

2020-2021 ANNUAL REPORT

A WORD FROM THE CEO

As I look back on the message I delivered in August 2020 for last year's annual report, I recall the anxiety of the moment. We were 5 months into the COVID-19 pandemic. Our operations were significantly altered, but an aggressive response by ALL of our staff allowed us up to that point to maintain the majority of services to our clients. No vaccine was in sight. We had no notion of how long the pandemic would last, nor the eventual toll it would take. We had little confidence in what the future would hold.

"We have persisted in our commitment to expand our services and meet the growing need for high quality behavioral health treatment."

The remainder of 2020 and the first half of 2021 have been a story of perseverance: individually, as a company, in our communities, our nation, and the world. COVID-19 has had its inconstancy and we are far from defeating it at this writing. The miraculous, swift creation of the vaccine in early 2021 was a game-changer in our battle against it. Unfortunately, many have not taken advantage of this intervention, and we are all paying the price.

Despite this, Pyramid Healthcare and our affiliated companies have maintained discipline in executing our commitment to creatively serve as many people as possible, and it has worked. We have diligently tried to keep clients, staff, and family members safe and healthy with our use of personal protective equipment,

testing, maintaining distance, and employing any other means we could to help. We have also found that many clinical, management, and support services can be conducted virtually with great effect.

We have persisted in our commitment to expand our services and meet the growing need for high-quality behavioral health treatment. We opened a new, large residential facility in Newport News, VA, and are in the process of adding capacity at facilities in Baltimore, southern Maryland, Charlotte, NC, and Hammonton, NJ, in addition to other outpatient and school services growth. Sadly, it is becoming increasingly apparent that the pandemic is taking a heavy toll on the behavioral health of numerous individuals, families, and communities. The isolation, fear, and uncertainty of living with and fighting the virus are driving an increase in overdoses as well as admissions for mental health and chemical dependency treatment. As we optimistically free ourselves from the depths of the pandemic, the demand and importance of our life-saving mission has never been more important, more needed, more timely.

We have learned a lot about ourselves in the face of adversity and I am confident we will continue to flourish and persevere in our mission in the year ahead.

Jonathan Wolf Founder, President, and CEO

DIRECTORS

Jonathan Wolf Keith Farrow Christopher Crosby Patrick Hunt Ken Burdick, JD Linda Rosenberg, MSW David Wennberg, MD

LEADERSHIP IN CLIENT-FOCUSED CARE

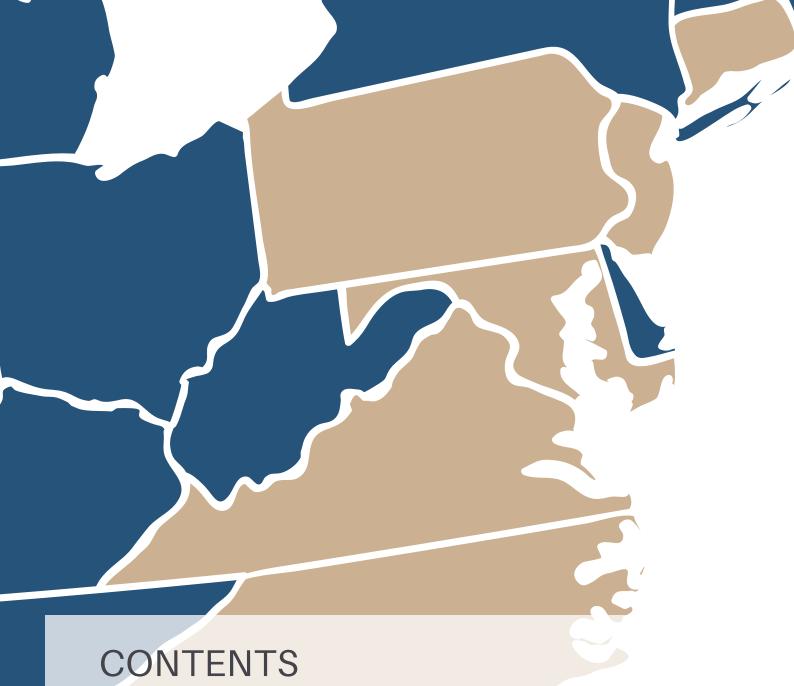
Driving enhanced outcomes in clinically integrated systems of care.

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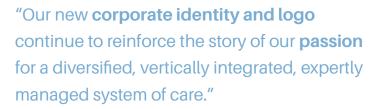


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PYRAMID HEALTHCARE ANNOUNCES NEW CORPORATE BRANDING & WEBSITE

After more than two decades of strategic acquisitions and organic growth and now one of the largest integrated behavioral healthcare systems in the nation, Pyramid Healthcare launched a new corporate identity in June 2021 that distinguishes the corporate brand from its individual legacy treatment brands.

The new brand and logo recognize and celebrate Pyramid Healthcare's shared, unifying roots in delivering expert-level, compassionate care while keeping the individual identity of each affiliated company in the Pyramid Healthcare behavioral healthcare family of companies intact.



Reflecting long-established priorities, including a responsibility to clients, students, and employees, Pyramid Healthcare and its 16 affiliated companies continue to offer a full continuum of premier, in-person and virtual substance use, mental health, and eating disorders treatment programs and autism services across seven eastern states.

An expert corporate network of human resources, IT, engineering, finance/accounting, marketing, call center, compliance, and



clinical staff supports these services. "Our new corporate identity and logo continues to reinforce the story of our passion for a diversified, vertically integrated, expertly managed system of care that grew from a single location to nearly 100 over the course of a little more than 20 years of compassionate care and service delivered with integrity," stated Jonathan Wolf, Founder, President, and CEO.

A resource for referral sources and stakeholders and an invitation for prospective employees, the newly launched corporate website at pyramidhc.com and LinkedIn page also speak to Pyramid Healthcare's core values, mission, and commitment to serving individuals at all stages of recovery.



OUR MISSION

Creating solutions for individuals and families that result in positive growth and a better quality of life.

OUR CORE VALUES

Integrity
Dedication
Collaboration
Passion

OUR VISION

A system of treatment in behavioral healthcare with groundbreaking results in the treatment of adults, children and families.

TELEBEHAVIORAL HEALTH SERVICES:

LOOKING BACK & MOVING FORWARD

In March 2020, Pyramid Healthcare established a comprehensive telebehavioral health service delivery platform in response to the COVID-19 pandemic. The platform included a centralized assessment unit, telemedicine for outpatient and residential facilities, and the provision of telehealth treatment services for partial hospitalization, intensive outpatient groups, individual therapy, certified recovery specialist services, and Medication Assisted Treatment (MAT), This platform enabled Pyramid Healthcare to ensure that all essential behavioral health services remained available.

In conjunction with launching the telehealth platform, Pyramid Healthcare developed a dashboard to track service utilization. Since March 15, 2020, Pyramid Healthcare has provided the following telemedicine and telehealth services in Pennsylvania, New Jersey, Maryland, North Carolina, Georgia, and Connecticut.

Additionally, to measure the efficiency and effectiveness of the telehealth platform, Pyramid Healthcare conducted a telehealth client experience survey via email. Based on 1,081 respondents, the results were as follows:



98% OF CLIENTS

felt they were adequately provided information about how telehealth services work



98% of CLIENTS

felt their questions about telehealth were answered to their satisfaction



95% of CLIENTS

felt they were able to utilize virtual treatment technology without any issues



97% of CLIENTS

felt they developed the necessary skills to manage their symptoms or recovery successfully through telehealth



% OF CLIENTS

were satisfied with their overall experience with telehealth

Since 3/15/2020, Pyramid Healthcare has provided the following telemedicine and telehealth services organization-wide:



35,483 CLIENTS ENGAGED IN AT LEAST 1 TELEHEALTH EVENT



134,379 INDIVIDUAL & FAMILY THERAPY SESSIONS CONDUCTED

CUMULATIVELY, CLIENTS SPENT 1,320,301 HOURS IN GROUP THERAPY



2,130 ACTT SERVICES PROVIDED



29,749 LEVEL OF CARE ASSESSMENTS CONDUCTED



22,482 PSYCHIATRIC EVALUATIONS CONDUCTED

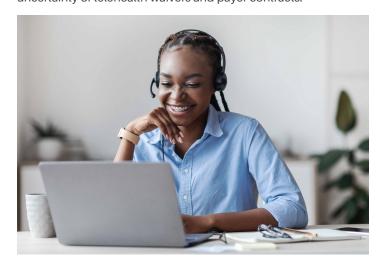


11.534 MEDICATION CHECK & PSYCHIATRIC FOLLOW-UP VISITS COMPLETED



886 MEDICATION ASSISTED TREATMENT RELATED VISITS COMPLETED

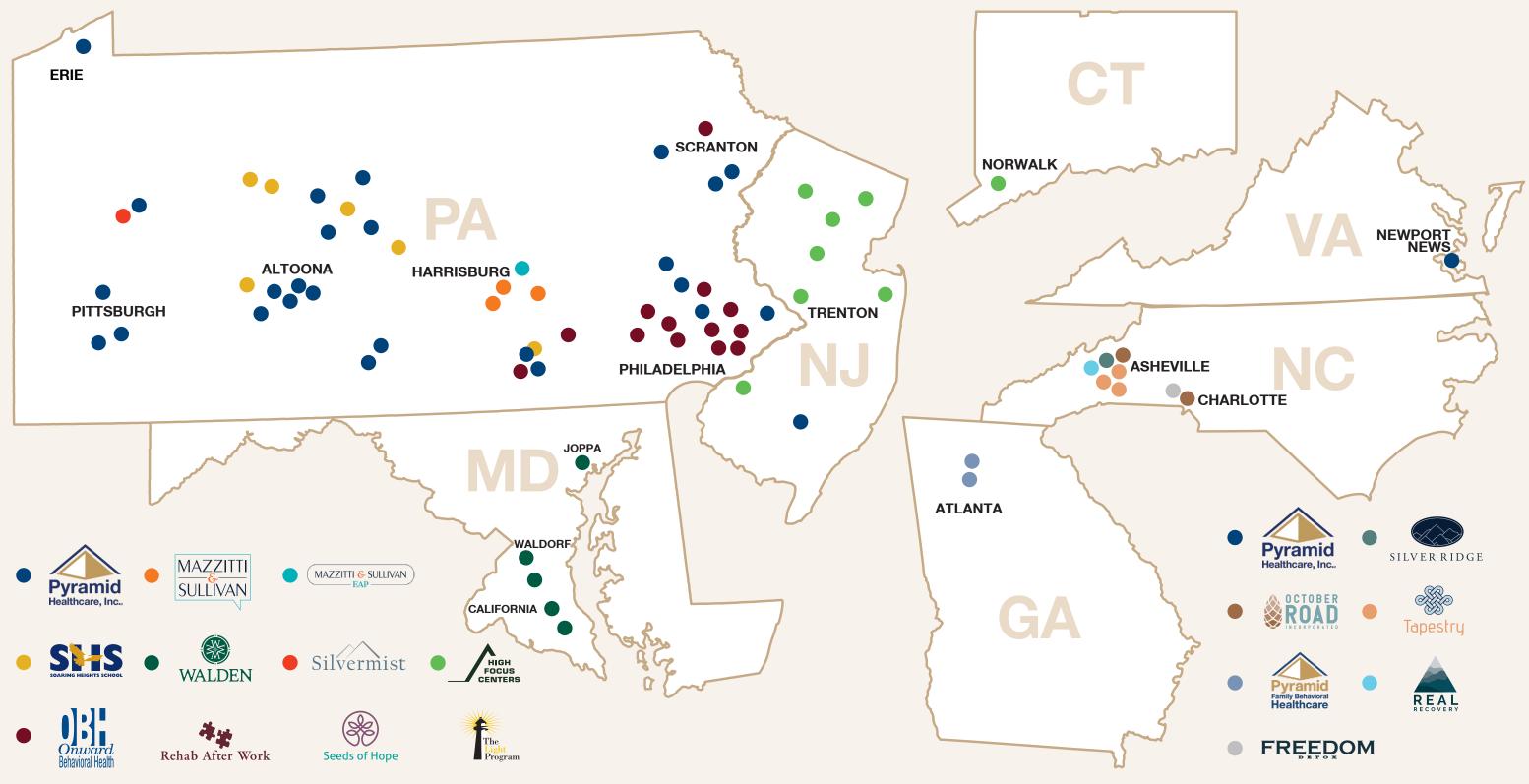
As the pandemic advances, outpatient services have largely moved back in-office with some facilities offering a hybrid model of both in-office and telebehavioral healthcare services. This migration back to the office was predominately expedited by the uncertainty of telehealth waivers and payer contracts.



Although Pyramid Healthcare welcomes the return of office-based services, we also recognize the tremendous benefits of continuing to offer the option to engage in all levels of outpatient treatment via telehealth as a means to improve treatment access and address situational barriers such as transportation, childcare, restricted mobility, and health-related reasons. Consequently, Pyramid Healthcare is working with state and local stakeholders to advocate for client choice as the need to maintain telehealth reimbursement parity once the various state emergency telehealth waivers have expired. Treatment access is the first barrier to many clients' journey to wellbeing and recovery, and Pyramid Healthcare will continue to pursue every avenue possible to remove barriers.



PROGRAM LOCATIONS



FIRST ADULT RESIDENTIAL PROGRAM

OPENS IN VIRGINIA

2021 saw Pyramid Healthcare expand into its seventh state with the opening of the first phase of its eventual 160-bed residential detoxification and rehabilitation chemical dependency and acute mental health treatment center in Newport News, Virginia.

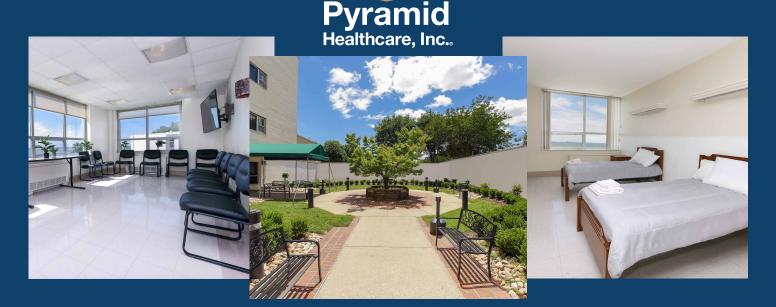


This facility serves the Tidewater region of Virginia, which includes Norfolk, Hampton, Chesapeake, Portsmouth, Virginia Beach, and Newport News. This area has one of the largest concentrations of naval installations in the United States. The first phase, an 88-bed non-hospital program opened on July 5, 2021, initially providing medically supervised rehabilitation treatment for adult men. A detoxification program and services for women were added shortly thereafter. 40 acute psychiatric beds, outpatient, and intensive outpatient services will be available in 2022.

Located at 245 Chesapeake Avenue Newport News, VA 23607, this former hospital sits on 5-acres with over 100,000 square feet and has a beautiful view of the confluence of the James and Elizabeth Rivers in the Newport News Channel as it flows into the Chesapeake Bay.



Joint Commission Accreditation was awarded on August 5, 2021, and staff has developed high-quality treatment programming and exceptional service delivery. This project represents the culmination of several years of effort by the engineering and construction division and was an incredible effort with team members from various corporate offices and facility operations groups lending a hand to develop and open this large facility.



MENTAL HEALTH RESIDENTIAL PROGRAM

OPENS IN EASTERN PENNSYLVANIA

Pyramid Healthcare continues to be at the forefront of behavioral healthcare innovation by expanding options for cutting-edge mental health treatment to the communities that we serve. This year, Pyramid Healthcare reimagined the Seeds of Hope eating disorder residential program in Lake Ariel to develop a treatment option that meets the exponential demand for mental health treatment amid the COVID-19 pandemic. The program in Lake Ariel seamlessly pivoted from serving clients with a primary eating disorder diagnosis to those who have a primary mental health diagnosis, providing a vital option for higher acuity mental health programming across our continuum of care in April 2021.

The Light Program in Lake Ariel is a 12-bed program that offers highly individualized treatment for adult females. The program takes a multi-modal approach to treatment that consists of process groups, individual therapy, family education, nutrition and cooking support, and holistic treatment. While The Light Program in Lake Ariel serves clients with a primary mental health diagnosis, clinicians are trained to treat co-occurring eating and substance use disorders. Evidence-based psychiatric programming and on-site medical services augment the day-to-day therapeutic services, which provide additional support to clients who need medication management. A unique facet of the program is its trauma-focused orientation. In utilizing a trauma-informed approach, The Light Program in Lake Ariel has been successful in treating diverse populations with complex needs.

As one of the few residential programs with a primary mental health diagnosis, The Light Program in Lake

Ariel has drawn referrals from across the tri-state area. In its first year of operation, The Light Program in Lake Ariel received full CARF accreditation. The Immediate Response Team (IRT) provides around-the-clock access for clients and families seeking treatment, ensuring these vital services are accessible to our internal and external partners. The Light Program in Lake Ariel is in-network with all major commercial insurance plans, which has helped eliminate financial barriers to residential treatment.



The Light Program in Lake Ariel's distinctive mental health focus has synergized well with outpatient programming in PA and NJ, allowing it to refer to its sister companies; High Focus Centers and Onward Behavioral Health. Ultimately, this has allowed Pyramid Healthcare to better fulfill its fundamental mission: to create solutions for individuals and families that result in a better quality

of life. The Light Program in Lake Ariel will continue to be an important piece in the mosaic of Pyramid Healthcare's service delivery system of care.



RESIDENTIAL PROGRAM OPENS IN

HARFORD COUNTY MARYLAND

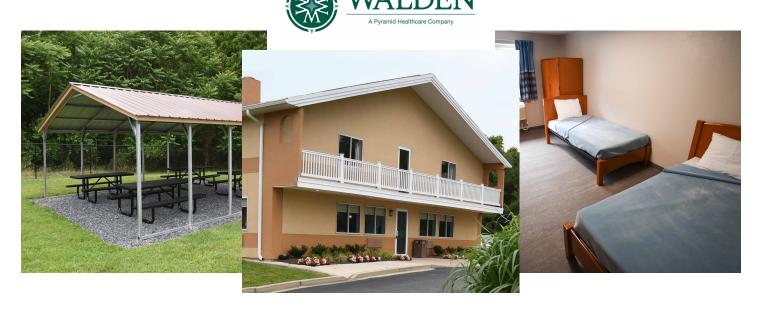
Despite the challenges associated with the COVID-19 pandemic, Walden experienced significant growth this year by launching a new program in June 2020, expanding and solidifying traditional programming and maintaining high-quality service.

The outpatient service line, including Partial Hospitalization Programs (PHP) to individual therapy, was forced to make a quick pivot from in-person treatment to virtual options in less than 60 days during the pandemic while maintaining high-quality treatment and retention. The continuum of available services at the southern Maryland and Joppa, Maryland locations also includes inpatient programming. During 2020, an expansion of services included a 95% increase in bed availability for detox and residential levels of care from 71 to 139 beds available for inpatient care. Expansion in the Baltimore area accounted for 52 of those beds while the reopening of a southern Maryland site added an additional 16 beds. Walden is now licensed for withdrawal management and the full continuum of residential services in both locations.

Walden is excited to begin construction on the new residential detoxification and rehabilitation facility in Prince George's County, just outside of Washington, D.C. This will further expand Walden's ability to serve the primary population areas in Maryland. 2020 was a great year to reaffirm the resilience of the Maryland service lines and Walden looks forward to building on this momentum in 2021.





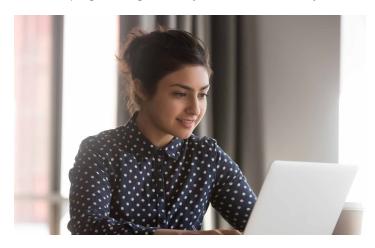


PYRAMID ONLINE COUNSELING:

EXPANDING ACCESS WITH INNOVATION

Pyramid Online Counseling was established in November 2020 in response to the imminent need for mental health and substance use telehealth treatment as a result of the COVID-19 pandemic.

The goal of Pyramid Online Counseling is to provide multifaceted telehealth treatment options to a diverse client population that will increase the continuity of care across the Pyramid Healthcare spectrum. Beginning with a team of just two licensed clinicians offering basic individual services, Pyramid Online Counseling has quickly blossomed into a vibrant telehealth platform that employs twenty-five licensed clinicians offering a wide variety of outpatient telehealth programming in Pennsylvania and New Jersey.



Pyramid Online Counseling has built an impressive foundation for growth in our initial year of operation. The administrative team has secured partnerships with major insurance providers in Pennsylvania to ensure that our network of clinicians can accommodate clients with Aetna, Cigna, Optum/UBH, Highmark, and, Magellan. In New Jersey, Pyramid Online Counseling accepts clients insured with Horizon and will continue to provide self-pay services in preparation for partnerships with other major commercial payers.

To better meet the complex needs of the communities served, this year Pyramid Online Counseling has launched six specialty groups in PA and NJ including Dialectical Behavior Therapy (DBT), mental health/co-occurring, LGBTQIA+, and recovery-oriented outpatient programming. These groups have connected underserved populations with culturally competent clinicians and have provided a resource for clients stepping down from higher acuity programming across the Pyramid Healthcare spectrum. Additionally, Pyramid Online Counseling has incorporated EAP

services into its programming through collaboration with Mazzitti and Sullivan EAP, further strengthening Pyramid Healthcare's continuum of care. As a result of rapid expansion, Pyramid Online Counseling can provide quality behavioral healthcare services to the 300+ clients in care and is on pace to facilitate over 6,000 visits by the end of 2021!



Pyramid Online Counseling will play an increasingly vital role for clients seeking telehealth options for treatment as Pyramid Healthcare's outpatient programming continues to return to in-person services. To this end, Pyramid Online Counseling is actively planning to offer individual and group programming in Maryland before 2022.

In addition to growth outside of Pennsylvania and New Jersey, Pyramid Online Counseling is excited to announce the launch of medication management services and several specialty groups including Early Intervention/Addiction Awareness, Maternal Wellness, and adolescent outpatient programming available in late 2021.

Pyramid Healthcare is confident that these service additions will allow Pyramid Online Counseling to continue to meet the dynamic and changing needs of the populations we serve and persist as an integral piece of Pyramid Healthcare's vast treatment network.



PYRAMID PROUD: STRENGTHENING OUR CULTURE OF COMPASSION

Pyramid Healthcare's bi-annual Organizational Climate Survey is one of many ways that team members' perceptions of the organization are gleaned. Specifically, Pyramid Healthcare has learned that 90.1% of survey respondents indicated that they are proud to be a Pyramid Healthcare employee.

When team members were asked what makes Pyramid Healthcare a great place to work, the most prevalent responses included:

- » Teamwork
- » Leadership
- » Camaraderie
- » Flexibility
- » Ability to help others
- » Core Values

These inspiring perceptions are being used to further shape the company culture by Pyramid Healthcare's Employee Engagement and Culture Workgroup who are developing formal branding and roll-out of Pyramid Healthcare's Employee Value Proposition; Pyramid Proud - One Team, One Purpose, Making a Difference Together.

What is an Employee Value Proposition (EVP)?

- » A declaration that describes how Pyramid Healthcare is perceived in the eyes—and hearts—of its team members
- » The "why" behind each team member's desire to work for Pyramid Healthcare
- » A representation of Pyramid Healthcare's values and principles



One Team • One Purpose • Making a Difference Together

Companies worldwide experience pressure to recruit the best candidates, but research has shown that the organization doesn't pick the candidate, the candidate picks the organization.

Organizations that take measures to strengthen their culture thrive and are better positioned to attract and retain talent.

Furthermore, businesses that effectively deliver on their Employee Value Proposition can decrease annual employee turnover by 70% and increase new hire commitment by nearly 30%.

Beyond just using team member perceptions to develop a logo and branding, Pyramid Healthcare's leadership team has put the One Team concept to work by offering a training series built on the constructs of continuous improvement - accomplished only when the characteristics of a team and the contributions and responsibility that each team member has for quality service delivery are recognized.

The formal rollout of Pyramid Healthcare's Employee Value Proposition will occur in 2021, and is just the beginning, as the effort will continuously be evaluated, adjusted and celebrated as team members' perceptions evolve.











































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