 8,094	3.5 %	$ 472,900	$ 467,984	$ 4,916	1.1 %
Costs of services (exclusive of depreciation and amortization of intangible assets shown below)								
Costs of services (exclusive of depreciation and amortization of intangible assets shown below)	60,823	61,369	(546)	(0.9)%	121,259	121,446	(187)	(0.2)%
General and administrative expenses	52,937	34,551	18,386	53.2 %	103,572	69,408	34,164	49.2 %
Depreciation expense	25,261	21,811	3,450	15.8 %	49,807	42,800	7,007	16.4 %
Amortization of intangible assets	85,971	85,971	—	0.0 %	171,942	171,942	—	0.0 %
Loss on impairment of goodwill and intangible assets	—	553,701	(553,701)	(100.0)%	—	1,072,751	(1,072,751)	(100.0)%
Operating income (loss)	16,578	(523,927)	540,505	103.2 %	26,320	(1,010,363)	1,036,683	102.6 %
Interest expense	99,746	81,129	18,617	22.9 %	191,382	163,327	28,055	17.2 %
Interest income	(323)	(551)	228	41.4 %	(811)	(1,477)	666	45.1 %
Loss (gain) on extinguishment of debt	—	—	—	NM	670	(5,913)	6,583	111.3 %
Transaction costs - Refinancing Transaction	87	—	87	NM	7,879	—	7,879	100.0 %
Gain on change in fair value of Private Placement Warrants and Unvested Founder Shares	—	(259)	259	(100.0)%	—	(389)	389	(100.0)%
Net loss before taxes	(82,932)	(604,246)	521,314	86.3 %	(172,800)	(1,165,911)	993,111	85.2 %
Benefit for income taxes	(20,292)	(27,519)	7,227	26.3 %	(38,841)	(49,495)	10,654	21.5 %
Net loss	$ (62,640)	$ (576,727)	$ 514,087	89.1 %	$ (133,959)	$ (1,116,416)	$ 982,457	88.0 %

NM = Not meaningful

Revenues

Revenues increased by $8.1 million, or 3.5%, for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. This increase in revenues was due to the increase in Network-Based Services of $8.4 million.

Revenues increased by $4.9 million, or 1.1%, for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. This increase in revenues was due to the increase in Network-Based Services of $9.1 million and Payment and Revenue Integrity Services Revenues of $5.4 million during this time period partially offset by the decrease in Analytics-Based Services revenues of $9.6 million.

Network-Based Services revenues increased by $8.4 million, or 18.4%, in the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. The increase was primarily due to an increase in the Property and Casualty service line.

Network-Based Services revenues increased by $9.1 million, or 9.9%, in the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase was primarily due to an increase in the Property and Casualty service line.

Analytics-Based Services revenues decreased by $2.9 million, or 1.8%, for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. This decrease in revenue was primarily due to a decrease in PSAV of $7.5 million, primarily related to customer and program attrition partially offset by increases in PEPM of $2.1 million primarily related to value driven health plans and an increase of $2.5 million in other revenues

Analytics-Based Services revenues decreased by $9.6 million, or 3.0%, for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. This decrease in revenue was primarily due to a decrease in PSAV of $16.4 million, primarily related to customer and program attrition partially offset by increases in PEPM of $3.4 million primarily related to value driven health plans and an increase of $3.4 million in other revenues.

Payment and Revenue Integrity Services revenues increased by $2.6 million, or 9.4%, for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. This increase was primarily due to increases in our Clinical Review and Payment Accuracy product lines of $3.5 million partially offset by decreases in our Revenue Integrity product line of $1.5 million. The increase in Payment and Revenue Integrity Services was primarily within our PSAV revenues.

Payment and Revenue Integrity Services revenues increased by $5.4 million, or 9.6%, for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. This increase was primarily due to increases in our Clinical Review and Payment Accuracy product lines of $7.9 million partially offset by decreases in our Revenue Integrity product line of $2.3 million. The increase in Payment and Revenue Integrity Services was primarily within our PSAV revenues.

Costs of Services (exclusive of depreciation and amortization of intangible assets)

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Personnel expenses excluding stock-based compensation	$ 46,084	$ 47,731	$ (1,647)	(3.5)%	$ 93,963	$ 95,794	$ (1,831)	(1.9)%
Stock-based compensation (including cRSUs)	2,518	2,298	220	9.6 %	4,295	4,054	241	5.9 %
Personnel expenses including stock-based compensation	48,602	50,029	(1,427)	(2.9)%	98,258	99,848	(1,590)	(1.6)%
Access and bill review fees	6,713	4,670	2,043	43.7 %	12,221	9,571	2,650	27.7 %
Other cost of services expenses	5,508	6,670	(1,162)	(17.4)%	10,780	12,027	(1,247)	(10.4)%
Total costs of services	$ 60,823	$ 61,369	$ (546)	(0.9)%	$ 121,259	$ 121,446	$ (187)	(0.2)%

Costs of services were stable for the three and six months ended June 30, 2025 as compared to the three and six months ended June 30, 2024.

General and Administrative Expenses

(in thousands)	Three Months Ended June 30, 2025	2024	Change $	%	Six Months Ended June 30, 2025	2024	Change $	%
Personnel expenses excluding stock-based compensation	$ 18,307	$ 13,874	$ 4,433	32.0 %	$ 35,075	$ 28,813	$ 6,262	21.7 %
Stock-based compensation (including cRSUs)	6,580	5,019	1,561	31.1 %	11,521	8,957	2,564	28.6 %
Other general and administrative expenses	28,050	15,658	12,392	79.1 %	56,976	31,638	25,338	80.1 %
Total general and administrative expenses	$ 52,937	$ 34,551	$ 18,386	53.2 %	$ 103,572	$ 69,408	$ 34,164	49.2 %

The increase in general and administrative expenses of $18.4 million for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024 was primarily due to $7.9 million of transformation costs, $1.8 million of losses on disposal of assets, increase in personnel expenses of $4.4 million and increased stock compensation of $1.6 million.

The increase in general and administrative expenses of $34.2 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024 was primarily due to $15.7 million of transformation costs, $5.5 million of losses on disposal of assets, increase in personnel expenses of $6.3 million and increased stock compensation of $2.6 million.

Depreciation Expense

The increases in depreciation expenses of $3.5 million, or 15.8%, and $7.0 million, or 16.4% for the three and six months ended June 30, 2025 as compared to the three and six months ended June 30, 2024, were due to purchases of property and equipment, including internally generated capitalized software, partially offset by assets that were written off or became fully depreciated in the period.

Loss on Impairment of Goodwill and Intangible Assets

For the three and six months ended June 30, 2024, in connection with quantitative impairment testing performed on our goodwill and indefinite-lived intangibles, we recorded a loss on impairment of goodwill and indefinite-lived intangibles of $553.7 million and $1,072.8 million, respectively. For the three and six months ended June 30, 2025, no such loss was recorded.

Interest Expense

The increase in interest expense of $18.6 million and $28.1 million for the three and six months ended June 30, 2025 as compared to the three and six months ended June 30, 2024 was primarily due the PIK interest recognized on the New Notes of $26.0 million.

Our annualized weighted average cash interest rate increased by 0.13% across our total debt in the six months ended June 30, 2025 as compared to the six months ended June 30, 2024. As of June 30, 2025 and June 30, 2024, our total debt had an annualized weighted average cash interest rate of 6.95% and 6.82%, respectively. As of December 31, 2024, our total debt had a weighted average cash interest rate of 6.68%.

Interest Income

The decreases in interest income of $0.2 million and $0.7 million for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024 were primarily due to less interest earned on interest bearing bank accounts resulting from lower average invested cash and cash equivalents balances.

Loss (gain) on extinguishment of debt

During the six months ended June 30, 2025, in connection with the Refinancing Transactions, the Company recognized a loss on extinguishment of debt of $0.7 million for unamortized deferred costs relating to the Existing Revolving Credit Commitments.

During the six months ended June 30, 2024, the Company repurchased and cancelled $21.1 million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $5.9 million, representing the difference between the reacquisition price of the debt and the net carrying amount of the extinguished debt.

Benefit for income taxes

Net loss before income taxes for the three months ended June 30, 2025 of $82.9 million generated a benefit for income taxes of $20.3 million. Net loss before income taxes for the three months ended June 30, 2024 of $604.2 million generated a benefit for income taxes of $27.5 million.

Net loss before income taxes for the six months ended June 30, 2025 of $172.8 million generated a benefit for income taxes of $38.8 million. Net loss before income taxes for the six months ended June 30, 2024 of 1,165.9 million generated a benefit for income taxes of $49.5 million.

The effective tax rate for the six months ended June 30, 2025 differed from the statutory rate primarily due to stock compensation expense, limitations on executive compensation, and state taxes. The effective tax rate for the six months ended June 30, 2024 differed from the statutory rate primarily due to stock compensation expense, limitations on executive compensation, non-deductible goodwill impairment, and state taxes.

Liquidity and Capital Resources

As of June 30, 2025, we had cash and cash equivalents of $67.3 million, which includes restricted cash of $10.9 million. As of June 30, 2025, we had $263.6 million of loan availability under the revolving credit facility. As of June 30, 2025, we had five letters of credit totaling $6.4 million of utilization against the revolving credit facility. Four letters of credit are used to satisfy real estate lease agreements for four of our offices in lieu of security deposits in the amount of $4.4 million and $3.2 million as of June 30, 2025 and December 31, 2024, respectively. The Company also has an irrevocable letter of credit to satisfy the obligations of a subsidiary in the amount of $2.0 million as of June 30, 2025 and $6.1 million as of December 31, 2024.

Our primary sources of liquidity are internally generated funds combined with our borrowing capacity under our 2025 revolving credit facility. We believe these sources will provide sufficient liquidity for us to meet our working capital, and capital expenditure and other cash requirements for the next twelve months. We may from time to time at our sole discretion purchase, redeem or retire our long-term debt, through tender offers, in privately negotiated or open market transactions or otherwise. We plan to finance our capital expenditures with cash from operations. Furthermore, our future liquidity and future ability to fund capital expenditures, working capital, and debt requirements are also dependent upon our future financial performance, which is subject to many economic, commercial, financial and other factors that are beyond our control, including the ability of financial institutions to meet their lending obligations to us. If those factors significantly change, our business may not be able to generate sufficient cash flow from operations or future borrowings may not be available to meet our liquidity needs. We anticipate that to the extent we require additional liquidity as a result of these factors or in order to execute our strategy, it would be financed either by borrowings under our senior secured credit facilities, by other indebtedness, additional equity financings, or a combination of the foregoing. We may be unable to obtain any such additional financing on reasonable terms or at all.

Prior to January 30, 2025, our senior secured credit facilities consisted of (a) initial aggregate principal of $1,325.0 million ($1,281.9 million at December 31, 2024) term loan facility maturing on September 1, 2028 and (b) MPH's $450.0 million senior secured revolving credit facility maturing on August 24, 2026, and after January 30, 2025, consist of MPH's senior secured credit facilities which consist of (a) $325.0 million of New First-Out First Lien Term Loans, (b) $1,143.9 million of New Second-Out First Lien Term Loans, and (c) the 2025 revolving credit facility (the "senior secured credit facilities").

Cash Flow Summary

The following table is derived from our unaudited condensed consolidated statements of cash flows:

	Six Months Ended June 30,	
(in thousands)	**2025**	**2024**
Net cash flows provided by (used in):		
Operating activities	$ 31,181	$ 68,187
Investing activities	$ (63,489)	$ (55,989)
Financing activities	$ 69,924	$ (34,523)

For the six months ended June 30, 2025 as compared to the six months ended June 30, 2024

Cash Flows from Operating Activities

Cash flows from operating activities decreased by $37.0 million, primarily due to lower earnings once adjusted for non-cash items, and unfavorable changes in working capital. Changes in our working capital requirements reflect primarily the payment of the transaction costs related to the Refinancing Transaction.

Cash Flows from Investing Activities

Net cash used in investing activities increased $7.5 million, or 13.4%, as compared to the prior-year period, primarily due to investments in technologies to support our transformation initiatives.

Cash Flows from Financing Activities

Net cash provided by financing activities increased $104.4 million as compared to the prior-year period, primarily due the net borrowing of $80.0 million on our 2025 revolving credit facility to fund the transaction costs related to the Refinancing Transaction versus the repurchase of PIK Notes of $14.9 million and treasury stock of $10.4 million in the prior period.

Term Loans and Revolvers

In connection with the Refinancing Transaction, on January 30, 2025, MPH issued senior secured credit facilities composed of $325.0 million of New First-Out First Lien Term Loans and $1,143.9 million of New Second-Out First Lien Term Loans and entered into a $350.0 million senior secured revolving credit facility.

Interest on the New First-Out First Lien Term Loans is calculated, at MPH's option, as (a) Term SOFR (or 0.50%, if higher) plus 3.75% or (b)(x) the highest rate of (1) the prime rate, (2) the federal funds effective rate plus 0.50%, (3) Term SOFR for an interest period of one month plus 1.00%, and (4) 1.50% plus (y) 2.75%. Interest on the New Second-Out First Lien Term Loans is calculated, at MPH's option, as (a) Term SOFR (or 0.50%, if higher) plus the applicable SOFR adjustment plus 4.60% or (b)(x) the highest rate of (1) the prime rate, (2) the federal funds effective rate plus 0.50%, (3) Term SOFR for an interest period of one month plus the applicable SOFR adjustment plus 1.00%, and (4) 1.50% plus (y) 3.60%. Interest on the 2025 Revolving Credit Loans is calculated, at MPH's option, as (a) Term SOFR (or 0.00%, if higher) plus 3.75% or (b)(x) the highest rate of (1) the prime rate, (2) the federal funds effective rate plus 0.50%, (3) Term SOFR for an interest period of one month plus 1.00% and (4) 1.00% plus (y) 2.75%.

The New First Lien Term Loans mature on December 31, 2030 and the 2025 revolving credit facility matures on December 31, 2029.

We are obligated to pay a commitment fee on the average daily unused amount of our 2025 revolving credit facility. The fee can range from an annual rate of 0.25% to 0.50% based on our consolidated first out, first lien debt to consolidated EBITDA ratio, as defined in the New First Lien Credit Agreement.

Interest Rate Swap Agreements

The Company is exposed to interest rate risk on its floating rate debt. On September 12, 2023, the Company entered into three interest rate swap agreements with a total notional value of $800 million to effectively convert a portion of its floating rate debt to a fixed-rate basis of 4.59% as a weighted-average across the three swaps. The interest rate swap agreements are effective August 31, 2023 and mature on August 31, 2026. The principal objective of these contracts is to reduce the volatility of the cash flows in interest payments associated with the Company's floating rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. The Company's interest rate swaps are highly effective at offsetting the changes in cash outflows and therefore designated as cash flow hedging instruments. The Refinancing Transaction did not have an impact on these interest swap agreements.

Senior Notes

Senior Convertible PIK Notes

On October 8, 2020, the Company issued $1,300.0 million in aggregate principal amount of Senior Convertible PIK Notes. The Senior Convertible PIK Notes were issued with a 2.5% discount with a maturity date of October 15, 2027.

The Senior Convertible PIK Notes are convertible into shares of Class A common stock based on a $520.00 conversion price, subject to customary anti-dilution adjustments. The Senior Convertible PIK Notes are guaranteed by Polaris Intermediate

Corp. ("Polaris Intermediate"). The interest rate on the Senior Convertible PIK Notes is fixed at 6% in cash and 7% in kind and is payable semi-annually on April 15 and October 15 of each year.

5.750% Notes

On October 29, 2020, the Company issued $1,300.0 million in aggregate principal amount of the 5.750% Notes. The 5.750% Notes are guaranteed on a senior unsecured basis jointly and severally by the Company and its subsidiaries (subject to certain exceptions and, as of January 30, 2025, excluding the Released Guarantors (as defined below)) and have a maturation date of November 1, 2028. The 5.750% Notes were issued at par. The interest rate on the 5.750% Notes is fixed at 5.750% and is payable semi-annually on May 1 and November 1 of each year.

As used herein, references to "Released Guarantors" are to (i) Benefits Science LLC, (ii) BST Acquisition Corp., (iii) American Lifecare Holdings, Inc., (iv) American Lifecare, Inc., (v) Statewide Independent PPO Inc., (vi) Private Healthcare Systems, Inc., (vii) HSTechnology Solutions, Inc., (viii) HST Acquisition Corp., (ix) Launchpoint Ventures, LLC, (x) DHP Acquisition Corp. and (xi) Data & Decision Science LLC.

5.50% Notes

On August 24, 2021 MPH issued $1,050.0 million in aggregate principal amount of 5.50% Notes with a maturation date of September 1, 2028. The interest rate on the 5.50% Notes is fixed at 5.50% and is payable semi-annually on March 1 and September 1 of each year. As a result of the Refinancing Transaction, all of the collateral securing the 5.50% Notes was released. Accordingly, the 5.50% Notes are guaranteed on a senior unsecured basis jointly and severally by the Company and its subsidiaries (subject to certain exceptions) and, as of January 30, 2025, excluding the Released Guarantors.

Note Repurchases

In the six months ended June 30, 2024, the Company repurchased and cancelled $21.1 million of the Senior Convertible PIK Notes, resulting in the recognition of a gain on debt extinguishment of $5.9 million.

In connection with the Exchange Offers, on January 30, 2025, $1,044.2 million, $974.5 million, and $1,253.5 million of the 5.50% Notes, the 5.750% Senior Notes, and the Senior Convertible PIK Notes, respectively, were cancelled. Accordingly, following completion of the Exchange Offers, $5.8 million, $5.3 million, and $420.0 thousand of the 5.50% Notes, the 5.750% Senior Notes, and the Senior Convertible PIK Notes, respectively, remain outstanding.

New Notes

On January 30, 2025, MPH issued $600.2 million in aggregate principal amount of New Second-Out First Lien A Notes with a maturation date of December 31, 2030. The New Second-Out First Lien A Notes will bear interest at a rate per annum equal to 6.50% paid in cash plus 5.00% paid in PIK interest, and interest is payable semi-annually on January 30 and July 30 of each year, commencing on July 30, 2025. Upon the occurrence of specific kinds of changes of control events, the holders of New Second-Out First Lien A Notes will have the right to cause MPH, to repurchase some or all of the New Second-Out First Lien A Notes at 101.0% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. The New Second-Out First Lien A Notes are guaranteed and secured as described below under "*—Guarantees and Security*."

On January 30, 2025, MPH issued $763.1 million in aggregate principal amount of New Second-Out First Lien B Notes with a maturation date of December 31, 2030. The New Second-Out First Lien B Notes will bear interest at a rate per annum equal to 5.75% in cash, and interest is payable semi-annually on January 30 and July 30 of each year, commencing on July 30, 2025. Upon the occurrence of specific kinds of changes of control events, the holders of New Second-Out First Lien B Notes will have the right to cause MPH, to repurchase some or all of the New Second-Out First Lien B Notes at 101.0% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. The New Second-Out First Lien B Notes are guaranteed and secured as described below under "*—Guarantees and Security*."

On January 30, 2025, MPH issued $752.5 million in aggregate principal amount of New Third-Out First Lien A Notes with a maturation date of March 31, 2031. The New Third-Out First Lien A Notes will bear interest at a rate per annum equal to 6.00% paid in cash plus 0.75% paid in PIK interest, and interest is payable semi-annually on January 30 and July 30 of each year, commencing on July 30, 2025. On the maturity date, MPH will repay the outstanding principal amount of the New Third-Out First Lien A Notes at a price equal to 107.0% of the principal amount thereof. Upon the occurrence of specific kinds of changes of control events, the holders of New Third-Out First Lien A Notes will have the right to cause Claritev or MPH, as applicable, to repurchase some or all of the applicable series of New Third-Out First Lien A Notes at 107.0% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. The New Third-Out First Lien A Notes are guaranteed and secured as described below under "*—Guarantees and Security*."

On January 30, 2025, the Company issued $969.4 million in aggregate principal amount of New Third-Out First Lien B Notes with a maturation date of March 31, 2031. The New Third-Out First Lien B Notes will bear interest at a rate per annum equal to 6.00% paid in cash plus 0.75% paid in PIK interest, and interest is payable semi-annually on January 30 and July 30 of each year, commencing on July 30, 2025. On the maturity date, the Company will repay the outstanding principal amount of the New Third-Out First Lien B Notes at a price equal to 107.0% of the principal amount thereof. Upon the occurrence of specific kinds of changes of control events, the holders of New Third-Out First Lien B Notes will have the right to cause Claritev or MPH, as applicable, to repurchase some or all of the applicable series of New Third-Out First Lien B Notes at 107.0% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. The New Third-Out First Lien B Notes are guaranteed and secured as described below under "*—Guarantees and Security*."

The New Second-Out First Lien A Notes, the New Second-Out First Lien B Notes, the New Third-Out First Lien A Notes, and the New Third-Out First Lien B Notes are referred to collectively as the "New Notes."

Debt Covenants and Events of Default

We are subject to certain affirmative and negative debt covenants under the debt agreements governing our indebtedness that limit our and/or certain of our subsidiaries' ability to engage in specific types of transactions. These covenants limit our and/or certain of our subsidiaries' ability to, among other things:

- incur additional indebtedness or issue disqualified or preferred stock;
- pay certain dividends or make certain distributions on capital stock or repurchase or redeem capital stock;
- make certain loans, investments or other restricted payments;
- transfer or sell certain assets;
- incur certain liens;
- place restrictions on the ability of its subsidiaries to pay dividends or make other payments to us;
- guarantee indebtedness or incur other contingent obligations;
- prepay junior debt and make certain investments;
- consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or dispose of all or substantially all of its business units, assets or other properties; and
- engage in transactions with our affiliates.

Term Loan B, 5.50% Notes, 5.750% Notes, New First-Out First Lien Term Loans, New Second-Out First Lien Term Loans, and the New Notes have speculative grade ratings. The Senior Convertible PIK Notes are unrated.

The financial covenant under the 2025 revolving credit facility is such that, if, as of the last day of any fiscal quarter of MPH (commencing with the fiscal quarter ending March 31, 2025), the aggregate amount of loans under the 2025 revolving credit facility, letters of credit issued under the 2025 revolving credit facility (to the extent not cash collateralized or backstopped or, in the aggregate, in excess of $15.0 million) and swingline loans are outstanding and/or issued in an aggregate amount greater than 40.0% of the total commitments in respect of the 2025 revolving credit facility at such time, the 2025 revolving credit facility will require MPH to maintain a consolidated first out first lien debt to consolidated EBITDA ratio not to exceed 2.50 to 1.00.

As of June 30, 2025 and December 31, 2024 we were in compliance with all of the debt covenants.

The debt agreements governing our senior secured indebtedness contain customary events of default, subject to grace periods and exceptions, which include, among others, payment defaults, cross-defaults to certain material indebtedness, certain events of bankruptcy, material judgments, failure of a guarantee on the liens on material collateral to remain in effect, in the case of the debt agreements governing the senior secured credit facilities, any change of control. Upon the occurrence of an event of default under such debt agreements, the lenders and holders of such debt will be permitted to accelerate the loans and terminate the commitments, as applicable, thereunder and exercise other specified remedies available to the lenders and holders thereunder.

As a result of the Refinancing Transaction, (i) the Company and MPH entered into the amendment to the Existing First Lien Credit Agreement (the "Credit Agreement Amendment") and supplemental indentures with respect to the 5.50% Notes, the 5.750% Notes and the Senior Convertible PIK Notes, which had the effect of eliminating substantially all of the covenants and events of defaults in the Existing First Lien Credit Agreement and in the indentures governing such notes.

See the footnotes to the EBITDA and Adjusted EBITDA reconciliation table provided above under "*Non-GAAP Financial Measures*" for material differences between the financial information of Claritev and MPH.

Guarantees and Security

All obligations under the debt agreements governing the 2025 revolving credit facility, the New First Lien Term Loans, and the New Notes issued by MPH are unconditionally guaranteed by the Company, MPH Acquisition, Polaris Intermediate, Polaris Parent LLC ("Polaris Parent"), and each existing and subsequently acquired or organized direct or indirect wholly owned U.S. organized subsidiary of MPH (subject to certain exceptions). All obligations under the New Notes issued by Claritev are unconditionally guaranteed by MPH, MPH Acquisition, Polaris Intermediate, Polaris Parent, and each existing and subsequently acquired or organized direct or indirect wholly owned U.S. organized subsidiary of MPH (subject to certain exceptions). All such obligations, and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by a first priority lien shared between the senior secured credit facilities and the New Notes on substantially all of the tangible and intangible property of the Company, MPH Acquisition, Polaris Intermediate, Polaris Parent, MPH and the subsidiary guarantors, and a pledge of all of the capital stock of each of their respective subsidiaries (subject to certain exceptions).

Critical Accounting Policies and Estimates

In preparing our Unaudited Condensed Consolidated Financial Statements, we are required to make judgments, assumptions, and estimates, which we believe are reasonable and prudent based on the available facts and circumstances. These judgments, assumptions and estimates affect certain of our revenues and expenses and their related balance sheet accounts and disclosure of our contingent liabilities. We base our assumptions and estimates primarily on historical experience and consider known and projected trends. On an ongoing basis, we re-evaluate our selection of assumptions and the method of calculating our estimates. Actual results, however, may materially differ from our calculated estimates, and this difference would be reported in our current operations.

For a detailed description of our critical accounting estimates, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in Part II, Item 7 in our 2024 Annual Report. For a detailed discussion of our significant accounting policies, see Note 2 of Notes to the Consolidated Financial Statements in Part II, Item 8, "*Financial Statements and Supplementary Data*" in our 2024 Annual Report.

Customer Concentration

Two clients individually accounted for 28% and 16% of revenues for the year ended December 31, 2024. The loss of the business of one or more of our larger customers could have a material adverse effect on our results of operations. For further discussion on our customer concentration, please refer to Item 1A. "*Risk Factors*" in our 2024 Annual Report.

Recent Accounting Pronouncements

See Note 1 General Information and Basis of Accounting of the Notes to the unaudited condensed consolidated financial statements included in this Quarterly Report for additional information.

Quantitative and Qualitative Disclosure About Market Risk

See Item 3. Quantitative and Qualitative Disclosure about Market Risk below.

Internal Controls Over Financial Reporting

For further information on the Company's internal controls over financial reporting see Item 4. Controls and Procedures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to our 2024 Annual Report and in particular Item 7A." *Quantitative and Qualitative Disclosure about Market Risk*" therein. As of June 30, 2025, there were no material changes in the market risks described in our 2024 Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Company's principal executive officer and principal financial and accounting officer, the Company conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Based on this evaluation, our principal executive officer and principal financial and accounting officers have concluded that, as of June 30, 2025, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officers, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

During the quarter ended June 30, 2025, we completed the implementation of a new enterprise resource planning (ERP) system. As part of the implementation, we have designed new internal controls and modified and/or enhanced existing internal controls in order to align with the new system and business processes. We are performing our post-implementation activities. These changes have been and will continue to be subject to our evaluation of the operating effectiveness of internal controls over financial reporting. Other than the change to our ERP there were no other changes in our internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Management recognizes that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected.

Part II - Other Information

Item 1. Legal Proceedings

We are a defendant in various lawsuits and other pending and threatened litigation and other adversarial matters as well as regulatory investigations, all of which have arisen in the ordinary course of business. While the ultimate outcome with respect to such proceedings cannot be predicted with certainty, we believe they will not have a material adverse effect on our financial condition or results of operations. Refer to "Claims and Litigation" in Note 7, Commitments and Contingencies, in our accompanying Notes to the Consolidated Financial Statements of this Quarterly Report for additional information pertaining to legal proceedings.

Item 1A. Risk Factors

Other than as set forth below, there have been no material changes during the three months ended June 30, 2025 to the risk factors previously disclosed in Item 1A. “Risk Factors” in the Company's 2024 Annual Report on Form 10-K.

We operate in a litigious environment which may adversely affect our financial results.

We may, and in the past have, become involved in legal actions and claims arising in the ordinary course of business, including litigation regarding employment matters, breach of contract, violations of laws and regulations, and other commercial matters. Further, we are the subject of government investigations from time to time. Due to the inherent uncertainty in the litigation process, the resolution of any particular legal proceeding could result in changes to our products and business practices and could have a material adverse effect on our financial position and results of operations.

Healthcare providers have become more resistant to the use of cost management techniques and are engaging in litigation to avoid application of cost management practices. Litigation brought by healthcare providers as well as client members has challenged insurers' claims adjudication and reimbursement decisions, and healthcare cost management providers, such as Claritev, are sometimes made party to such suits or involved in related litigation. Further, Claritev may be, and has been in the past, made party to such lawsuits or litigation may be brought independently against Claritev under various legal bases, including, breach of contract, misrepresentation, unjust enrichment, antitrust, or violations of the Employee Retirement Income Security Act of 1974, as amended, or the Racketeering Influenced and Corrupt Organizations Act, and may be made under other legal bases or theories in the future. Such litigation is increasingly brought involving multiple parties, multiple claims or on a class-wide basis. We and our subsidiaries have and may, in the future, become involved in such litigation. Refer to "Claims and Litigation" in Note 7, Commitments and Contingencies, in our accompanying Notes to the Consolidated Financial Statements of this Quarterly Report for additional information pertaining to these and other current legal proceedings.

Because we operate in an industry that is highly-regulated and where such regulations are continuously evolving, we cannot assure you that new federal and state laws and regulations or other changes that adversely impact healthcare providers or insurers will not lead to increased litigation risk to us and other cost management providers and insurers. Exacerbating this risk is that many healthcare providers and insurers have greater financial resources than us and other healthcare cost management providers have and may be more willing to engage in, and devote resources to, litigation as a result. In addition, certain of the agreements we enter into include indemnification provisions that may subject us to costs and damages in the event of a claim against an indemnified party.

We maintain insurance coverage for certain types of claims; however, such insurance coverage may not apply or may be insufficient to cover all losses or all types of claims that may arise. Further, even if we were to prevail in any particular dispute, litigation could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

Lawsuits of the types set out above could materially adversely affect our result, especially if they proliferate. In addition, such lawsuits may affect our customers' use of our products and services, especially our cost management products and services.

Risks Related to Global Economic, Political and Regulatory Conditions

We face risks associated with the international expansion of our business.

We have begun to expand our operations internationally as we identify additional markets for our services, which may include providing our services and solutions in additional languages and increasing our staffing and real estate footprint globally. Our planned international business operations are subject to a variety of risks, including:

- difficulties with managing foreign and geographically dispersed operations;
- difficulties operating in markets and countries in which we have no or limited prior operating experience;
- the diversion of our management's attention and resources to the challenges of expanding our operations internationally;
- having to comply with various U.S. and international laws, including the Foreign Corrupt Practices Act and anti-money laundering laws;
- changes in uncertainties relating to foreign rules and regulations;
- limitations on our ability to enter into cost-effective arrangements with business partners, or at all;
- imposition of limitations on or increase of withholding and other taxes on remittances and other payments by foreign processors or joint ventures;
- difficulties in recruiting and retaining personnel, and managing international operations;
- imposition of differing labor laws and standards;
- economic, political or social instability in foreign countries and regions;
- an inability, or reduced ability, to protect our intellectual property;
- availability of government subsidies or other incentives that benefit competitors in their local markets that are not available to us;
- fluctuations in foreign currency exchange rates;
- imposition of limitations on or increase of withholding and other taxes on remittances and other payments by foreign processors or joint ventures; and
- difficulties working within the confines of less developed infrastructure.

We cannot assure you that our current expansion plans will be realized, or if realized, be successful. We expect each country to have particular regulatory and funding hurdles to overcome and future developments in these markets, including the uncertainty relating to governmental policies and regulations, could harm our business. If we expend significant time and resources on expansion plans that fail or are delayed, our reputation, business and financial condition may be harmed.

Our financial results and ability to grow our business may be negatively impacted by global events beyond our control.

As we expand our international footprint, we become increasingly susceptible to global events and conditions beyond our control which could negatively impact our operations or operations of our business partners, and therefore our results of operations, including changes in diplomatic and trade relationships, trade policy or actions of foreign or U.S. governmental authorities impacting trade and foreign investment; inflation; military conflict; political or labor unrest; terrorism; public health crises, disease epidemics or pandemics; natural disasters and extreme weather conditions, which may increase in frequency and severity due to climate change; economic instability resulting in the disruption of trade from foreign countries; and the imposition of new laws, regulations and rules, including those relating to sustainability and climate change, data privacy, labor conditions, minimum wage, quality and safety standards and disease epidemics or other public health concerns.

These risks could hamper our ability to successfully market and provide our product offerings and solutions in international markets and increase our cost of doing business generally, any of which could have an adverse effect on our results of operations, profitability, cash flows and financial condition. In the event that one or more of these factors make it undesirable or impractical for us to conduct business in a particular country, our business could be adversely affected.

We face risks associated with international activities, including those related to compliance with the Foreign Corrupt Practices Act and other applicable anti-corruption legislation.

Political and economic conditions abroad may result in a reduction of or inhibition of our growth in foreign countries. Our efforts to comply with the Foreign Corrupt Practices Act, or other applicable anti-corruption laws and regulations, may limit our international business activities, necessitate the implementation of certain processes and compliance programs, and subject us to enforcement actions or penalties for noncompliance. Both the United States and foreign governments have increased their oversight and enforcement activities in this area in recent years, and we expect applicable agencies to continue to increase such activities in the future.

Item 5. Other Information

(a) During the three months ended June 30, 2025, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

		Incorporated by Reference				
Exhibit Number	**Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
10.1	Amendment No. 3 to Claritev Corporation 2020 Omnibus Incentive Plan.	8-K	001-39228	10.1	May 1, 2025	
31.1	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13-a - 14(a) and 15-d-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13-a - 14(a) and 15-d-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. of Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. of Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101	The following financial information from Claritev Corporation's Quarterly Report on Form 10-Q for the six months ended June 30, 2025 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Unaudited Condensed Consolidated Balance Sheets, (ii) Unaudited Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss), (iii) the Unaudited Condensed Statements of Changes in Stockholders' Equity, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Condensed Consolidated Financial Statements.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

SIGNATURE

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

Dated: August 7, 2025

Claritev Corporation

By: /s/ Douglas M. Garis
Douglas M. Garis
Executive Vice President and Chief Financial Officer