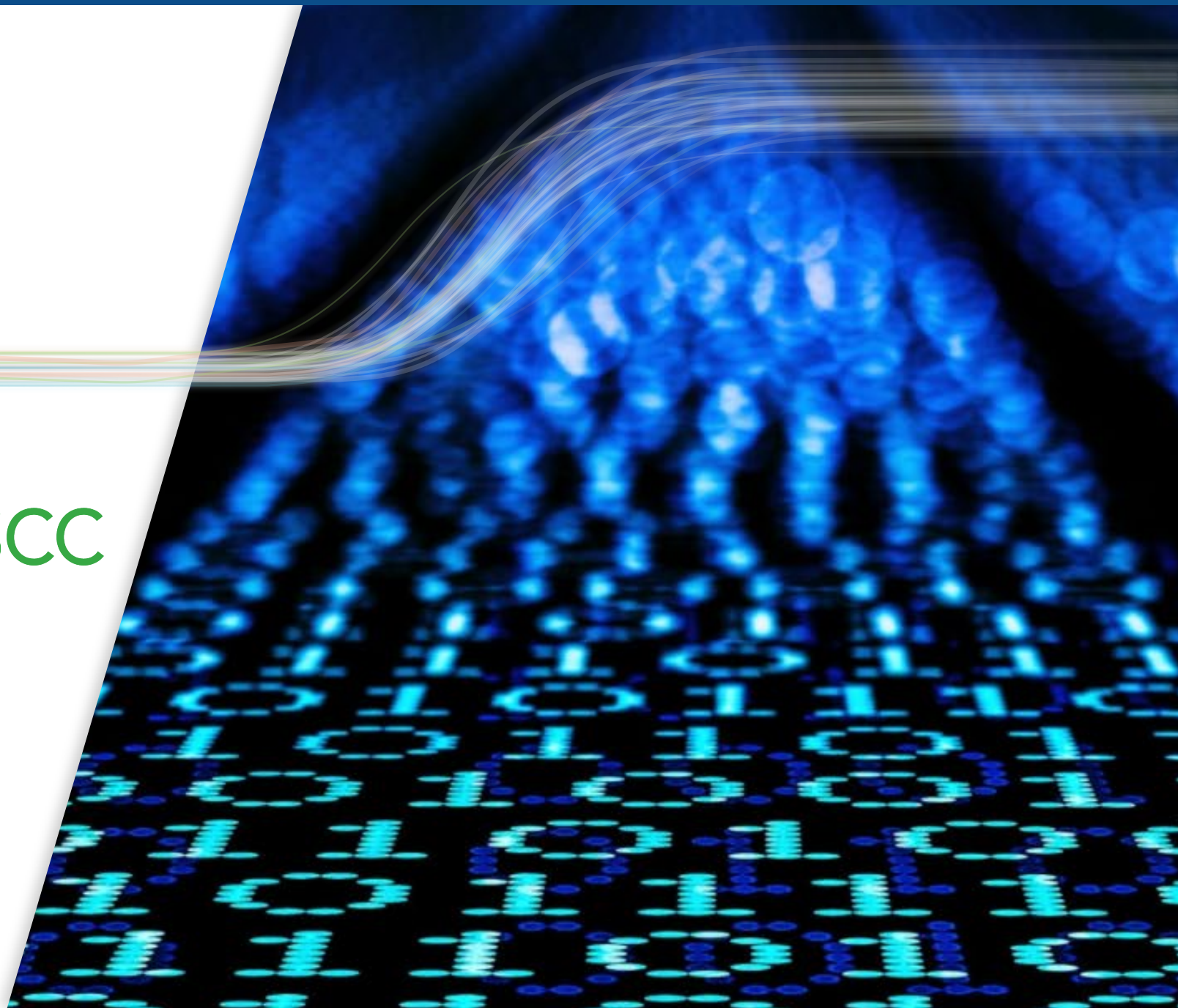
CASTLE BIOSCIENCES

The Skin Cancer Diagnostics Company

DecisionDx-SCC



September 2, 2020

NASDAQ:CSTL

DISCLAIMERS

› Forward-Looking Statements

The information in this presentation contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning potential benefits and contributions offered by DecisionDx-SCC, including for risk assessment and patient treatment; usefulness of the information provided by DecisionDx-SCC analysis; physician adoption of DecisionDx-SCC; and plans for commercialization. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in our Annual Report on Form 10-K for the year ended December 31, 2019, and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements, except as may be required by law.

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CASTLE BIOSCIENCES

The Skin Cancer Diagnostics Company

Wednesday, September 2, 2020	*Welcome and Introductions* 4:30pm	Frank Stokes, CFO
	Company Overview & Update 4:35pm-4:50pm	Derek Maetzold, President & CEO
	Cutaneous Squamous Cell Carcinoma DecisionDx-SCC 4:50pm-5:10 pm	Ashley Wysong, MD University of Nebraska Medical Center, Omaha NE
	Summary 5:10pm-5:15pm	Derek Maetzold
	Q & A 5:15pm-5:30pm	Castle Management

CASTLE BIOSCIENCES

The Skin Cancer Diagnostics Company

Frank Stokes

CFO

Welcome and Introductions

Castle Biosciences Attendees

Name	Prior Experience
Derek Maetzold ***Founder, Director, President and CEO***	Derek J. Maetzold founded Castle Biosciences in September 2007 and has served as our President and Chief Executive Officer and as a member of our board of directors since inception. Previously, Mr. Maetzold held leadership roles at Encysive Pharmaceuticals, Schering-Plough Corporation (now Merck), Integrated Communications, Amylin Pharmaceuticals and Sandoz Pharmaceuticals (now Novartis).
Frank Stokes ***Chief Financial Officer***	Frank Stokes has served as our Chief Financial Officer since December 2017. From January 2017 to December 2017, Mr. Stokes served as Chief Financial Officer of Hammock Pharmaceuticals. From May 2011 to December 2016, Mr. Stokes served as a Managing Director of Leerink Swann (now SVB Leerink). Mr. Stokes also held positions as a Managing Director at Robert W. Baird & Co. Incorporated and Wachovia Securities, LLC. While at SVB Leerink and Robert W. Baird & Co., Mr. Stokes led life sciences, tools and diagnostics sector investment banking efforts, and managed financings and mergers and acquisitions transactions.
Bernhard Spiess ***Chief Business Officer***	Bernhard E. Spiess has served as our Chief Business Officer since September 2019, previously serving as our Chief Operating Officer from May 2016 to September 2019. From April 1997 to April 2016, Mr. Spiess held various positions with Beckman Coulter, Inc., a manufacturer of biomedical testing instrument systems, tests and supplies, including as Vice President, Strategic Marketing, Blood Virus & Infectious Diseases from February 2015 to April 2016, and as Vice President, Marketing, Molecular Diagnostics from April 2008 to February 2015.
Toby Juvenal ***Chief Commercial Officer***	Toby Juvenal has served as our Senior Vice President, Sales since January 2018, previously serving as our Vice President of Sales & Marketing since October 2008, when he joined the Company as one of three initial employees. Mr. Juvenal has over 28 years of sales, sales management, and managed care experience in the pharmaceutical, biotechnology and diagnostics industries.
Kristen Oelschlager, RN, CHC ***Chief Operations Officer***	Kristen Oelschlager has served as our Senior Vice President, Clinical Operations since January 2018, previously serving as our Vice President, Clinical Operations from 2013 to 2018, and as our Executive Director of Operations, when she joined the company in 2008 as one of three initial employees. Ms. Oelschlager brought more than 15 years of experience in clinical nursing, clinical operations services, and clinical research to her position.
Robert Cook, PhD ***Senior Vice President, Research & Development***	Bob Cook has served as our Vice President, Research & Development since July 2019, and previously served as our Vice President, Medical Affairs and R&D from April 2018 to July 2019, Executive Director, R&D from June 2015 to April 2018, and Manager of Scientific Relations from February 2011 to June 2015. Dr. Cook joined Castle Biosciences following a postdoctoral fellowship at Baylor College of Medicine where he focused on the genetic regulation of rare ovarian granulosa cell tumors. In his current position, Dr. Cook oversees research and development at Castle. He previously completed his doctoral work in Biochemistry, Molecular Biology and Cellular Biology at Northwestern University,
Alice Izzo ***Vice President, Marketing***	Alice Izzo has served as our Vice President, Marketing since March 2018, previously serving as our Executive Director, Marketing since joining the company in September 2013. Prior to Castle, Ms. Izzo held various leadership positions at Amylin Pharmaceuticals, including Vice President of Corporate Affairs.
Matthew Goldberg, MD ***Medical Director***	Dr. Matthew Goldberg has served as our Medical Director since August 2020. Prior to joining Castle, Dr. Goldberg was an Assistant Professor in Dermatology and Pathology at the Icahn School of Medicine at Mount Sinai in New York and retains his affiliation as an Assistant Clinical Professor of Dermatology. Before joining the Mount Sinai Dermatology faculty, Dr. Goldberg directed Dermatopathology education for the MedStar Georgetown/Washington Hospital Center dermatology residency program. Dr. Goldberg is board certified in dermatology and dermatopathology.
Camilla Zuckero ***Executive Director, Investor Relations***	Camilla Zuckero has served as our Executive Director, Investor Relations, since October 2019. Prior to joining Castle, Ms. Zuckero was responsible for Global Investor Relations and External Communications at Sysco Corporation. Prior to that, she led Investor Relations and Corporate Communications at Opexa Therapeutics.

Ashley Wysong, M.D., M.S.
University of Nebraska Medical Center, Omaha NE

Dr. Ashley Wysong is the founding Chair and William W. Bruce MD Distinguished Chair of the University of Nebraska Medical Center (UNMC) Department of Dermatology. She earned her medical degree at Duke University School of Medicine, where she was valedictorian. Dr. Wysong completed her M.S. in epidemiology and residency in dermatology at Stanford University, where she also served as chief resident. Her fellowship in procedural dermatology and Mohs micrographic surgery was completed at Scripps Clinic under the direction of Dr. Hugh Greenway in Mohs surgery, Dr. Victor Ross in laser and cosmetic dermatology, and Dr. Leland Housman in veins.

CASTLE BIOSCIENCES

The Skin Cancer Diagnostics Company

Derek Maetzold

Founder, President & CEO

Company Overview and Update

Castle Biosciences

Innovators in Proprietary Gene Expression Profile Tests for Dermatologic Cancers

Innovative Products

Evidence Development

Strong Financials

Improving Health Outcomes Of Patients With Skin Cancer Through Innovative, Clinically Actionable, Cost-Effective Diagnostics

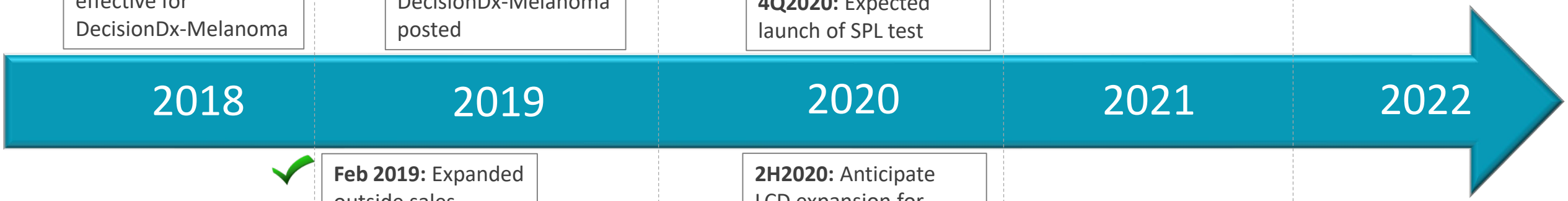
2Q2020: Strong Financials

	2Q20	2Q19	**Six months ended 6/30/20**	Six months ended 6/30/19
Revenue	**$12.7M**	$10.7M	**$30.1**	$19.5M
DecisionDx-Melanoma reports	**3,008**	3,691	**7,582**	6,923
DecisionDx-UM reports	**306**	376	**667**	736
Operating Cash Flow	**$13.5M**	$0.5M	**$13.3M**	$1.8M
Adj. Operating Cash Flow[1]	**$3.3M**	$0.5M	**$3.0M**	$1.8M
Gross Margin	**83.1%**	81.4%	**84.9%**	81.5%
Cash & Cash Equivalents			**$179.8M (as of 6/30/20)**	$17.5M (as of 6/30/19)

[1]See Non-GAAP reconciliations at the end of this presentation.

Recent achievements and expected future milestones
2020 milestones on track

Continued evidence development for all commercialized products



- ✓ **Dec 2018:** Initial LCD effective for DecisionDx-Melanoma
- ✓ **Aug 2019:** Expanded draft LCD for DecisionDx-Melanoma posted
- ✓ **Feb 2019:** Expanded outside sales territories to 23
- ✓ **July 2019:** IPO
- ✓ **Dec 2019:** Expanded outside sales territories to 32
- ✓ **Sept 2020:** Launch of DecisionDx-SCC
- ✓ **3Q2020:** Commercial team expansion
- **4Q2020:** Expected launch of SPL test
- **2H2020:** Anticipate LCD expansion for DecisionDx-Melanoma effective
- **2H2020:** Expected initiation of work on additional dermatology pipeline products
- **Late 2021:** Potential draft LCD for DecisionDx-SCC and suspicious pigmented lesion (SPL) products
- **2022:** Potential effective LCD for DecisionDx-SCC and suspicious pigmented lesion (SPL) products

✓ = Achieved

Castle's 2020 dermatological cancer products target an estimated $2.0B U.S. total addressable market[1]

	MELANOMA	SQUAMOUS CELL CARCINOMA	SUSPICIOUS PIGMENTED LESIONS
INITIAL CASTLE ADDRESSABLE MARKET[2]	**~130,000 patients** classified as Stage I, II or III **~$540M Estimated U.S. TAM**	**~200,000 patients present with high-risk features** **~$820M Estimated U.S. TAM**	**~300,000 patients** with an indeterminant biopsy **~$600M Estimated U.S. TAM**
CSTL's PROPRIETARY GENE EXPRESSION PROFILE TEST:	DecisionDx MELANOMA	DecisionDx-SCC	**Name to be announced (projected launch: 4Q2020)**

[1]U.S. TAM = Total addressable market based on estimated patient population assuming average reimbursement rate among all payors.
[2] Annual U.S. incidence for Stage I, II o r III melanoma estimated at 130,000; Annual U.S. incidence for squamous cell carcinoma estimated at 1,000,000 with addressable market limited to carcinomas with one or more high risk features; Annual U.S. incidence for suspicious pigmented lesion biopsies estimated at 2,000,000 with addressable market limited to the 15% with an indeterminant biopsy.

Our main focus is serving the skin cancer market

DecisionDx-SCC is being launched into existing relationships

Indication / Test outcome	Trade Name	Commercial Status	Reimbursement Status	Peer-Reviewed Publications	Primary Customers	Initial Launch Targets
Cutaneous Melanoma / Risk of metastasis	DecisionDx MELANOMA	Available	MCR, MCRA Commercial – in process	26	Derms (including Mohs), Surgeons	
Cutaneous Squamous Cell Carcinoma / Risk of metastasis	DecisionDx·SCC	Available	Expected draft LCD in 2021	4	Derms (including Mohs)	~4,200 current customers[1]
Suspicious Pigmented Lesions / For difficult to diagnose pigmented lesions	To be announced	Expected Q42020	Expected draft LCD in 2021	0	Dermpaths, Derms	~1,900 current dermpath customers[2]

[1]Clinicians who ordered DecisionDx-Melanoma in LTM (as of 6/30/2020)
[2]Pathologists who provided clinical specimens for DecisionDx-Melanoma in LTM (as of 6/30/2020)
MCR = Medicare. MCRA = Medicare Advantage; current customer estimates based on LTM.

Workflow for DecisionDx-SCC:
Identical process to DecisionDx-Melanoma

Patient diagnosed with SCC and one or more risk factors

Clinician orders DecisionDx-SCC

SCC tumor tissue

RNA isolation

RT

cDNA generation and amplification

Open array card
34 discriminant gene targets and 6 control genes

qPCR

Analysis of GEP with a proprietary algorithm to determine Class and metastatic risk

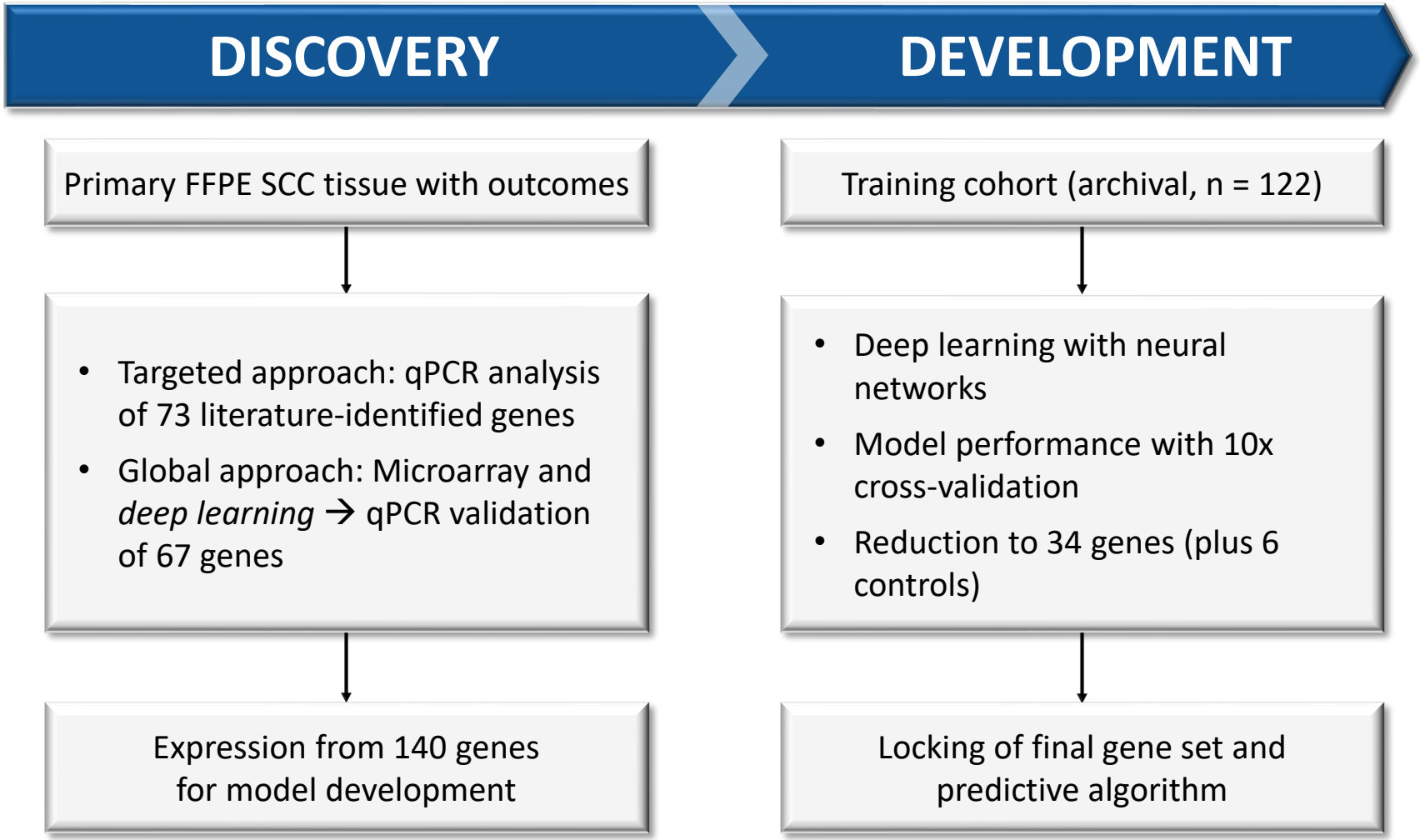
Class 1
low metastatic risk
(~50% of results)

Class 2A
moderate metastatic risk
(~40% of results)

Class 2B
high metastatic risk
(<10% of results)

Wysong et al. *JAAD* 2020; Data on file, Castle Biosciences.

Efficient Development: From discovery → validation



Published evidence from >1,100 patients and healthcare providers to support clinician adoption and payor adoption

Discovery and Development
202 subjects

Wysong et al. *JAAD* 2020

Castle Biosciences Discovery Data

Validation
420 subjects

Wysong et al. *JAAD* 2020

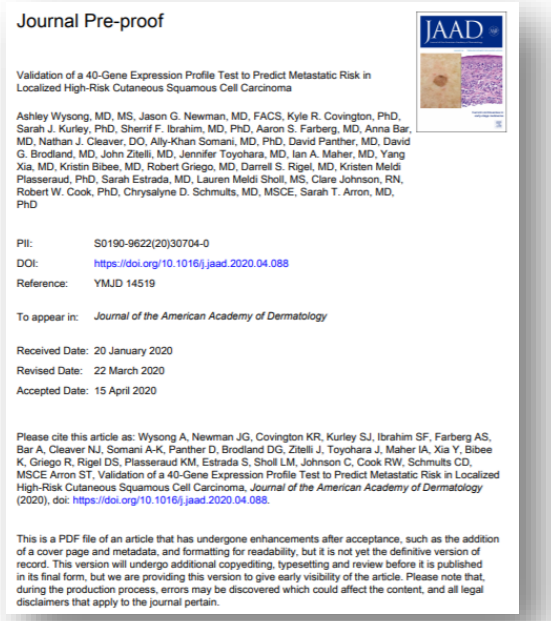
Castle Biosciences Data on File

Utility
564 clinicians

Farberg et al. *CMRO* 2020

Litchman et al. *CMRO* 2020

Teplitz et al. *JDD* 2019



Journal Pre-proof

JAAD

Validation of a 40-Gene Expression Profile Test to Predict Metastatic Risk in Localized High-Risk Cutaneous Squamous Cell Carcinoma

Ashley Wysong, MD, MS, Jason G. Newman, MD, FACS, Kyle R. Covington, PhD, Sarah J. Kurley, PhD, Sherrif F. Ibrahim, MD, PhD, Aaron S. Farberg, MD, Anna Bar, MD, Nathan J. Cleaver, DO, Ally-Khan Somani, MD, PhD, David Panther, MD, David G. Brodland, MD, John Zitelli, MD, Jennifer Toyohara, MD, Ian A. Maher, MD, Yang Xia, MD, Kristin Bibee, MD, Robert Griego, MD, Darrell S. Rigel, MD, Kristen Meldi Plasseraud, PhD, Sarah Estrada, MD, Lauren Meldi Sholl, MS, Clare Johnson, RN, Robert W. Cook, PhD, Chrysalyne D. Schmults, MD, MSCE, Sarah T. Arron, MD, PhD

PII: S0190-9622(20)30704-0

DOI: https://doi.org/10.1016/j.jaad.2020.04.088

Reference: YMJD 14519

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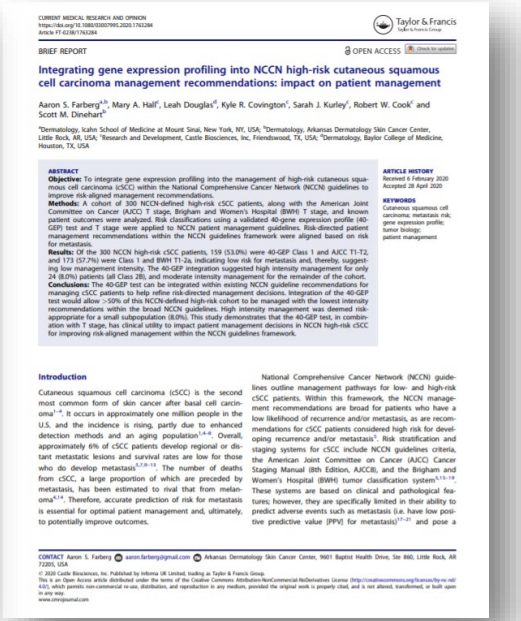


Taylor & Francis

BRIEF REPORT

OPEN ACCESS

Integrating gene expression profiling into NCCN high-risk cutaneous squamous cell carcinoma management recommendations: impact on patient management

Aaron S. Farberg, Mary A. Hall, Leah Douglas, Kyle R. Covington, Sarah J. Kurley, Robert W. Cook and Scott M. Dinehart

ABSTRACT

Introduction

Taylor & Francis

BRIEF REPORT

OPEN ACCESS

Impact of a prognostic 40-gene expression profiling test on clinical management decisions for high-risk cutaneous squamous cell carcinoma

Graham H. Litchman, Alison L. Fitzgerald, Sarah J. Kurley, Robert W. Cook and Darrell S. Rigel

ABSTRACT

Introduction

To order reprints or e-prints of JDD articles please contact sales@jddonline.com

ORIGINAL ARTICLE

Impact of Gene Expression Profile Testing on the Management of Squamous Cell Carcinoma by Dermatologists

Rebeca Teplitz BA, Giselle Prado MD, Graham H. Litchman DO MS, Darrell S. Rigel MD MS

ABSTRACT

BACKGROUND

CASTLE BIOSCIENCES

The Skin Cancer Diagnostics Company

Ashley Wysong, MD

University of Nebraska Medical Center, Omaha NE

Cutaneous Squamous Cell Carcinoma

DecisionDx·SCC

Cutaneous Squamous Cell Carcinoma (SCC)

Disease Incidence

- **1,000,000** new cases of SCC are estimated to be diagnosed per year in the U.S. [1]
- Current figures suggest that more than 15,000 patients die of SCC each year in the U.S. (more than twice as many from melanoma)[1]

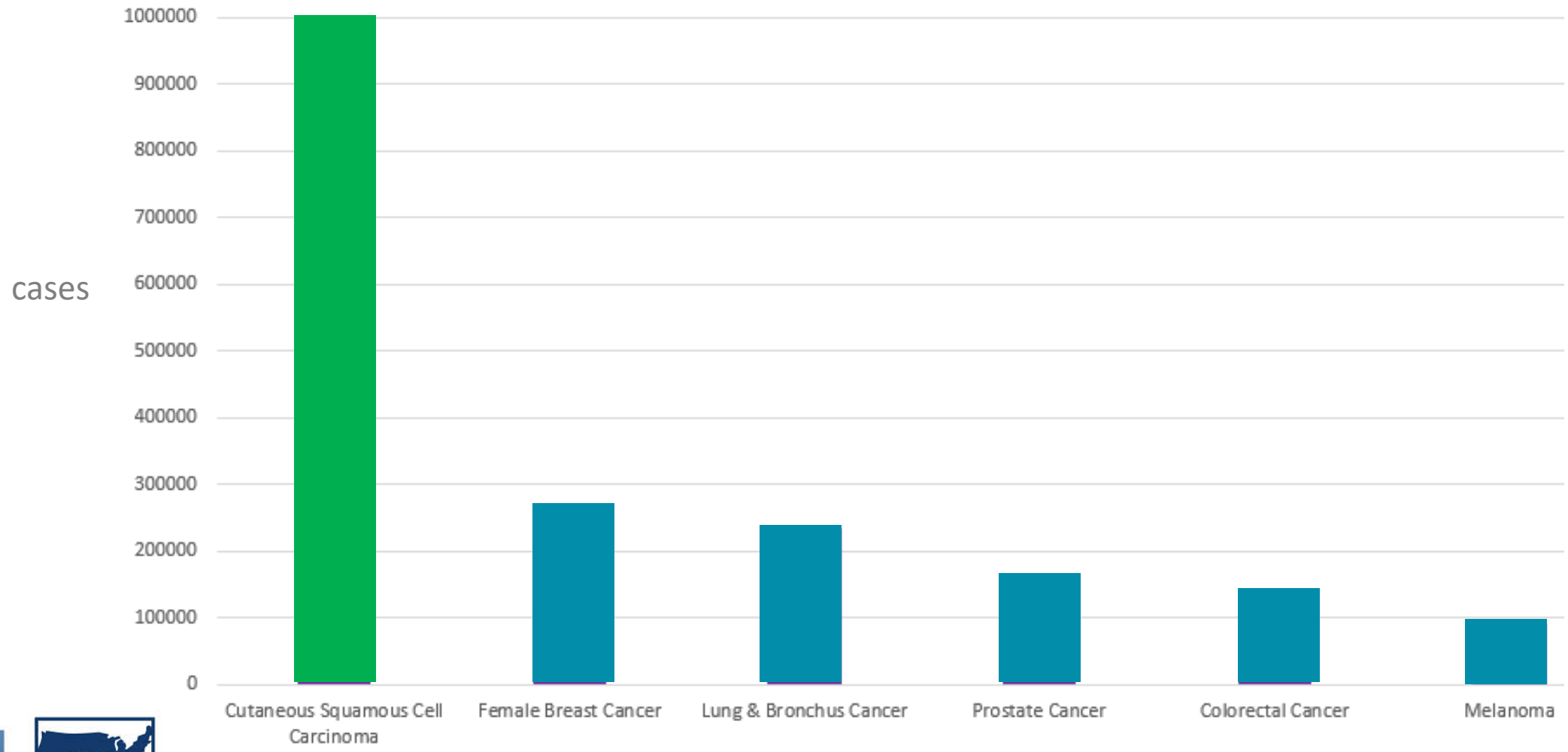
SCC incidence increases dramatically with age.

Estimates for average age at first diagnosis range from **mid-60s** to **early 70s.**[2]

~20% of SCC cases are “high-risk”[3]

[1]Skincancer.org , [2]Que el al. *JAAD* 2018, Venables et al. *BJD* 2019, [3] Chu et al. *J Skin Cancer* 2014, Brantsch et al. *Lancet Oncol* 2008

Annual incidence of SCC exceeds these other cancers *combined*

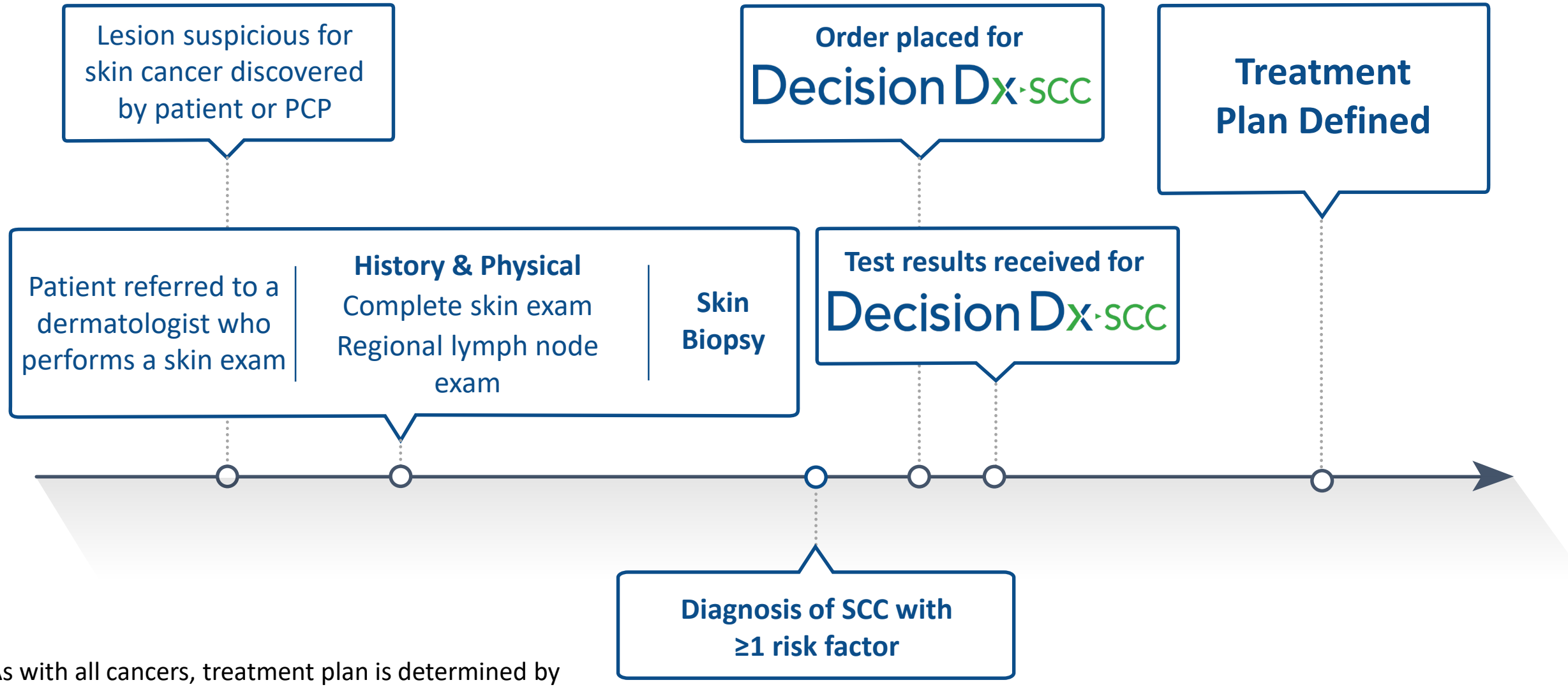


SEER

NPCR NATIONAL PROGRAM of CANCER REGISTRIES

CASTLE BIOSCIENCES

Patient journey for diagnosis of SCC



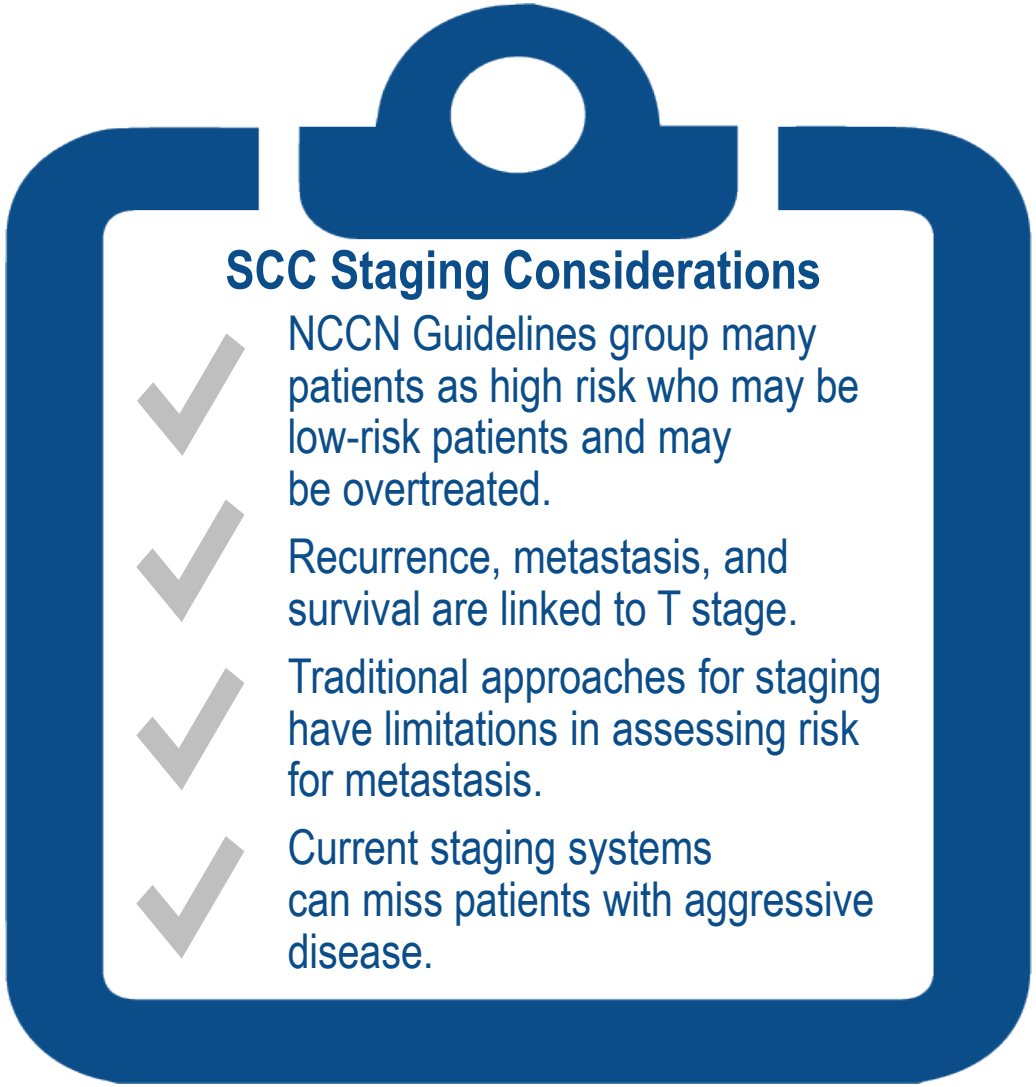
As with all cancers, treatment plan is determined by the risk of progression (recurrence or metastasis).[1,2]

1. NCCN Guidelines. Squamous Cell Carcinoma. V1.2020. Accessed January 10, 2020. 2. Alam A, et al. *J Am Acad Dermatol*. 2018;78:560-78.

Staging and risk stratification of SCC:
Traditional approaches have limitations in assessing risk

Why Do We Stage Cancers?

- Physicians stage cancers in order to determine how much cancer there is and where it is located—which helps them assess the prognosis and decide on the best treatment option.[1,2]
- A key part of assessing prognosis is determining the risk for recurrence for regional or distant metastasis.[1,2]



1. NCCN Guidelines for Patients. Squamous Cell Skin Cancer. 2019. 2. American Cancer Society. American Cancer Society. Cancer Staging. https://www.cancer.org/treatment/understanding-your-diagnosis/staging.html Accessed January 10, 2020.

The unmet need in high-risk SCC patients:
Who is really at low risk or high risk for metastasis?

The Clinical Problem

Managing SCC is a significant clinical issue, as deaths from SCC are now estimated to exceed those from melanoma.

~20% of SCC patients have one or more clinical or pathological risk factors and they suffer the majority of SCC mortality. These factors alone are often not specific enough to determine risk-appropriate treatment and further management.

SCC treatment plans are guided by risk of metastasis.
Risk-appropriate SCC management is currently limited by classification systems (NCCN, BWH, AJCC) with low positive predictive value (PPV).

NCCN=National Comprehensive Cancer Network; BWH = Brigham and Women's Hospital; AJCC = American Joint Committee on Cancer

DecisionDx-SCC:

Designed to predict metastatic risk for *high-risk* SCC patients

Addressing the Clinical Problem

DecisionDx-SCC is validated to predict metastatic risk for individual SCC patients with one or more risk factors.

DecisionDx-SCC is a validated predictor of risk in uni- and multivariate analysis.

Incorporation of DecisionDx-SCC with traditional risk factors can improve patient classification compared to either approach alone.

DecisionDx-SCC can inform management decisions within established guidelines.

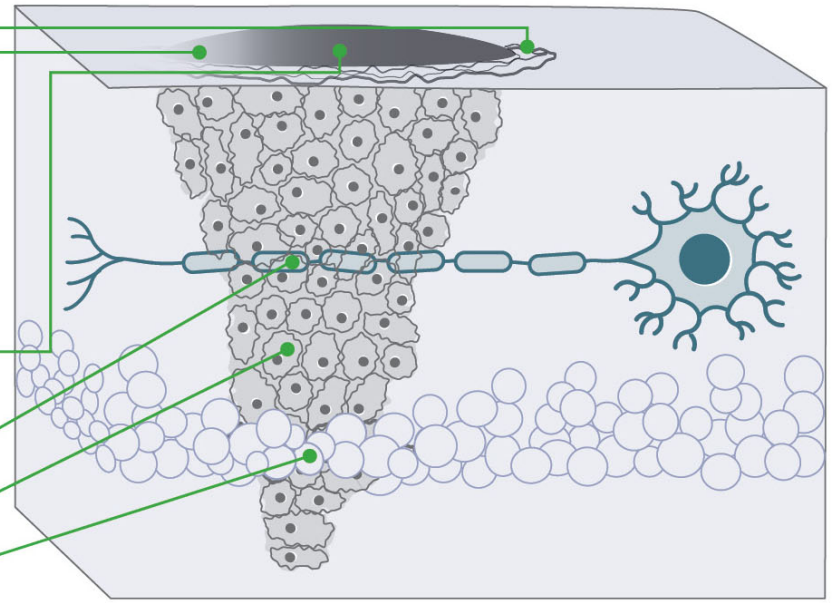
Wysong et al. *JAAD* 2020; Ibrahim et al. submitted

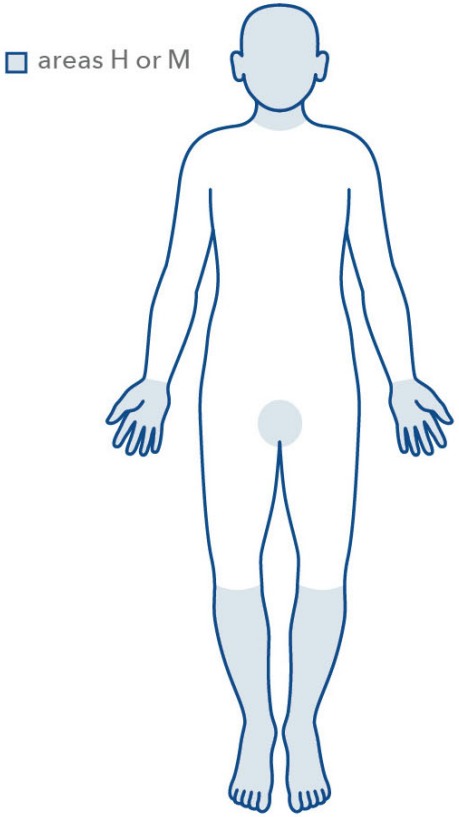
DecisionDx-SCC

Intended Use: DecisionDx-SCC is indicated for patients *diagnosed* with cutaneous squamous cell carcinoma *and* one or more risk factors. **DecisionDx-SCC is designed to predict individual metastatic risk to inform risk-appropriate management.**

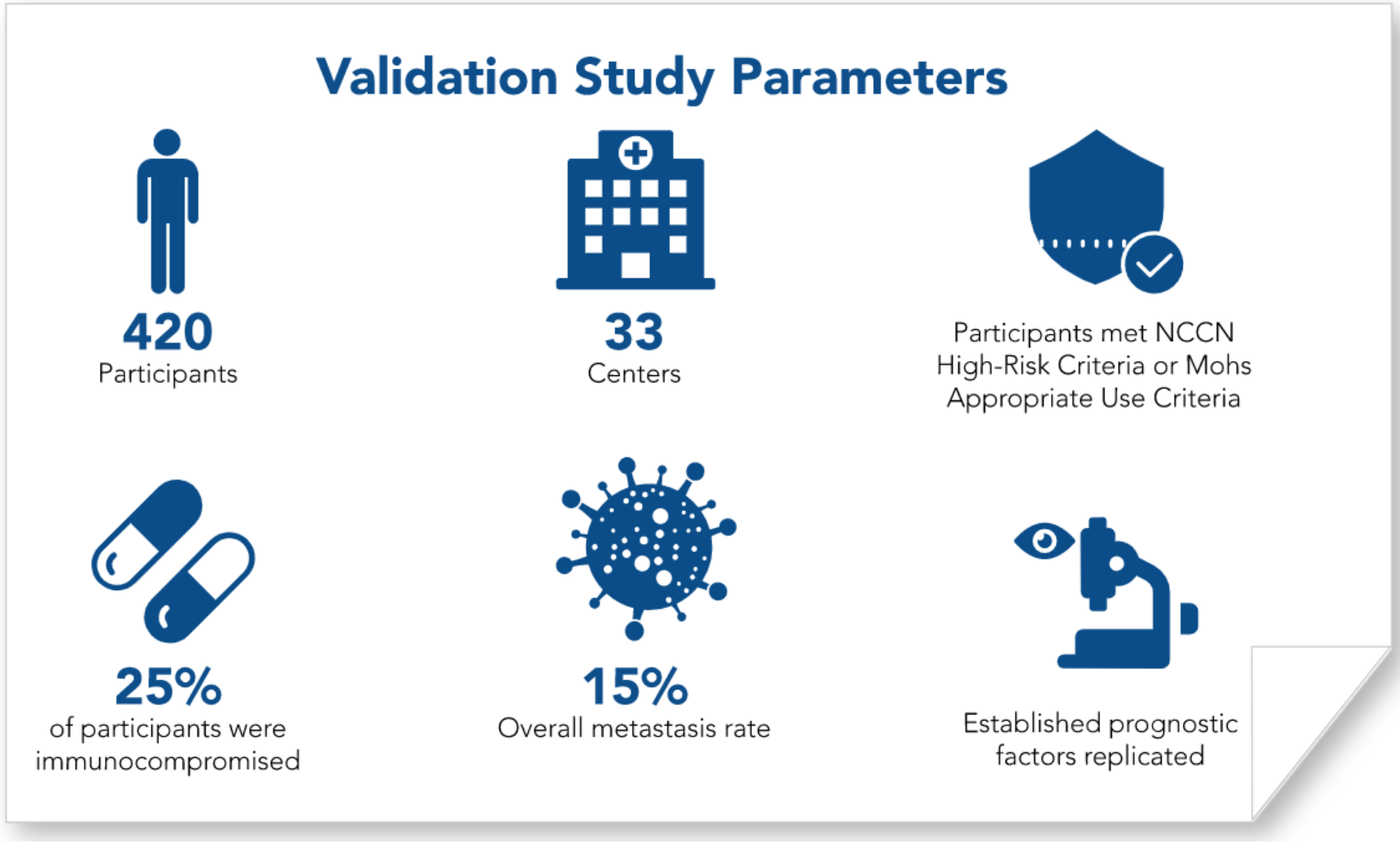
For SCC patients with one or more of the following risk factors:

- **Tumor size ≥2 cm anywhere on the body**
- **Tumor location** on the head, neck, hands, genitals, feet or pretibial surface (areas H or M)
- **Immunosuppression**
- **Rapidly growing tumor**
- **Tumor with poorly defined borders**
- **Tumor at a site of prior radiation or chronic inflammation**
- **Perineural invasion (PNI)**
- **Poorly differentiated tumor grade**
- **Deep tumor** (has invaded beyond subcutaneous fat)



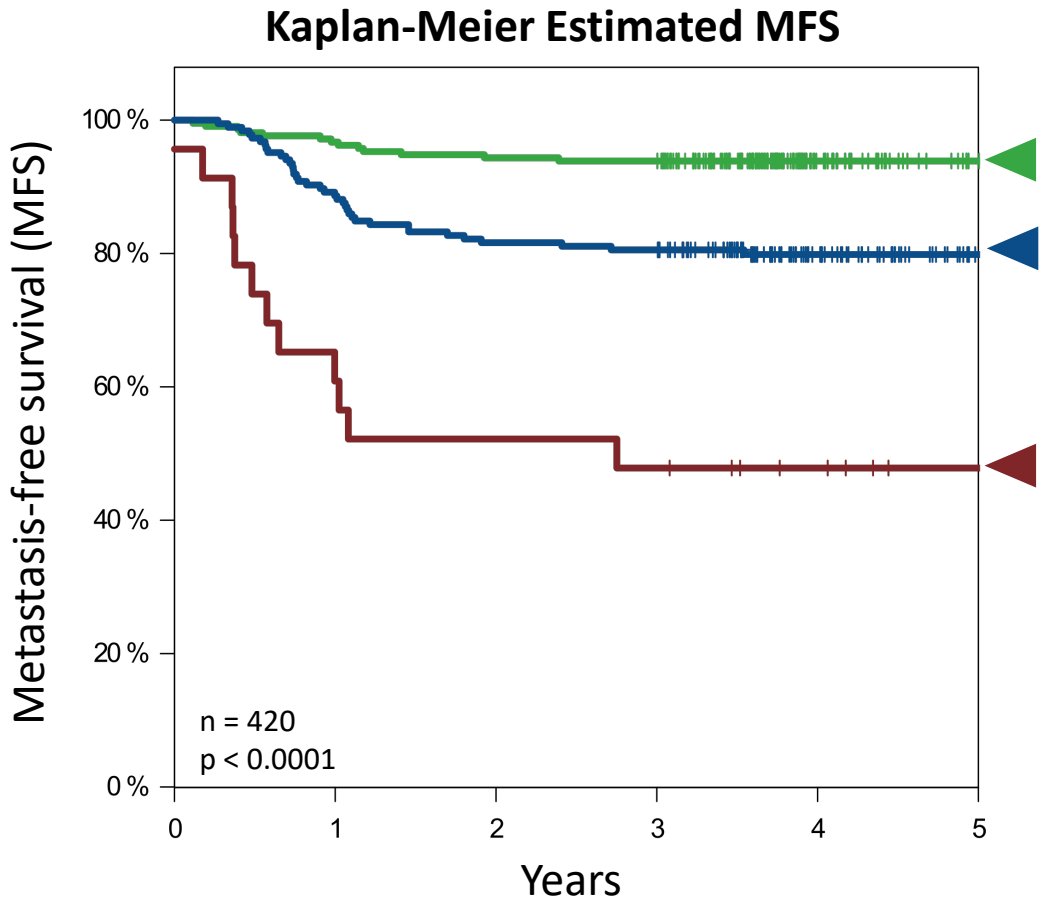


DecisionDx-SCC independent validation study



Wysong et al. *JAAD* 2020; Ibrahim et al. submitted; Data on file, Castle Biosciences.

DecisionDx-SCC is validated to predict metastatic risk for individual SCC patients with one or more risk factors



Class 1 – Low Biological Risk

Less than half the general study population risk

Class 2A – Moderate Biological Risk

Similar to the strongest traditional factors

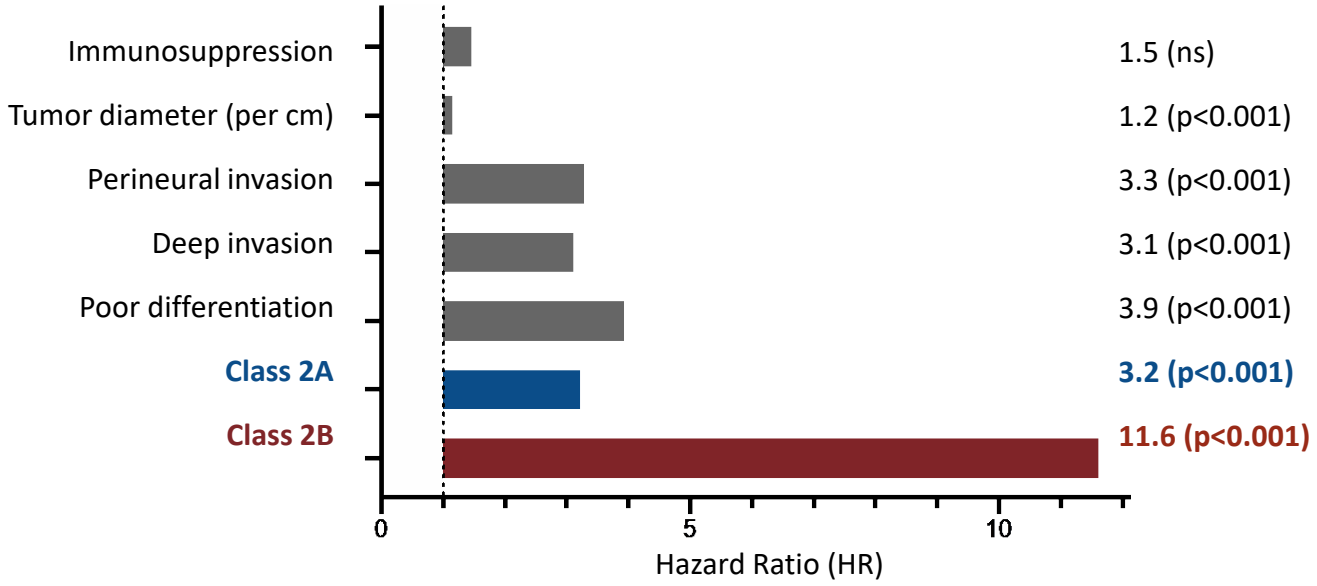
Class 2B – High Biological Risk

≥50% risk of metastasis

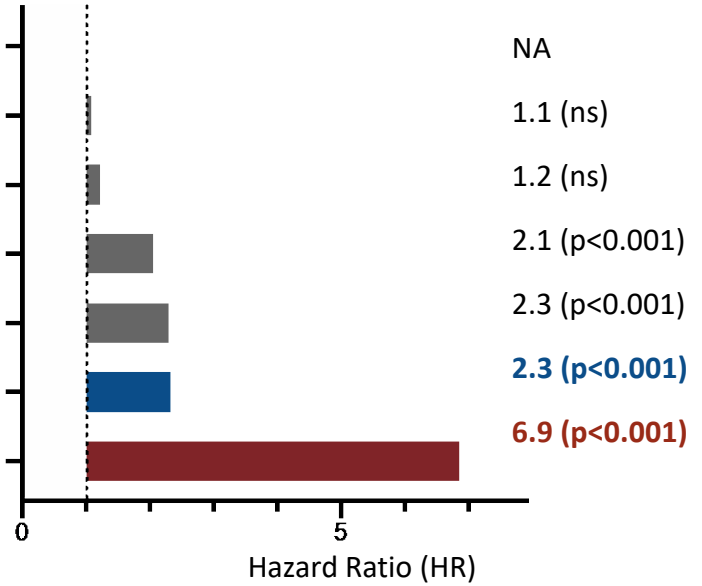
Wysong et al. *JAAD* 2020; Ibrahim et al. submitted; Data on file, Castle Biosciences.

Class 2A and Class 2B are independent predictors of metastasis

Univariate Analysis



Multivariate Analysis



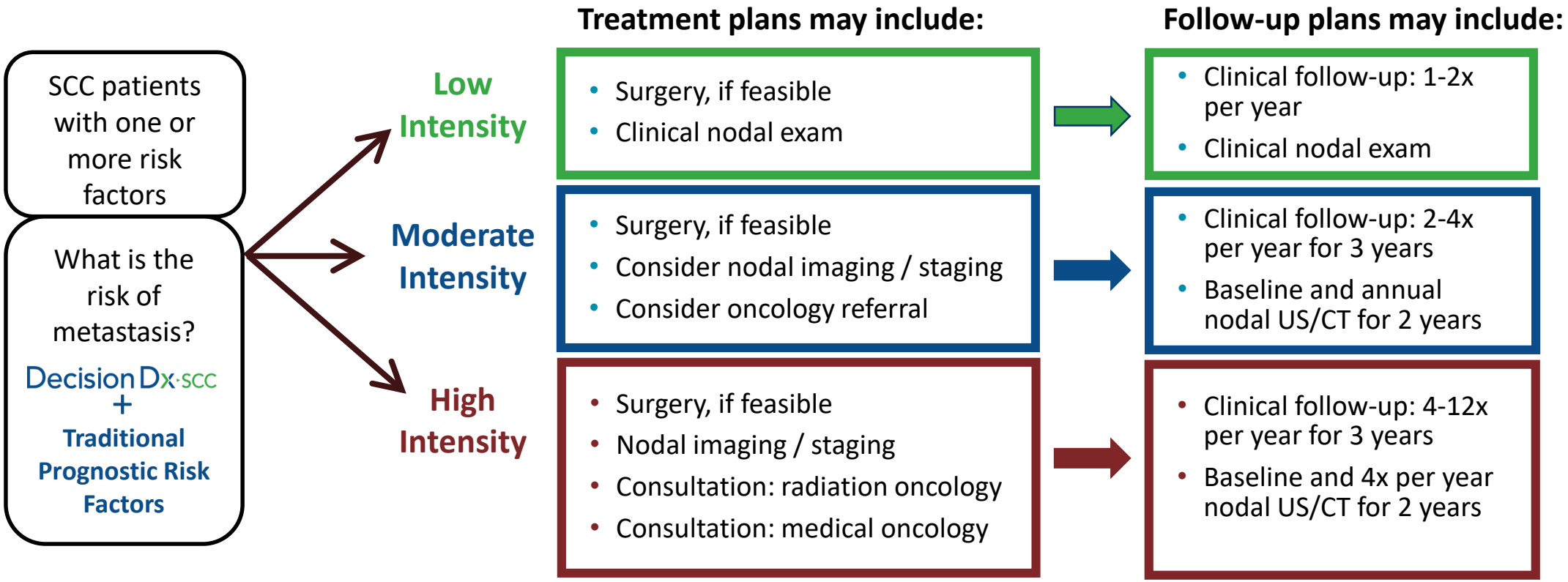
What is the impact of DecisionDx-SCC?

- An SCC with deep invasion is 2.1x more likely to metastasize than without.
- Adding a Class 2A results shifts that to 4.8x more likely to metastasize.
- Adding a Class 2B result shifts that to 14.5x more likely to metastasize.

* Deep invasion: beyond subcutaneous fat, depth >6mm, or Clark level V.

Wysong et al. *JAAD* 2020; Ibrahim et al. submitted; Data on file, Castle Biosciences.

DecisionDx-SCC is designed to predict metastatic risk for high-risk SCC patients

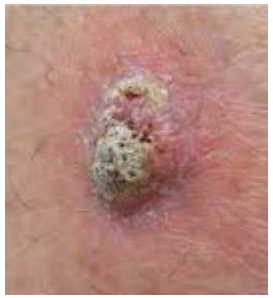


DecisionDx-SCC results can inform management decisions within established guidelines

NCCN Guidelines for Squamous Cell Skin Cancer v1.2020, Likhacheva et al. *Pract Radiat Oncol* 2020, Farberg et al. *CMRO* 2020, Litchman et al. CMRO 2020, Teplitz et al. JDD 2019, Alam et al. *JAAD* 2018

Integrating DecisionDx-SCC into clinical care of patients

Patient Characteristics + **Clinical and Pathologic Tumor Characteristics** + **Tumor Biology**



DecisionDx-SCC

CASTLE BIOSCIENCES

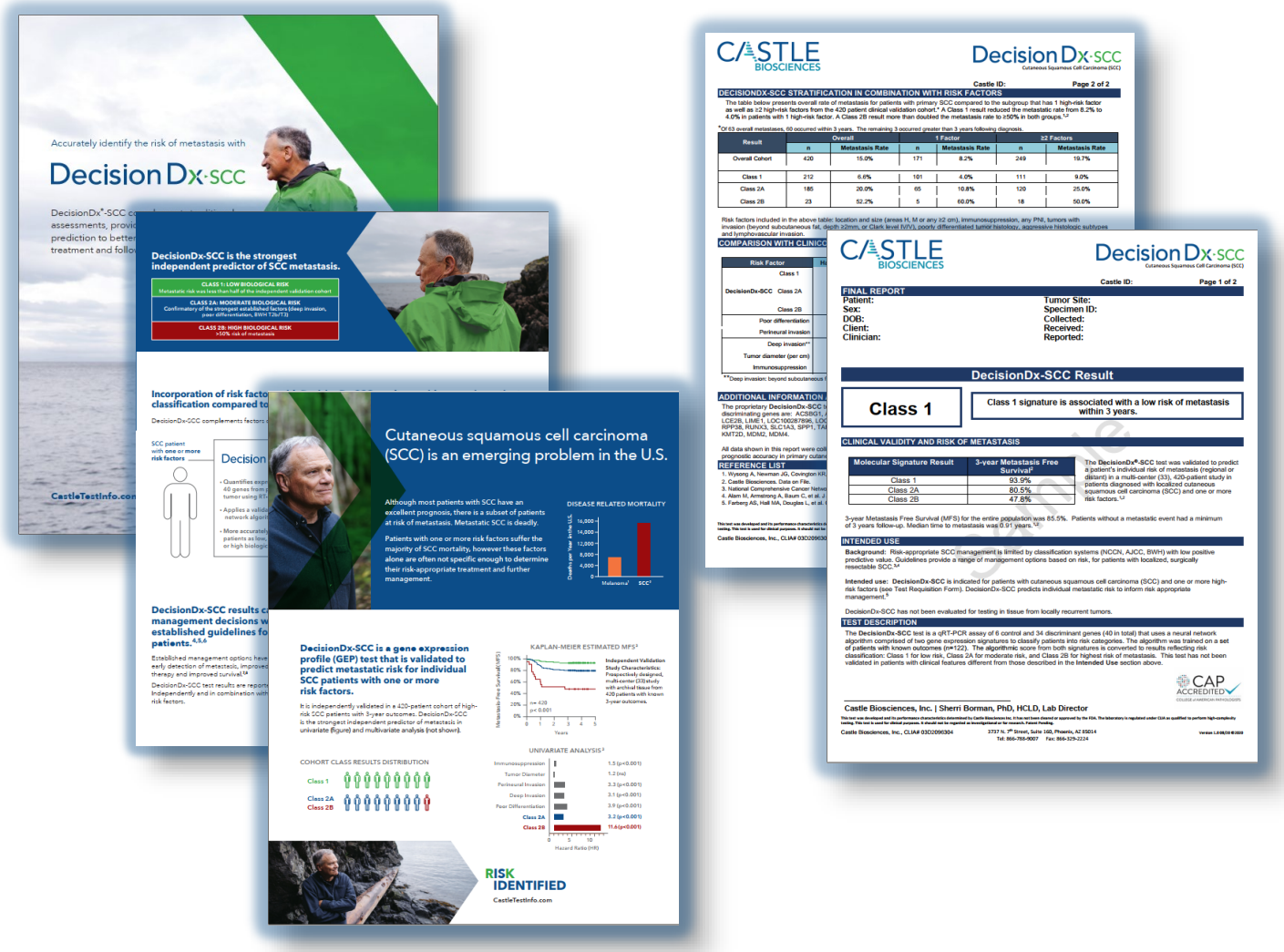
The Skin Cancer Diagnostics Company

Derek Maetzold
Founder, President & CEO

Summary

Launch objectives are being achieved

- Accelerated disease state training during peak of COVID
- Conducted virtual National Sales Meeting for final training
- Successfully completed virtual speaker training
- August 31, 2020: commercially available



DecisionDx-SCC

Designed to predict individual metastatic risk to inform risk-appropriate management

For **high-risk** SCC patients with one or more risk factors

200,000 high-risk **patients** annually;

$**820M** U.S TAM[1]

Validated in **420-patient cohort** of high-risk SCC from **33 U.S. centers**

4 **peer-reviewed publications** to date;

Over **1,400 patients** enrolled in studies to date from **92 centers**

Utilizing **existing sales channels**: dermatologists (including Mohs surgeons)

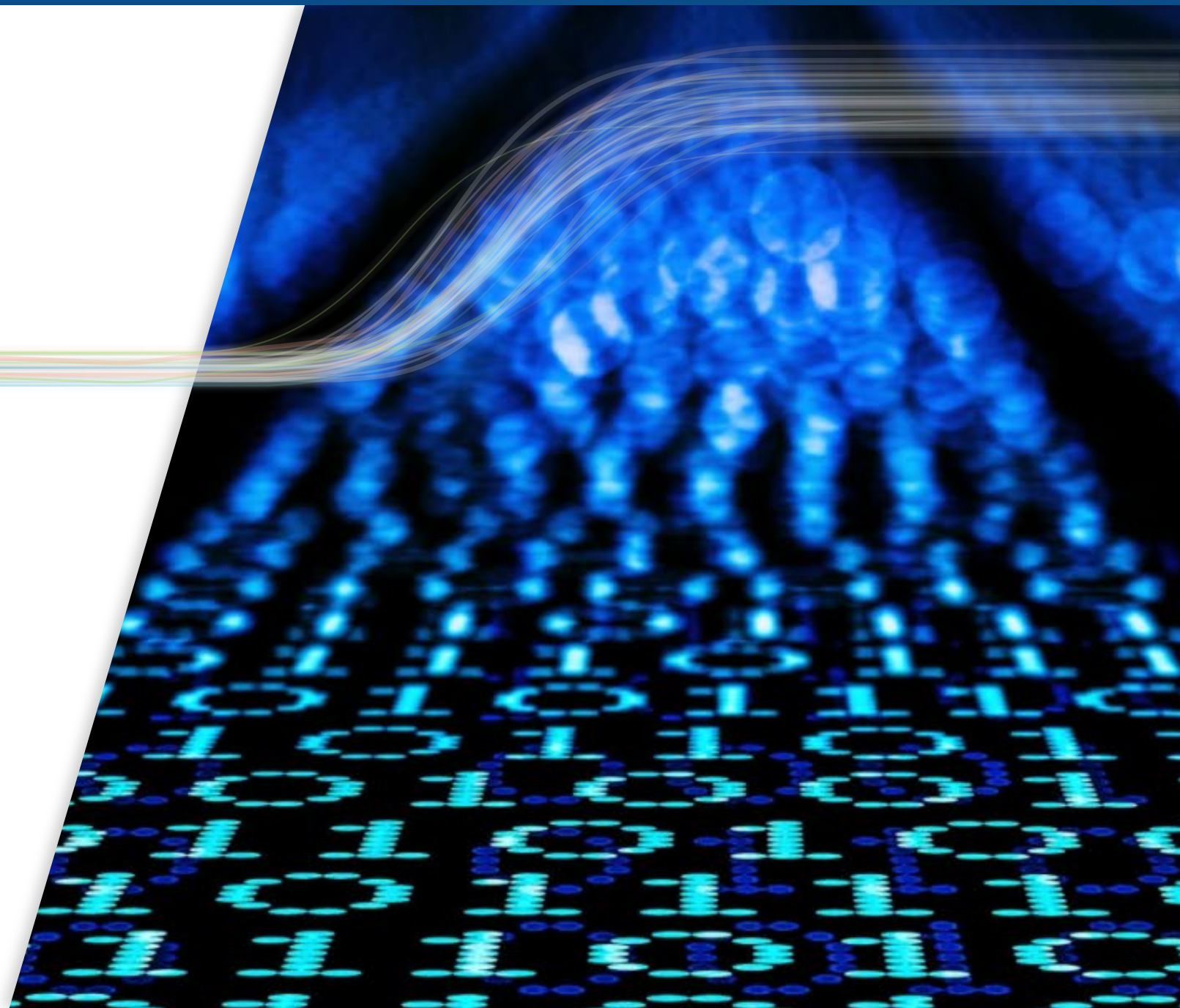
Incorporation of DecisionDx-SCC with traditional risk factors can improve patient classification compared to traditional risk factors alone

[1] based on Castle estimates

CASTLE BIOSCIENCES

The Skin Cancer Diagnostics Company

THANK YOU



Use of Non-GAAP Financial Measures (UNAUDITED)

- In this presentation, we use the metric of Adjusted Operating Cash Flow, which is a non-GAAP financial measure and is not calculated in accordance with generally accepted accounting principles in the United States (GAAP). This non-GAAP financial measure reflects adjustments to net cash provided by operating activities to remove the effects of two payments we received associated with government aid to healthcare providers due to COVID-19, which we believe are not indicative of our ongoing operations.

- We use Adjusted Operating Cash Flow internally because we believe this metric provides useful supplemental information in assessing our cash flow performance from our core ongoing business activities by removing the effects of these items on our operating cash flows. We believe this metric is also useful to investors as a supplement to GAAP measures in analyzing the performance of our business. However, this non-GAAP financial measure may be different from non-GAAP financial measures used by other companies, even when the same or similarly titled terms are used to identify such measures, limiting their usefulness for comparative purposes. This non-GAAP financial measure is not meant to be a substitute for net cash provided by operating activities reported in accordance with GAAP and should be considered in conjunction with our financial information presented on GAAP basis. Accordingly, investors should not place undue reliance on non-GAAP financial measures. Reconciliations of this non-GAAP financial measure to the most directly comparable GAAP financial measure are presented on the next slide.

Reconciliation of Non-GAAP Financial Measures (UNAUDITED)

The table below presents the reconciliation of adjusted operating cash flow, which is a non-GAAP measure. See "Use of Non-GAAP Financial Measures (UNAUDITED)" above for further information regarding the Company's use of non-GAAP financial measures.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
(in thousands)				
Adjusted operating cash flow				
Adjusted operating cash flow (Non-GAAP)	$ 3,269	$ 482	$ 3,018	$ 1,770
Receipt of Medicare advance payment[1]	8,350	—	8,350	—
Receipt of HHS provider relief funds[2]	1,882	—	1,882	—
Net cash provided by operating activities (GAAP)	$ 13,501	$ 482	$ 13,250	$ 1,770

1 In April 2020, we received an advance payment of $8.3 million from the Centers for Medicare & Medicaid Service (CMS), which will be applied against future Medicare claims that we submit for reimbursement later in 2020. We recorded the receipt of the payment as a liability on our balance sheet and, in accordance with GAAP, it is included in net cash provided by operating activities in the period received. We have excluded receipt of the advance payment from adjusted operating cash flow, but as future claims are submitted for reimbursement and applied against this balance, we will include the advance payment in adjusted operating cash flow to the extent that Medicare claims submitted for reimbursement have been applied to the balance.

2 In April 2020, we received a one-time payment of $1.9 million in relief funds automatically allocated to Medicare providers under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) from the U.S. Department of Health and Human Services (HHS).