

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K/A  
Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2022

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: 001-40033



**P3 Health Partners Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

2370 Corporate Circle Suite 300 Henderson, Nevada

(Address of principal executive offices)

85-2992794

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

89074

(Zip code)

Registrant's telephone number, including area code: (702) 910-3950

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	PIII	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50	PIIHW	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the registrant's voting and non-voting stock held by non-affiliates on June 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter) based on the closing price on that date as reported by the Nasdaq Stock Market was approximately \$93 million.

As of April 15, 2023, the registrant had 110,736,035 shares of Class A common stock, par value \$0.0001 and 202,024,923 shares of Class V common stock, par value \$0.0001 outstanding.

PCAOB ID: 243

Auditor Name: BDO USA, LLP

Auditor Location: Las Vegas, Nevada

DOCUMENTS INCORPORATED BY REFERENCE

None.

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## EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K (“Amendment No. 1”) amends the Annual Report of P3 Health Partners Inc. (“P3” or the “Company”) on Form 10-K for the fiscal year ended December 31, 2022, as filed with the Securities and Exchange Commission (the “SEC”) on March 31, 2023 (the “Original Filing”). We are filing this Amendment No. 1 to amend and restate in their entirety Part III, Items 10 (Directors, Executive Officers and Corporate Governance), 11 (Executive Compensation), 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters), 13 (Certain Relationships and Related Transactions, and Director Independence), and 14 (Principal Accountant Fees and Services) of Form 10-K that were previously omitted from the Original Filing in reliance on General Instruction G(3) to Form 10-K because a definitive proxy statement containing such information will not be filed within 120 days after the end of the fiscal year covered by the Original Filing. Accordingly, the reference on the cover page of the Original Filing to the incorporation by reference of our definitive proxy statement into Part III of the Original Filing has been removed.

In addition, Item 15 of Part IV has been amended solely to include new certifications by our principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. The certifications of our principal executive officer and principal financial officer are filed with this Amendment No. 1 as Exhibits 31.1 and 31.2 hereto. Because no financial statements have been included in this Amendment No. 1 and this Amendment No. 1 does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. Additionally, we are not including the certification under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Amendment No. 1.

Except as described above, no other changes have been made to the Original Filing. Other than the information specifically amended and restated herein, we have not updated the information contained herein for events occurring subsequent to March 31, 2023, the filing date of the Original Filing. This Amendment No. 1 should be read in conjunction with the Original Filing and the Company’s other filings made with the SEC subsequent to the filing of the Original Filing. Capitalized terms used herein and not otherwise defined are defined as set forth in the Original Filing.

As used in this report, the terms “we,” “us,” “our,” “P3” and the “Company” refer to P3 Health Partners Inc. and its subsidiaries.

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## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

The following table provides information regarding our executive officers and members of our board of directors (ages as of the date of this Amendment No. 1):

Name	Age	Position
<b>Executive Officers</b>		
Sherif Abdou, M.D.	62	Chief Executive Officer, Director and Co-Founder
Amir Bacchus, M.D.	59	Chief Medical Officer, Director and Co-Founder
Atul Kavthekar	55	Chief Financial Officer
<b>Non-Employee Directors</b>		
Mark Thierer	63	Chairman of the Board
Greg Wasson	64	Director
Lawrence B. Leisure	72	Director
Mary Tolan	62	Director
Greg Kazarian	60	Director
Thomas E. Price, M.D.	69	Director
Jeffrey G. Park	51	Director

*Sherif Abdou, M.D.* is a Co-founder of P3 and has served as P3's Chief Executive Officer and on the Legacy P3 Board of Managers since 2017 and as a Director of the Company since December 2021. Dr. Abdou served as Chief Executive Officer of P3 Health Group from 2015 to 2017. Dr. Abdou received a Bachelor of Medicine and Surgery degree from Mansoura University and a Master of Medical Management degree from the University of Southern California. Dr. Abdou was selected to serve on our board of directors for his experience in the healthcare industry, his role as one of P3's founders and his service as P3's Chief Executive Officer.

*Amir Bacchus, M.D.* is a Co-founder of P3 and has served as P3's Chief Medical Officer and on the Legacy P3 Board of Managers since 2017 and as a Director of the Company since December 2021. Dr. Bacchus served as Chief Medical Officer of P3 Health Group from 2015 to 2017. Dr. Bacchus served as a director of the University of Nevada, Las Vegas—School of Medicine Advisory Board, a position he held from 2014 to 2020. Dr. Bacchus received a Bachelor of Arts degree from California State University, Northridge, a Doctor of Medicine from Wayne State University School of Medicine and an MBA from the University of Nevada, Las Vegas. Dr. Bacchus was selected to serve on our board of directors for his experience in the healthcare industry, his role as one of P3's founders and his service as P3's Chief Medical Officer.

*Atul Kavthekar* has served as our Chief Financial Officer since December 12, 2022. Prior to joining the Company, Mr. Kavthekar served as Executive Vice President and Chief Financial Officer of EyeCare Partners, a clinically-integrated comprehensive eyecare platform, since March 2021. From July 2020 to March 2021, Mr. Kavthekar served as Chief Financial Officer of Encyclopedia Britannica, a digital media, publishing and educational curriculum company. From May 2017 to April 2019, Mr. Kavthekar served as Chief Financial Officer and Treasurer of Diplomat Pharmacy, Inc., an independent provider of specialty pharmacy services. Mr. Kavthekar served as Chief Financial Officer of LivingSocial, Inc., an e-commerce retailer, from June 2015 to December 2016. Mr. Kavthekar also served as Chief Financial Officer and Head of Corporate Development for the health and wellness division of Sears Holding Corporation, which included the Kmart Pharmacy business, from December 2013 to May 2015, and as Division Chief Financial Officer of e-commerce for Walgreen Co. from December 2009 to December 2013. Prior to these positions, he held a number of positions in the financial industry, focusing on investment banking and mergers and acquisitions. Mr. Kavthekar received an MBA from The University of Chicago Booth School of Business.

*Mark Thierer* has served as a Director of the Company since December 2021 and an advisor to Foresight since October 2020. Mr. Thierer currently serves as the managing partner of the investment firm he formed, AssetBlue Investment Group, a position he has held since June 2017. From October 2017 through February 2018, Mr. Thierer also served as the interim Chief Executive Officer of Dentsply Sirona Inc. (Nasdaq: XRAY), a manufacturer of dental implants. Mr. Thierer was Chief Executive Officer of OptumRx, a pharmacy care services company, from July 2015 until September 2017. He previously served as chairman and Chief Executive Officer of Catamaran Corporation (Nasdaq: CTRX), one of the nation's largest pharmacy benefit management companies, from March 2011 until it combined with OptumRx in 2015. Mr. Thierer has experience as a Chief Executive Officer leading a national pharmacy benefit and healthcare information technology solutions company. His skills include strategy and business development, technology, finance and marketing. He brings valuable leadership experience and knowledge of operations and the day-to-day management of a national corporation. Mr. Thierer also has experience in the structuring and execution of strategic corporate transactions, including mergers and acquisitions. Mr. Thierer is a member of the board of directors of Discover Financial Services (NYSE: DFS) since 2014 and Senior Connect Acquisition Corp. (Nasdaq: SNRH). Mr. Thierer received a BS in Finance from the University of Minnesota and an MBA from Nova Southeastern University. Mr. Thierer also holds the designation of CEBS (Certified Employee Benefits Specialist) from The Wharton School of the University of Pennsylvania. Mr. Thierer was selected to serve on our board of directors for his extensive experience in both the financial and healthcare sectors.

*Greg Wasson* has served as a director of P3 Health Partners Inc. and its predecessor, Foresight Acquisition Corp, since November 2020. Mr. Wasson currently serves as President and Founder of his own family office, Wasson Enterprise. Wasson Enterprise's focus is to partner with entrepreneurs and operators to build sustainable, high-growth businesses that do well by doing good. As the former President and CEO of Walgreens Boots Alliance, Inc., Mr. Wasson has extensive global operational and management experience, as well as extensive knowledge of the retail and healthcare industries. Mr. Wasson attended Purdue University's School of Pharmacy, receiving his pharmacy degree in 1981. Before his senior year, he was invited to become one of the first pharmacy services interns in Walgreens' corporate offices—an opportunity that led to his being hired by Walgreens upon graduation and that changed the course of his future career. Mentored by many company leaders through the years, together with his outstanding performance in positions of increasing responsibility, Mr. Wasson served Walgreens for 34 years. As Walgreens CEO, Mr. Wasson led the Fortune 35 company to record fiscal 2014 sales of \$76.4 billion. He is credited with creating significant financial and shareholder value, initiating and completing transformative mergers and investments, leading complex organizational and structural change, assembling a diverse and high-performance senior leadership team, and establishing Walgreens' position as an industry leader. Before retiring from Walgreens, Mr. Wasson had transformed an iconic 114-year-old domestic company into the first global pharmacy-led, health, well-being and beauty enterprise via the successful merger with European-based Alliance Boots to create Walgreens Boots Alliance, Inc. Mr. Wasson currently serves on the Board of Directors of OptimizeRx Corp. (Nasdaq: OPRX), a position he has held since August 2020. Mr. Wasson also served on the Board of Directors of PNC Financial Services Group, Inc. (NYSE: PNC) from July 2015 to October 2018 and Verizon Communications Inc. (NYSE: VZ) from February 2013 to October 2018. Mr. Wasson was selected to serve on our board of directors for his deep experience as an executive in the healthcare services industry and broad industry relationships.

*Lawrence B. Leisure* has served as a Director of the Company since December 2021 and on the Legacy P3 Board of Managers since April 2017. Mr. Leisure co-founded and has served as a Managing Partner of Chicago Pacific Founders, a private equity fund focused exclusively on healthcare services and senior living, since 2014. Mr. Leisure currently serves as a director of BioIntelliSense, a position he has held since January 2019, as a manager of Recovery Ways Holdings, a position he has held since July 2014. Mr. Leisure serves as a manager of Chicago Pacific Capital, L.P., a position he has held since July 2014, a manager of Chicago Pacific Founders UGP I, a position he has held since July 2014, a manager of Chicago Pacific Founders UPP II, a position he has held since June 2019, a manager of Wellbe Senior Medical, LLC, a position he has held since March 2019, a manager of Impact Advisors Holdings, LLC, a position he has held since December 2019, and a manager of Allymar Health Solutions, LLC, a position he has held since March 2021. Mr. Leisure also served as a manager of FEMG Holdings, LLC, from August 2018 to July 2021. He also serves on the board of IrsVision, and Cahrus Technologies, both early-stage startup companies. From a not-for-profit perspective, he is a Senior Advisor to the Byers Center for BIODESIGN at Stanford University, a member of the Board of Advisors of the UCLA Anderson School of Management, and Chair of the Advisory Board of the UCSF Rosenman Institute. Mr. Leisure received a Bachelor of Arts degree from Stanford University and an MBA degree from the University of California, Los Angeles. Mr. Leisure was selected to serve on our board of directors for his deep experience in value-based healthcare delivery models and broad industry relationships.

*Mary Tolan* has served as a Director of the Company since December 2021 and on the Legacy P3 Board of Managers since April 2017. Ms. Tolan co-founded and has served as a Managing Partner of Chicago Pacific Founders, a private equity fund focused exclusively on healthcare services, technology and healthcare real estate, since 2014. Previously, Ms. Tolan was the founder of R1 RCM, Inc. (Nasdaq: RCM), a provider of comprehensive end-to-end healthcare revenue-cycle management services and population health management services infrastructure. Prior to R1 RCM, Ms. Tolan was a Group Chief Executive at Accenture, the global management consulting, technology services, and outsourcing company. Ms. Tolan currently serves as a director of Tredence, Inc., Atrio, WellBe, Duo, Peeq, Novum Health, SightMD, and Ascend. Ms. Tolan serves on the Board of Trustees for the University of Chicago. Ms. Tolan received a Bachelor of Business Administration degree from Loyola University and an MBA from the University of Chicago. Ms. Tolan was selected to serve on our board of directors for her extensive experience in value-based care as an executive in the healthcare services industry and her investing experience.

*Greg Kazarian* has served as a Director of the Company since December 2021 and on the Legacy P3 Board of Managers since May 2017. Mr. Kazarian has served as an Operating Partner of Chicago Pacific Founders since 2014. Mr. Kazarian currently serves as a director of Recovery Ways Holdings, LLC, a position he has held since July 2014, and a director of CPF Outpatient Holdings, LLC, a position he has held since October 2020. Mr. Kazarian was one of the four Executive Officers of Accretive Health (now R1 RCM, Inc. (Nasdaq: RCM)) a provider of comprehensive end-to-end healthcare revenue-cycle management services and population health management services infrastructure. Mr. Kazarian served in a variety of roles during his tenure at Accretive Health including General Counsel, Head of the Physician Advisory Services Business and Senior Vice President of Operations with P&L responsibility for one third of the Company's revenue cycle business. Prior to joining Accretive Health, Mr. Kazarian was a partner at Pedersen and Houpt in Chicago, where he spent 16 years representing mid-sized growth companies. Mr. Kazarian received his law degree and his Bachelor of Science degree in Biophysics from the University of Illinois. Mr. Kazarian was selected to serve on our board of directors for his experience as an executive in the healthcare services industry and his investing experience.

*Thomas E. Price, M.D.* has served as a Director of the Company since December 2021 and on the Legacy P3 Board of Managers since January 2018. Dr. Price currently serves as a director of Triumph Orthopedics, LLC, a position he has held since 2021, a sole director of HealthWiseFirst, LLC, a position he has held since 2018, a director of Association Health Plans of America, LLC, a position he has held since 2018, a director of Transformation Care Network, LLC, a position he has held since 2020, a director of Botanicals Sciences, LLC, a position he has held since 2020, a director of Capital Ministries (non-profit), a position he has held since 2018. Dr. Price entered private medical practice in 1984, returned to Emory University as an assistant professor of orthopedic surgery in 2002 and subsequently served as director of the orthopedic clinic at Atlanta's Grady Memorial Hospital. Dr. Price served in the US House of Representatives from Georgia's 6th district from 2005 to 2017, during which time he served as Chair of the House Budget Committee from 2015 to 2017. In February 2017, he was confirmed by the Senate as the United States Secretary of Health and Human Services (HHS) and remained in that position until September 2017. Currently, Dr. Price serves on the boards of several privately held health care companies and non-profits as well as consulting and advising companies. Dr. Price holds Bachelor's and Doctor of Medicine degrees from the University of Michigan. He completed his residency at Emory University and was in private

orthopedic practice from 1984 to 2004. Dr. Price was selected to serve on our board of directors for his extensive experience in public service and medical practice that bring a deep perspective on P3's business.

*Jeffrey G. Park* has served as a Director of the Company since December 2021. Mr. Park was the Chairman and Chief Executive Officer of WellDyneRx, an independent pharmacy benefits manager, from April 2019 until April 2022 and since October 2019 as a director of Progyny (Nasdaq: PGNV). From January 2018 until May 2018, he was the Interim Chief Executive Officer of Diplomat Pharmacy, Inc., or Diplomat (NYSE: DPLO), a provider of specialty pharmacy services. Additionally, from June 2017 to February 2019, he served on the board of directors of Diplomat. Prior to that, from July 2015 until July 2016, he was the Chief Operating Officer of OptumRX, the entity resulting from the merger of Catamaran Corporation, or Catamaran, and OptumRX, UnitedHealthcare Group's free-standing pharmacy care services business. Before the merger, from March 2014 until July 2015, he was Catamaran's Executive Vice President, Operations, and previously served as Catamaran's Chief Financial Officer, beginning in 2006. Mr. Park holds a B.S. in Accounting from Brock University. Mr. Park was selected to serve on our board of directors for his extensive leadership experience in the pharmaceutical industry.

#### **Family Relationships**

There are no family relationships among any of our directors or executive officers.

#### **Code of Business Conduct and Ethics**

We have adopted a written code of business conduct and ethics ("Code of Ethics") that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Code of Ethics is available under the Corporate Governance section of our website at [ir.p3hp.org](http://ir.p3hp.org). In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq rules concerning any amendments to, or waivers from, any provision of the Code of Ethics. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this Annual Report on Form 10-K.

#### **Audit Committee and Audit Committee Financial Expert**

We have a separately-designated standing audit committee ("Audit Committee") that consists of Jeffrey G. Park, Greg Wasson and Thomas E. Price, with Jeffrey G. Park serving as the chair of the Audit Committee. Our board of directors has determined that all three members of the Audit Committee (Jeffrey G. Park, Greg Wasson and Thomas E. Price) are independent directors under the Nasdaq rules and the additional independence standards applicable to audit committee members established pursuant to Rule 10A-3 under the Exchange Act. Our board of directors has also determined that each of Jeffrey G. Park, Greg Wasson and Thomas E. Price meets the "financial literacy" requirement for audit committee members under the Nasdaq Stock Market rules and Jeffrey G. Park is an "audit committee financial expert" within the meaning of the SEC rules.

#### **Delinquent Section 16(a) Reports**

Section 16(a) of the Exchange Act requires our officers and directors, and persons who beneficially own more than 10% of our common stock to file with the SEC reports of their ownership and changes in their ownership of our common stock. To our knowledge, based solely on review of the copies of such reports and amendments to such reports with respect to the year ended December 31, 2022 filed with the SEC and on written representations by our directors and executive officers, all required Section 16 reports under the Exchange Act for our directors, officers and beneficial owners of greater than 10% of our common stock were filed on a timely basis during the year ended December 31, 2022 other than the following, which were filed late: one Form 3 filed jointly by Hudson Vegas Investment SPV, LLC, Hudson Vegas Investment Manager, LLC and Daniel Straus, and one Form 3 filed jointly by Leavitt Equity Partners II, L.P., Leavitt Equity Partners II, LLC, LEP Management LLC, Leavitt Legacy, LLC, and Taylor S. Leavitt because these stockholders initially calculated their beneficial ownership based on all outstanding shares of Class A common stock and Class V common stock, instead of calculating their beneficial ownership in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, under which the stockholders would be deemed to beneficially own more than 10% of the Class A common stock as a result of their ownership of P3 LLC Units.

#### **Item 11. Executive Compensation.**

This section discusses the material components of the executive compensation program for P3 executive officers who are named in the "Summary Compensation Table" below. In 2022, the "named executive officers" and their positions with P3 were as follows:

- Sherif Abdou, M.D., Chief Executive Officer;
- Amir Bacchus, M.D., Chief Medical Officer; and
- Atul Kavthekar, Chief Financial Officer.

## Summary Compensation Table

The following table sets forth information concerning the compensation of the named executive officers for the years ended December 31, 2022 and 2021:

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	All Other Compensation \$(4)	Total (\$)
Sherif Abdou	2022	800,000	6,300,000	—	—	—	—	7,100,000
<i>Chief Executive Officer</i>	2021	750,000	750,000	81,081	—	—	2,824	1,583,905
Amir Bacchus	2022	600,000	3,700,000	—	—	—	—	4,300,000
<i>Chief Medical Officer</i>	2021	500,000	500,000	56,474	—	—	1,927	1,058,401
Atul Kavthekar	2022	17,308	—	—	1,326,347	—	20,462	1,364,117
<i>Chief Financial Officer</i>								

- (1) With respect to Drs. Abdou and Bacchus, amounts in 2022 include the executives' transaction bonuses, which were earned in 2022 and totaled \$6,300,000 and \$3,700,000, respectively.
- (2) Amounts reflect the grant date fair value of the equity awards granted to the named executive officers, as computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, but excluding any impact of estimated forfeiture rates as required by SEC regulations, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all equity awards granted to executives in 2022 in Note 15 "Equity-Based Compensation" in our consolidated financial statements included in the Original Filing.
- (3) For 2022, the Compensation and Nominating Committee has not yet made determinations regarding annual bonus payments with respect to 2022, but anticipates that such determinations will be made in the second quarter of 2023.
- (4) Amount in 2022 reflects the reimbursement of certain moving expenses for Mr. Kavthekar pursuant to his offer letter further described below.

### Narrative to Summary Compensation Table

#### 2022 Salaries

In 2022, the named executive officers received an annual base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. The 2022 annual base salaries for Dr. Abdou, Dr. Bacchus and Mr. Kavthekar were \$800,000, \$600,000 and \$450,000, respectively. The actual base salaries earned by our named executive officers for services in 2022 are set forth above in the Summary Compensation Table in the column entitled "Salary."

#### 2022 Bonuses

Certain of our named executive officers were eligible to earn cash bonuses for work performed in 2022 under our annual bonus program. For 2022, Drs. Abdou and Bacchus were eligible to receive annual target bonuses of 100% of their respective base salaries. Dr. Abdou was eligible to receive a bonus based on the actual achievement of EBITDA and revenue goals. Dr. Bacchus was eligible to receive a bonus based on the actual achievement of EBITDA, revenue and medical loss ratio goals. Mr. Kavthekar was not eligible to receive a bonus in 2022. The Compensation and Nominating Committee has not yet made determinations regarding bonus payments with respect to 2022, but anticipates that such determinations will be made in the second quarter of 2023.

In addition, in connection with entering into new employment agreements with Drs. Abdou and Bacchus, we entered into transaction bonus agreements with each executive that provided for the payment of bonuses in an aggregate amount equal to \$6,300,000 (Dr. Abdou) and \$3,700,000 (Dr. Bacchus) in connection with the consummation of the Business Combinations. The transaction bonuses were earned in 2022 pursuant to the terms of those agreements, as further described below.

#### Equity-Based Compensation

In connection with the Business Combinations, the Company's board of directors adopted, and its stockholders approved, the 2021 Incentive Award Plan (the "2021 Plan"), in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our company and certain of our affiliates and to enable us to obtain and retain services of these individuals, which is essential to our long-term success. The 2021 Plan became effective on December 3, 2021.

Drs. Abdou and Bacchus did not receive any incentive equity awards in 2022. In connection with his appointment as Chief Financial Officer of the Company, in December 2022 Mr. Kavthekar was granted a stock option to purchase 600,000 shares of the Company's Class A common stock. The option will vest and become exercisable with respect to 25% of the option on the first anniversary of December 12, 2022, and the remaining 75% will vest and become exercisable in equal annual installments over the

following three years on each anniversary thereafter, subject to Mr. Kavthekar's continued employment through the applicable vesting date.

## Benefits and Perquisites

### Health and Welfare Plans

In 2022, the named executive officers were eligible to participate in a 401(k) retirement savings plan maintained by P3. The Internal Revenue Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. In 2022, the Company did not make matching contributions under the 401(k) plan for the named executive officers.

In 2022, the named executive officers participated in standard health and welfare plans maintained by P3.

We believe the benefits described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

### Relocation Benefits

In connection with the commencement of his employment as Chief Financial Officer, in 2022 Mr. Kavthekar was provided with certain relocation benefits pursuant to his offer letter (as described below).

### No Tax Gross-Ups

We do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by our company.

## Outstanding Equity Awards at Fiscal Year-End

The following table summarizes information regarding the outstanding equity awards held by each named executive officer as of December 31, 2022.

Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date
Sherif Abdou				
Amir Bacchus				
Atul Kavthekar	—	600,000	\$3.70	12/12/2032

(1) Outstanding equity awards cover shares of Class A common stock of the Company.

## Executive Compensation Arrangements

We have entered into offers of employment letters or employment agreements with each of our named executive officers, and transaction bonus agreements with Drs. Abdou and Bacchus. The material terms of these agreements are described below.

### *Sherif Abdou and Amir Bacchus 2022 Employment Agreements*

We entered into new employment agreements with each of Sherif Abdou and Amir Bacchus in May 2022, which superseded their earlier employment agreements (collectively, the "2022 Employment Agreements"). The initial term of the 2022 Employment Agreements will end on January 1, 2025, and the term automatically will renew for successive one-year terms unless advance written notice of non-renewal is given by either party (such term, the "employment term"). In addition, during the employment term, for so long as Dr. Abdou or Dr. Bacchus serve as Chief Executive Officer or Chief Medical Officer, respectively, the Company will nominate the executive for re-election as a member of the board of directors. The 2022 Employment Agreements provide for a base salary (\$800,000 in the case of Dr. Abdou and \$600,000 in the case of Dr. Bacchus) and eligibility to earn an annual bonus (100% of base salary in the case of each of Drs. Abdou and Bacchus). Each of Drs. Abdou and Bacchus are entitled to participate in any employee benefit plan that the Company and its affiliates adopts, and the Company has agreed to maintain short-term and long-term disability insurance coverage for Drs. Abdou and Bacchus during the term of their respective employment.

The 2022 Employment Agreements include customary confidentiality and mutual non-disparagement provisions, as well as a standard non-compete restriction effective during employment and for 18 months thereafter and service provider/customer non-solicitation restrictions effective during employment and for 24 months thereafter.



Under the terms of the 2022 Employment Agreements, if the employment of Dr. Abdou or Dr. Bacchus is terminated by the Company without “cause” or by the executive for “cause” (each, as defined in the 2022 Employment Agreements), then, in addition to any accrued benefits through the date of termination, the executive will be entitled to receive the following severance payments and benefits, subject to the executive’s and the Company’s timely execution (and non-revocation) of a mutual release of claims: (i) cash severance in an aggregate amount equal to one-and-one-half times the sum of the executive’s (a) annual base salary then in effect and (b) target annual bonus amount, payable in equal monthly installments over an 18-month period following the date of termination; and (ii) Company-subsidized COBRA premiums for up to 18 months. If the executive’s employment is terminated without “cause” by the executive, then, in addition to any accrued benefits through the date of termination, the executive will be entitled to receive cash severance in an aggregate amount equal to one-and-one-half times the sum of the executive’s (i) annual base salary then in effect and (ii) target annual bonus amount, payable in equal monthly installments over an 18-month period following the date of termination. In addition, if the executive’s employment is terminated due to his death, then, in addition to any accrued benefits through the date of termination, the executive will be entitled to receive a pro-rated portion of his target bonus for the year of termination.

#### *Sherif Abdou and Amir Bacchus Transaction Bonus Agreements*

In connection with the consummation of the Business Combinations, the board of directors of the Company approved transaction bonus agreements with each of Sherif Abdou and Amir Bacchus in May 2022 (each a “Transaction Bonus Agreement”). The Transaction Bonus Agreements provide for the payment of bonuses in an aggregate amount equal to \$6,300,000 to Dr. Abdou and \$3,700,000 to Dr. Bacchus (each, a “Transaction Bonus”).

Pursuant to the Transaction Bonus Agreements, bonuses were earned in 2022.

The Transaction Bonus terms include: (i) a restriction on the executive’s ability to offer, sell, or announce an intention to dispose of any shares of the Company’s Class A common stock until the closing of the Company’s first underwritten offering and sale of common stock (the “First Secondary Sale”); (ii) a requirement that, following the First Secondary Sale, the executive will only sell shares of the Company’s Class A common stock pursuant to a customary 10b5-1 plan; and (iii) a limitation on the number of shares of Class A common stock the executive may sell under such 10b5-1 plan. These restrictions apply to Class A common stock held directly by the executive or in a trust established by the executive. If the executive fails to comply with these terms, he will be required to repay the Transaction Bonus.

#### *Atul Kavthekar Letter Agreement*

In connection with his appointment as Chief Financial Officer, on November 27, 2022, the Company entered into an offer letter agreement with Mr. Kavthekar (the “Kavthekar Letter Agreement”), effective as of December 12, 2022. Under the Kavthekar Letter Agreement, Mr. Kavthekar’s annual base salary is \$450,000 and his target annual bonus is 50% of his base salary. In addition, pursuant to the Kavthekar Letter Agreement, Mr. Kavthekar will receive a \$50,000 signing bonus, which will be paid on the six month anniversary of his start date (the “Signing Bonus”), provided that Mr. Kavthekar is continuously employed by the Company through such date. The Signing Bonus is subject to repayment by Mr. Kavthekar on a pro-rata basis if his employment terminates for any reason before the 18-month anniversary of his start date. Pursuant to his letter agreement, Mr. Kavthekar was provided certain relocation benefits, including the reimbursement of up to \$25,000 for expenses relating to home finding trips, up to \$12,000 for temporary housing, the shipment of an automobile and the reimbursement of his moving expenses, all in accordance with the Company’s relocation reimbursement policy. Pursuant to his letter agreement, Mr. Kavthekar also was granted an option to purchase 600,000 shares of Class A common stock of the Company, of which 25% will vest on the first anniversary of his start date, and the remaining 75% will vest in equal annual installments over the next three years on each anniversary thereafter, subject to Mr. Kavthekar’s continued employment through the applicable vesting date. In addition, if Mr. Kavthekar’s employment is terminated without cause, he will be entitled to receive a lump-sum severance payment equal to six months of his base salary, subject to his execution and non-revocation of a general release of claims and continued compliance with restrictive covenants.

#### **Non-Employee Director Compensation**

Effective as of March 24, 2022, our Board adopted a non-employee director compensation program (the “Director Compensation Program”). The Director Compensation Program provides for annual cash retainer fees and long-term equity awards for each of our non-employee directors (each, an “Eligible Director”). The Director Compensation Program consists of the following components:

##### *Cash Compensation*

- Annual Retainer: \$65,000
- Annual Committee Chair Retainer:
  - Audit: \$25,000
  - Compensation and Nominating: \$25,000
- Annual Committee Member (Non-Chair) Retainer:
  - Audit: \$12,500
  - Compensation and Nominating: \$12,500
- Chairperson: \$95,000

The annual cash retainers will be paid in quarterly installments in arrears, but effective as of January 1 of each calendar year (including 2022). Annual cash retainers will be pro-rated for any partial calendar quarter of service.

#### Equity Compensation

An Eligible Director who is serving on our Board as of the date of an annual meeting of stockholders automatically will be granted, on the date of such annual meeting, an option to purchase shares of the Company's Class A common stock with an aggregate fair market value of \$170,000 and, in the case of the Chairperson of the Board, an aggregate fair market value of \$340,000 (an "Annual Grant").

Each Annual Grant will vest in full on the earlier to occur of the first anniversary of the grant date and the date of the next annual meeting following the grant date, subject to continued service.

However, for calendar years 2022 and 2023, each of, Mr. Kazarian, Mr. Leisure, Mr. Price, Mr. Park, Ms. Tolan, and Mr. Wasson received a stock option on March 24, 2022 to purchase 85,535 shares or, with respect to Mr. Thierer only, 171,069 shares of our Class A common stock (the "2022/2023 Grant"). The 2022/2023 Grant will vest as to 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date, subject to continued service. In addition, Mr. Thierer received an option to purchase 200,000 shares of our Class A common stock (the "Thierer Grant"), which vests and becomes exercisable with respect to one-third of the shares on the first three anniversaries of the grant date, subject to continued service. Each of these directors will not be eligible to receive the Annual Grant for calendar years 2022 and 2023.

The Annual Grant, the 2022/2023 Grant and the Thierer Grant will vest and become exercisable in full immediately prior to the occurrence of a Change in Control (as defined in the 2021 Plan).

Compensation under the Director Compensation Program is subject to the annual limits on non-employee director compensation set forth in the 2021 Plan.

#### Non-Employee Director Compensation Table

The table below sets forth information regarding the compensation paid to our non-employee directors for the year ended December 31, 2022.

Name	Fees Earned or Paid in Cash (\$)	Option Awards \$(1)	Total (\$)
Mark Thierer	160,000	1,097,521	1,257,521
Gregory N. Kazarian	65,000	249,762	314,762
Lawrence B. Leisure	77,500	249,762	327,262
Jeffrey G. Park	90,000	249,762	339,762
Thomas E. Price	90,000	249,762	339,762
Mary A. Tolan	90,000	249,762	339,762
Greg Wasson	90,000	249,762	339,762

- (1) Amounts reflect the grant date fair value of the equity awards granted to the non-employee directors, as computed in accordance with FASB ASC Topic 718, but excluding any impact of estimated forfeiture rates as required by SEC regulations. We provide information regarding the assumptions used to calculate the value of all equity awards granted to non-employee directors in Note 15 "Equity-Based Compensation" in our consolidated financial statements included in the Original Filing. The table below shows the aggregate number of stock option awards held as of December 31, 2022 by each director.

Name	Number of Class A Shares Underlying Stock Options
Mark Thierer	371,069
Gregory N. Kazarian	85,535
Lawrence B. Leisure	85,535
Jeffrey G. Park	85,535
Thomas E. Price	85,535
Mary A. Tolan	85,535
Greg Wasson	85,535

#### Compensation Committee Interlocks and Insider Participation

During 2022, the members of our Compensation and Nominating Committee were Lawrence B. Leisure, Thomas E. Price, Mary Tolan and Greg Wasson, none of whom was an officer or employee of the Company during fiscal year 2022 or was formerly an

officer of the Company. Related person transactions pursuant to Item 404(a) of Regulation S-K involving those who served on the Compensation and Nominating Committee during 2022 are described in Item 13. “Certain Relationships and Related Party Transactions.” During 2022, none of our executive officers served as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that had one or more executive officers serving on our board of directors or Compensation and Nominating Committee.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table sets forth certain information with respect to holdings of our Class A common stock and Class V common stock by:

- stockholders who beneficially owned more than 5% of the outstanding shares of our Class A common stock and Class V common stock;
- each of our named executive officers and directors; and
- all directors and executive officers as a group.

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC and includes voting or investment power with respect to securities. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days.

As described in Item 13. “Certain Relationships and Related Party Transactions,” each P3 LLC Unit (other than P3 LLC Units held by us) is redeemable from time to time at each holder’s option (subject in certain circumstances to time-based vesting requirements) for, at our election (determined solely by a majority of our directors who are disinterested), shares of our Class A common stock on a one-for-one basis, or to the extent there is cash available from a secondary offering, a cash payment equal to a volume weighted average market price of one share of Class A common stock for each P3 LLC Unit so redeemed, in each case, in accordance with the terms of the P3 LLC A&R LLC Agreement; provided that, at our election (determined by a majority of our directors who are disinterested), we may effect a direct exchange of such Class A common stock or such cash, as applicable, for such P3 LLC Units.

The P3 LLC Unitholders may, subject to certain exceptions, exercise such redemption right for as long as their P3 LLC Units remain outstanding. See Item 13. “Certain Relationships and Related Party Transactions— Amended and Restated Limited Liability Company Agreement of P3 LLC.” In connection with the Business Combinations, we issued to each P3 Equityholder, for nominal consideration, one share of Class V common stock for each P3 LLC Unit such P3 Equityholder owned. As a result, the number of shares of Class V common stock listed in the table below correlates to the number of P3 LLC Units the P3 Equityholders own as of April 15, 2023.

The number of shares beneficially owned by the holders in the table below assume the maximum number of P3 LLC Units and shares of Class V common stock or shares of Class A common stock, as applicable, are released from escrow to each holder. See the disclosure in the section entitled Item 13. “Certain Relationships and Related Party Transactions — Related Party Transactions in connection with the Business Combinations—Escrow Agreement.”

Unless otherwise noted, the business address of each of those listed in the table below is 2370 Corporate Circle, Suite 300, Henderson, NV 89074. We have based our calculation of the percentage of beneficial ownership on 312,760,958 shares of common stock outstanding as of April 15, 2023 consisting of 110,736,035 shares of our Class A common stock and 202,024,923 shares of our Class V common stock.

Unless otherwise indicated, we believe, based on information provided to us, that each of the stockholders listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

	Class A Common Stock	% of Class	Class V Common Stock (1)	% of Class	Total Voting Power (2)
<b>Directors and Named Executive Officers:</b>					
Mark Thierer <sup>(3)</sup>	152,200	*	—	—	*
Sherif Abdou <sup>(4)</sup>	—	—	28,185,982	14.0 %	9.0 %
Amir Bacchus <sup>(5)</sup>	2,198,860	2.0 %	18,790,658	9.3 %	6.7 %
Greg Wasson <sup>(6)</sup>	42,767	*	—	—	*
Lawrence Leisure <sup>(6)</sup>	42,767	*	—	—	*
Mary Tolan <sup>(6)</sup>	42,767	*	—	—	*
Greg Kazarian <sup>(7)</sup>	42,767	*	1,177,659	*	*
Thomas Price <sup>(8)</sup>	42,767	*	1,177,659	*	*
Jeffrey Park <sup>(6)</sup>	42,767	*	—	—	*
Atul Kavthekar	—	—	—	—	—
<b>All Current Directors and Executive Officers (10 individuals) <sup>(9)</sup></b>	<b>2,607,662</b>	<b>2.3 %</b>	<b>49,331,958</b>	<b>24.4 %</b>	<b>16.5 %</b>
<b>Five Percent Holders:</b>					
Chicago Pacific Founders <sup>(10)</sup>	68,674,092	58.2 %	91,269,317	45.2 %	49.9 %
Hudson Vegas Investment SPV, LLC <sup>(11)</sup>	—	—	43,974,331	21.8 %	14.1 %
Entities affiliated with Leavitt Equity Partners <sup>(12)</sup>	17,218,245	14.6 %	7,505,383	3.7 %	7.7 %
FMR LLC <sup>(13)</sup>	7,213,957	6.5 %	—	—	2.3 %

\* Less than 1%.

- (1) Class V common stock entitles the holder thereof to one vote per share.
- (2) Represents the percentage of voting power of the holders of Class A common stock and Class V common stock of the Company voting together as a single class.
- (3) Includes 152,200 shares of Class A common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 15, 2023.
- (4) Includes 7,907,484 shares held by the NA 2021 GRAT, a grantor retained annuity trust of which Dr. Abdou and his spouse serve as trustees, 3,058,479 shares held by the NA 2021 Trust, a trust for the benefit of Dr. Abdou and his children, of which Dr. Abdou and his spouse serve as trustees, 1,408,437 shares held by the NA Charitable Trust, a charitable remainder trust of which Dr. Abdou, his spouse and his children serve as trustees, 7,907,484 shares held by the SA 2021 GRAT, a grantor retained annuity trust of which Dr. Abdou and his spouse serve as trustees, 3,058,479 shares held by the SA 2021 Trust, a trust for the benefit of Dr. Abdou and his children, of which Dr. Abdou and his spouse serve as trustees, 1,408,437 shares held by the SA Charitable Trust, a charitable remainder trust of which Dr. Abdou, his spouse and his children serve as trustees, and 3,437,182 shares held by the Abdou Family Trust, a revocable trust of which Dr. Abdou and his spouse serve as trustees, and of which Dr. Abdou and his spouse are beneficiaries. Includes an aggregate of 2,653,044 shares of Class V common stock and the associated P3 LLC Units being held in escrow until the resolution of the Class D Dispute and the Cash Preference Dispute.
- (5) Includes (i) 1,005,193 shares of Class A common stock, (ii) 753,895 shares of Class A common stock issuable upon the exercise of warrants to purchase shares of Class A common stock, and (iii) 15,032,528 shares of Class V common stock held by Dr. Bacchus and (i) 251,298 shares of Class A common stock, (ii) 188,474 shares of Class A common stock issuable upon the exercise of warrants to purchase shares of Class A common stock, and (iii) 3,758,130 shares of Class V common stock held by Charlee Co LLC, of which Dr. Bacchus serves as managing member. Includes 1,768,698 shares of Class V common stock and the associated P3 LLC Units being held in escrow until the resolution of the Class D Dispute and the Cash Preference Dispute.
- (6) Includes 42,767 shares of Class A common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 15, 2023.
- (7) Includes (i) 42,767 shares of Class A common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 15, 2023, (ii) 706,595 shares of Class V common stock that Mr. Kazarian owns directly, of which 102,785 shares of Class V common stock and the associated P3 LLC Units are being held in escrow until the resolution of the Class D Dispute, and (iii) 471,064 shares of Class V common stock owned through the Kazarian 2020 Irrevocable Trust, for which Mr. Kazarian serves as Trustee.
- (8) Includes (i) 42,767 shares of Class A common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 15, 2023 and (ii) 102,785 shares of Class V common stock and the associated P3 LLC Units being held in escrow until the resolution of the Class D Dispute.
- (9) Includes 4,627,312 shares of Class V common stock and the associated P3 LLC Units being held in escrow until the resolution of the Class D Dispute and the Cash Preference Dispute.
- (10) Based solely on the Schedule 13D/A filed with the SEC on April 21, 2023 by (i) Chicago Pacific Founders UGP, LLC ("Founders UGP"), (ii) Chicago Pacific Founders GP, L.P. ("Founders GP"), (iii) Chicago Pacific Founders Fund, L.P. ("Founders Fund")

- LP”), (iv) Chicago Pacific Founders Fund-A, L.P. (“Fund-A”), (v) Chicago Pacific Founders Fund-B, L.P. (“Fund-B”), (vi) VBC Growth SPV, LLC (“VBC”), (vii) Chicago Pacific Founders UGP III, LLC (“Founders UGP-III”), (viii) Chicago Pacific Founders GP III, L.P., (ix) CPF III PT SPV, LLC (“SPV III”) and (x) CPF III-A PT SPV, LLC (“SPV III-A). Includes (i) 98,082,332 shares of Class A common stock held by Founders Fund LP, of which 89,183,984 shares are issuable upon redemption or exchange of P3 LLC Units and Class V common stock, 4,223,631 shares are shares of Class A common stock currently held, 3,813,578 shares are issuable upon exercise of the Common Warrants (as defined herein) and 861,149 shares are issuable upon exercise of the Pre-Funded Warrants (as defined herein), (ii) 2,085,333 shares of Class A common stock held by Founders GP, all of which are issuable upon redemption or exchange of P3 LLC Units and Class V common stock, (iii) 3,124,544 shares of Class A common stock held by Fund-A, of which 2,942,977 shares are shares of Class A common stock currently held, 148,120 shares are issuable upon exercise of the Common Warrants and 33,447 shares are issuable upon exercise of the Pre-Funded Warrants, (iv) 6,694,029 shares of Class A common stock held by Fund-B, of which 6,305,039 shares are shares of Class common stock currently held, 317,333 shares are issuable upon exercise of the Common Warrants and 71,657 shares are issuable upon exercise of the Pre-Funded Warrants, (v) 78,038,268 shares of Class A common stock held by SPV III, of which 37,041,039 shares are shares of Class A common stock currently held, 33,444,972 shares are issuable upon exercise of the Common Warrants and 7,552,257 shares are issuable upon exercise of the Pre-Funded Warrants, (vi) 23,114,956 shares of Class A common stock held by SPV III-A, of which 10,971,566 shares are shares of Class A common stock currently held, 9,906,410 shares are issuable upon exercise of the Common Warrants and 2,236,980 shares are issuable upon exercise of the Pre-Funded Warrants, and (vii) 429,180 shares issuable upon exercise of warrants held by VBC. Included in the number of shares of Class V common stock and Class A common stock are 8,224,897 shares of Class V common stock and 723,291 shares of Class A common stock, respectively, that are being held in escrow until the resolution of the Class D Dispute and the Cash Preference Dispute, as applicable, and will be voted in accordance with the proportional vote totals that a matter receives by all voting securities other than those being held in escrow. Each of Founders Fund LP, Founders GP, Fund-A, Fund-B, SPV III, SPV III-A and VBC (collectively, the “CPF Holders”) may not exercise any portion of the Common Warrants or Pre-Funded Warrants, which would result in the aggregate number of shares of Class A common stock and Class V common stock held by the CPF Holders and its affiliates to exceed 49.99% of the total number of issued and outstanding shares of Class A common stock and Class V common stock immediately after giving effect to the exercise. Founders UGP, is the general partner of Founders GP, which is the general partner of each of Founders Fund LP, Fund-A, Fund-B and VBC. Founders UGP-III, is the general partner of Chicago Pacific Founders GP III, L.P., which is the manager of each of SPV-III and SPV III-A. Founders UGP and Founders UGP III are managed by Mary Tolan, Lawrence Leisure and Vance Vanier. None of Mary Tolan, Lawrence Leisure or Vance Vanier are deemed beneficial holders of any of the securities of the Company held by the CPF Holders. The business address for the reporting persons is 980 North Michigan Avenue, Suite 1998, Chicago, IL 60611.
- (11) Based solely on the Schedule 13D filed by Hudson Vegas Investment SPV, LLC, Hudson Vegas Investment Manager, LLC and Daniel Straus with the SEC on December 17, 2021. Hudson Vegas Investment Manager, LLC and Daniel Straus each may be deemed to share voting and dispositive power over the shares of Class V common stock which are held by Hudson Vegas Investment SPV, LLC. Each of Hudson Vegas Investment Manager, LLC and Daniel Straus disclaims beneficial ownership of any shares other than to the extent they may have a pecuniary interest therein. Included in the number of shares of Class V common stock are an aggregate of 4,542,624 shares of Class V common stock and the associated P3 LLC Units being held in escrow until the resolution of the Cash Preference Dispute the Class D Dispute, and will be voted in accordance with the proportional vote totals that a matter receives by all voting securities other than those being held in escrow. The principal business address of each of the reporting persons is 173 Bridge Plaza North, Fort Lee, NJ 07024.
- (12) Based solely on the Schedule 13D/A filed with the SEC on April 19, 2023 by Leavitt Equity Partners II, L.P. (“LEP II LP”), Leavitt Equity Partners II, LLC (“LEP II LLC”), Leavitt Equity Partners III, L.P. (“LEP III LP”), Leavitt Equity Partners III, LLC (“LEP III LLC”), LEP Management, LLC (“LEP Management”), Leavitt Legacy LLC (“Legacy”), and Taylor Leavitt (collectively, the “Leavitt Reporting Persons”). Includes (i) 894,454 shares of Class A common stock, (ii) 670,841 warrants to purchase shares of Class A common stock, and (iii) 7,505,383 shares of Class V common stock and the associated P3 LLC Units held of record by LEP II LP and (i) 8,944,543 shares of Class A common stock and (ii) 6,708,407 warrants to purchase shares of Class A common stock held of record by LEP III LP. LEP II LLC is the general partner of LEP II LP, which is an investment limited partnership, and, as a result, may be deemed to beneficially own the securities held by LEP II LP. LEP III LLC is the general partner of LEP III LP, which is an investment limited partnership, and, as a result, may be deemed to beneficially own the securities held by LEP III LP. LEP Management is the investment advisor of LEP II LP and LEP III LP, and, as a result, may be deemed to beneficially own the securities held by LEP II LP and LEP III LP. Legacy is the manager of LEP II LLC and LEP III LLC, and, as a result, may be deemed to beneficially own the securities held by LEP II LP and LEP III LP. Mr. Leavitt is the sole owner of Legacy, and, as a result, may be deemed to beneficially own the securities held by LEP II LP and LEP III LP. Mr. Leavitt is the sole owner of Legacy. Includes 676,360 shares of Class V common stock and the associated P3 LLC Units being held in escrow until the resolution of the Class D Dispute. The business address of the Leavitt Reporting Persons is 299 South Main Street, Suite 2300, Salt Lake City, UT 84111.

(13) Based solely on the Schedule 13G/A filed by FMR LLC, Fidelity Contrafund and Abigail P. Johnson with the SEC on March 9, 2023, FMR LLC and Abigail P. Johnson may be deemed to have beneficial ownership over 7,312,957 shares. Fidelity Contrafund may be deemed to have beneficial ownership over 7,312,957 shares. FMR LLC has sole voting power with respect to 9,870,307 shares and sole dispositive power with respect to 7,312,957 shares. Abigail P. Johnson has sole voting power with respect to no shares and sole dispositive power with respect to 7,312,957 shares. Fidelity Global Innovators Investment Trust the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of 2,370,307 shares. Abigail P. Johnson is a Director, the Chairman, and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (the "Fidelity Funds") advised by Fidelity Management & Research Company LLC ("FMR Co. LLC"), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. FMR Co. LLC carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The principal business address of FMR LLC is 245 Summer Street, Boston, MA 02210.

#### Securities Authorized for Issuance Under Equity Compensation Plans (as of December 31, 2022)

Plan category:	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Securities Available for Future Issuance Under Equity Compensation Plans (excludes securities reflected in first column)
Equity compensation plans approved by security holders <sup>(1)</sup>	5,001,779	\$ 5.39	12,050,488 <sup>(2)</sup>
Equity compensation plans not approved by security holders	—		—
<b>Total</b>	<b>5,001,779</b>		<b>12,050,488</b>

(1) Consists of the 2021 Plan.

(2) The number of shares of common stock reserved for issuance under the 2021 Plan will increase on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2031, by a number equal to the lesser of (i) 1% of the aggregate number of shares of Class A common stock and Class V common stock outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of Shares (as defined in the 2021 Plan) as is determined by the board of directors.

#### Item 13. Certain Relationships and Related Transactions, and Director Independence.

##### Policies and Procedures for Approval of Related Person Transactions

Our Board of Directors has adopted a written Related Person Transaction Policy, setting forth the policies and procedures for the review and approval or ratification of related person transactions. Under the policy, our legal team is primarily responsible for developing and implementing processes and procedures to obtain information regarding related persons with respect to potential related person transactions and then determining, based on the facts and circumstances, whether such potential related person transactions do, in fact, constitute related person transactions requiring compliance with the policy. If our legal team determines that a transaction or relationship is a related person transaction requiring compliance with the policy, our General Counsel is required to present to the Audit Committee all relevant facts and circumstances relating to the related person transaction. Our Audit Committee must review the relevant facts and circumstances of each related person transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the related person's interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of our Code of Business Conduct and Ethics, and either approve or disapprove the related person transaction. If advance Audit Committee approval of a related person transaction requiring the Audit Committee's approval is not feasible, then the transaction may be preliminarily entered into by management upon prior approval of the transaction by the chair of the Audit Committee subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. If a transaction was not initially recognized as a related person, then upon such recognition the transaction will be presented to the Audit Committee for ratification at the Audit Committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. Our management will update the Audit Committee as to any material changes to any approved or ratified related person transaction and will provide a status report at least annually of all then current related person transactions. No director may participate in approval of a related person transaction for which he or she is a related person.

##### Relationships and Transactions with Directors, Executive Officers and Significant Stockholders

The following are certain transactions, arrangements and relationships with our directors, executive officers and stockholders owning 5% or more of our outstanding common stock, or any member of the immediate family of any of the foregoing persons, since

January 1, 2021, other than equity and other compensation, termination, change in control and other arrangements, which are described under Item 11. “Executive Compensation.”

## **Transactions in connection with the Business Combinations**

### **Subscription Agreements**

Contemporaneously with the execution of the Merger Agreement and the Transaction and Combination Agreement, we entered into the Subscription Agreements with the various Subscribers party thereto. Under the Subscription Agreements, the investors agreed to purchase and subscribe for, and we agreed to sell and issue to such investors, an aggregate of 20,870,307 PIPE Shares for a purchase price of \$10.00 per share, in a private placement. The primary purpose of the sale of the PIPE Shares was to raise additional capital for use in connection with the Business Combinations and to meet the minimum available cash requirement provided in the Merger Agreement.

Pursuant to the Subscription Agreements, we agreed that, within 30 calendar days after the consummation of the Business Combinations (the “Filing Deadline”), we would file with the SEC a registration statement registering the resale of the PIPE Shares, and use our commercially reasonable efforts to have that registration statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) the 75th calendar day following the earlier of the Filing Deadline and the initial filing date of the registration statement if the SEC notifies us that it will “review” the registration statement and (ii) the 5th business day after the date we are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be “reviewed” or will not be subject to further review. Our obligations to include the PIPE Shares held by a Subscriber in the registration statement is contingent upon the relevant Subscriber furnishing in writing, to us such information regarding the Subscriber, the PIPE Shares held by such Subscriber and the intended method of disposition of the PIPE Shares, as is reasonably requested by us to effect the registration of such PIPE Shares, and must execute such documents in connection with such registration as we may reasonably request, which will be what is customary of a selling stockholder in similar situations.

### **Amended and Restated Limited Liability Company Agreement of P3 LLC**

We operate our business through P3 LLC (as the successor of P3) and its subsidiaries. At the closing of the Business Combinations, the limited liability company agreement of P3 LLC was amended and restated into the P3 LLC A&R LLC Agreement, which sets forth, among other things, the rights and obligations of the members of P3 LLC after the Closing.

*Sole Manager.* Pursuant to the P3 LLC A&R LLC Agreement, P3 is the sole manager of P3 LLC. As the sole manager, P3 is generally able to control all of the day-to-day business affairs and decision-making of P3 LLC without the approval of any member of P3 LLC, unless otherwise stated in the P3 LLC A&R LLC Agreement. As the sole manager of P3 LLC, P3, through its officers and directors, is responsible for all operational and administrative decisions of P3 LLC and the day-to-day management of P3 LLC’s business. Pursuant to the terms of the P3 LLC A&R LLC Agreement, P3 cannot be removed or replaced as the sole manager of P3 LLC except by its resignation, which may be given at any time by written notice to the other members of P3 LLC.

*Compensation, Expenses.* P3 is not entitled to compensation for its services as the manager of P3 LLC except as expressly provided for in the P3 LLC A&R LLC Agreement. P3 is entitled to reimbursement by P3 LLC for reasonable out-of-pocket expenses incurred on behalf of P3 LLC, including all expenses associated with P3 being a public company and maintaining its corporate existence.

*Distributions.* The P3 LLC A&R LLC Agreement requires tax distributions to be made by P3 LLC to its members on a pro rata basis, except to the extent such distributions would render P3 LLC insolvent or are otherwise prohibited by law. Tax distributions are made on a quarterly basis, to each member of P3 LLC, including P3, based on such member’s allocable share of the taxable income of P3 LLC and an assumed tax rate that will be determined by P3, as described below. The assumed tax rate for purposes of determining tax distributions from P3 LLC to its members will be the highest combined federal, state, and local tax rate that may potentially apply to a corporate or individual taxpayer (whichever is higher) resident in New York City, New York, taking into account certain assumptions and without regard to the actual final tax liability of any such member. The P3 LLC A&R LLC Agreement also allows for cash distributions to be made by P3 LLC (subject to P3’s discretion as the sole manager of P3 LLC) to its members on a pro rata basis out of cash available for distribution in accordance with the P3 LLC A&R LLC Agreement. We expect P3 LLC may make distributions out of distributable cash periodically and as necessary to enable us to cover P3’s operating expenses and other obligations, including tax liability and other obligations under the Tax Receivable Agreement, except to the extent such distributions would render P3 LLC insolvent or are otherwise prohibited by law.

*Transfer Restrictions.* The P3 LLC A&R LLC Agreement generally does not permit transfers of P3 LLC Units by members, except for transfers to permitted transferees, transfers pursuant to the participation right described below and other limited exceptions. The P3 LLC A&R LLC Agreement imposes additional restrictions on transfers (including on exchanges of P3 LLC Units and Class V common stock for Class A common stock) that are necessary or advisable so that P3 LLC is not treated as a “publicly traded partnership” for U.S. federal income tax purposes. In the event of a permitted transfer under the P3 LLC A&R LLC Agreement, the transferring member will be required to simultaneously transfer shares of Class V common stock held by such transferring member to such transferee equal to the number of P3 LLC Units that were transferred to such transferee in such permitted transfer.

The P3 LLC A&R LLC Agreement permits holders of P3 LLC Units to participate in a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to Class A common stock that is approved by our board of directors by delivering a participation redemption notice, which shall be effective immediately prior to, and contingent upon, the consummation of such transaction.

Permitted transferees of P3 LLC Units will be required to assume all of the obligations of a transferring member with respect to the transferred P3 LLC Units by executing a joinder to the P3 LLC A&R LLC Agreement, and such transferee shall be bound by any limitations and obligations under the P3 LLC A&R LLC Agreement.

*Maintenance of One-to-One Ratios.* The P3 LLC A&R LLC Agreement includes provisions intended to ensure that P3 at all times maintains (i) a one-to-one ratio between the number of P3 LLC Units owned, directly or indirectly, by P3 and the aggregate number of shares of Class A common stock issued and outstanding, and (ii) a one-to-one ratio between the aggregate number of P3 LLC Units owned, directly or indirectly, by the members of P3 LLC (other than P3 and its subsidiaries) and the number of shares of Class V common stock issued and outstanding. These ratio requirements disregard (1) shares of Class A common stock issuable under unvested equity incentive awards granted by P3, (2) treasury stock, and (3) preferred stock or other debt or equity securities (including warrants, options or rights) issued by P3 that are convertible into or exercisable or exchangeable for shares of Class A common stock, except to the extent P3 has contributed the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, exercise or exchange thereof, to the equity capital of P3 LLC.

Excluding certain warrants, options or similar instruments granted pursuant to any equity plan or stock option plan in effect on, or adopted after, the date of the P3 LLC A&R LLC Agreement by P3 LLC or P3, in the event any holder of P3 Warrants exercises a P3 Warrant, then P3 will cause a corresponding exercise of a warrant to purchase P3 LLC Units with similar terms held by P3, such that the number of shares of Class A common stock issued in connection with the exercise of such P3 Warrants will be matched with a corresponding number of P3 LLC Units issued by P3 LLC to P3. In the event that a P3 Warrant is redeemed, P3 LLC will redeem a warrant to purchase P3 LLC Units with similar terms held by P3.

*Issuance of P3 LLC Units upon Exercise of Options or Issuance of Other Equity Compensation* The P3 LLC A&R LLC Agreement contemplates the manner in which various types of equity incentive awards will be treated by P3 and P3 LLC.

*Dissolution.* The P3 LLC A&R LLC Agreement provides that the consent of P3, as the manager of P3 LLC, and members holding a majority of the P3 LLC Units then outstanding (excluding P3 LLC Units held directly or indirectly by P3) will be required to voluntarily dissolve P3 LLC. In addition to a voluntary dissolution, P3 LLC will be dissolved upon the entry of a decree of judicial dissolution or other circumstances in accordance with Delaware law. Upon a dissolution event, the proceeds of a liquidation will be distributed in the following order: (1) first, to pay the expenses of winding up P3 LLC; (2) second, to pay debts, liabilities and obligations owed to creditors of P3 LLC other than members; (3) third, to pay debts, liabilities and obligations owed to the members (other than payments or distributions owed to the members in their capacity as such pursuant to the P3 LLC A&R LLC Agreement); and (4) fourth, to the members pro-rata in accordance with their respective percentage ownership interests in P3 LLC (as determined based on the number of P3 LLC Units held by a member relative to the aggregate number of all outstanding P3 LLC Units).

*Confidentiality.* Each member of P3 LLC (other than P3) agrees to maintain the confidentiality of P3 LLC's confidential information. This obligation excludes information (i) that is independently developed by the members without use of or reference to such confidential information, (ii) that is or becomes generally available to the public other than as a direct or indirect result of a disclosure by a member or its affiliates or representatives, (iii) that is or becomes available to a member from a source other than P3, P3 LLC, any of its subsidiaries or their respective representatives, provided that such source is not, and was not, known by such member to be bound by a confidentiality agreement with, or any other confidentiality obligation owed to P3, P3 LLC or any of their respective affiliates or representatives, or (iv) approved for release by written authorization of the Chief Executive Officer, the Chief Financial Officer or the General Counsel of either P3 LLC or P3.

*Fiduciary Duties; Indemnification.* The P3 LLC A&R LLC Agreement provides (i) that the manager of P3 LLC owes P3 LLC and its members the same fiduciary duties as the manager would owe to a Delaware corporation and its stockholders if such manager were a member of the board of directors of such corporation, and (ii) that the officers of P3 LLC owe P3 LLC and its members duties of the type owed by the officers of a Delaware corporation to such corporation and its stockholders. The P3 LLC A&R LLC Agreement also provides for indemnification to the fullest extent permitted by law of (1) the manager (and its directors, officers, employees and agents), (2) officers, employees and agents of P3 LLC and (3) persons serving at P3 LLC's request as a manager, officer, director, employee or agent of another entity, in each case, subject to certain exceptions, including in the case of fraud, willful misconduct, knowing violations of law and breaches of representations, warranties or covenants under the P3 LLC A&R LLC Agreement.

*P3 LLC Unit Exchange Right.* The P3 LLC A&R LLC Agreement provides a redemption right to the members of P3 LLC (other than P3 and its subsidiaries) which entitles them to have their P3 LLC Units redeemed for, at P3's election, newly-issued shares of Class A common stock on a one-for-one basis, or a cash payment equal to the volume weighted average market price of one share of Class A common stock for each P3 LLC Unit so redeemed. As holders of P3 LLC Units exercise their redemption rights, P3's economic interest in P3 LLC will be correspondingly increased and the number of shares of Class V common stock outstanding will be correspondingly reduced.

Each member's (other than P3 and its subsidiaries) redemption rights are subject to certain customary limitations, including the expiration of any contractual lock-up period relating to the shares of Class A common stock that may be applicable to such member, and may be conditioned on the closing of an underwritten distribution of the shares of Class A common stock that may be issued in connection with such proposed redemption.

Whether by redemption or exchange, P3 is obligated to ensure that at all times the number of P3 LLC Units that P3 owns equals the number of outstanding shares of Class A common stock (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).



*Amendments.* In addition to certain other requirements, P3's prior written consent, as manager, and the prior written consent of members holding a majority of the P3 LLC Units then outstanding and entitled to vote (excluding P3 LLC Units held directly or indirectly by P3) will generally be required to amend or modify the P3 LLC A&R LLC Agreement.

### **Tax Receivable Agreement**

In connection with the Business Combinations, we entered into the Tax Receivable Agreement (the "TRA") with certain of the P3 Equityholders and P3 LLC. The TRA provides for the payment by us to the P3 Equityholders of 85% of the amount of tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of the transactions described above, including tax benefits attributable to payments made under the TRA (such as deductions attributable to imputed interest deemed paid pursuant to the TRA). P3 LLC has in effect an election under Section 754 of the Code effective for each taxable year in which a redemption or exchange of P3 LLC Units for shares of Class A common stock or cash occurs. These TRA payments are not conditioned upon any continued ownership interest in either P3 LLC or us by the P3 Equityholders. The rights of the P3 Equityholders under the TRA are assignable to transferees, including transferees of the P3 LLC Units (other than us or P3 LLC as transferee pursuant to subsequent redemptions or exchanges of the transferred P3 LLC Units). We expect to benefit from the remaining 15% of tax benefits, if any, that we may actually realize.

Pursuant to our election under Section 754 of the Internal Revenue Code (the "Code"), we expect to obtain an increase in our share of the tax basis in the net assets of P3 LLC when its units are redeemed or exchanged. We intend to treat any redemptions and exchanges of P3 LLC units as direct purchases of the units for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that we would otherwise pay in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent the tax basis is allocated to those capital assets.

As non-controlling interest holders exercise their right to exchange their units in P3 LLC, a TRA liability may be recorded based on 85% of the estimated future tax benefits that the Company may realize as a result of increases in the tax basis of P3 LLC. The amount of the increase in the tax basis, the related estimated tax benefits, and the related TRA liability to be recorded will depend on the price of the Company's Class A common stock at the time of the relevant redemption or exchange.

The actual Basis Adjustments, as well as any amounts paid to the P3 Equityholders under the TRA, varies depending on a number of factors, including:

- *the price of shares of Class A common stock in connection at the time of redemptions or exchanges*—the Basis Adjustments, as well as any related increase in any tax deductions, are directly related to the price of shares of Class A common stock at the time of each redemption or exchange;
- *the timing of any subsequent redemptions or exchanges*—for instance, the increase in any tax deductions will vary depending on the fair market value, which may fluctuate over time, of the depreciable or amortizable assets of P3 LLC at the time of each redemption or exchange or distribution (or deemed distribution);
- *the extent to which such redemptions or exchanges are taxable*—if a redemption or exchange is not taxable for any reason, the Basis Adjustments, as well as any related increase in tax deductions, relating to such redemption or exchange will not be available; and
- *the amount and timing of our income*—the TRA generally requires us to pay 85% of the tax benefits as and when those benefits are treated as realized under the terms of the TRA. If we do not have taxable income, we generally will not be required (absent a change of control or other circumstances requiring an early termination payment) to make payments under the TRA for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be utilized to generate tax benefits in previous or future taxable years. The utilization of any such tax attributes generally will result in payments under the TRA.

Decisions made by us in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations, or other changes in control, may influence the timing and amount of payments that are received by the P3 Equityholders under the TRA. For example, the earlier disposition of assets following a transaction that results in a Basis Adjustment will generally accelerate payments under the TRA and increase the present value of such payments.

For purposes of the TRA, cash savings in income tax are computed by comparing our actual income tax liability (subject to certain assumptions relating to state and local income taxes) to the amount of such taxes that we would have been required to pay had there been no Basis Adjustments and had the TRA not been entered into. The TRA generally applies to each of our taxable years, beginning with the first taxable year ending after the Business Combinations. There is no maximum term for the TRA; however, the TRA may be voluntarily terminated by us pursuant to an early termination procedure and shall be terminated upon the occurrence of certain mergers, asset sales, other forms of business combinations, or other changes of control or our material breach of our material obligations under the TRA under certain circumstances, and in each case we will be obligated to pay the P3 Equityholders an agreed upon amount equal to the estimated present value of the remaining payments to be made under the agreement (calculated based on certain assumptions, including regarding tax rates and utilization of the Basis Adjustments). However, our ability to make such payment may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which we or P3 LLC are then a party, or any applicable law.

The payment obligations under the TRA are our obligations and not of P3 LLC. Although the actual timing and amount of any payments that may be made under the TRA will vary, we expect that the payments that we may be required to make to the P3 Equityholders will be substantial. Any payments made by us to the P3 Equityholders under the TRA will generally reduce the amount of cash that might have otherwise been available to us. To the extent that we are unable to make payments under the TRA for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Our failure to make any payment required under the TRA (including any accrued and unpaid interest) within 90 calendar days of the date on which the payment is required to be made will constitute a material breach of a material obligation under the TRA, which will generally terminate the TRA and accelerate payments thereunder, unless the applicable payment is not made because (i) we are prohibited from making such payment under the terms of the TRA or the terms governing certain of our indebtedness or (ii) we do not have, and despite using commercially reasonable efforts cannot obtain, sufficient funds to make such payment.

The TRA provides that if (i) we materially breach any of our material obligations under the TRA, (ii) certain mergers, asset sales, other forms of business combinations, or other changes of control were to occur, or (iii) we elect an early termination of the TRA, then our obligations, or our successor's obligations, under the TRA would accelerate and become due and payable, based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the TRA, and an assumption that, as of the effective date of the acceleration, any P3 Equityholder that has P3 LLC Units that have not been exchanged is deemed to have exchanged such P3 LLC Units for the fair market value of the shares of Class A common stock or the amount of cash that would be received by such P3 Equityholder had such P3 LLC Units actually been exchanged on such date, whichever is lower. However, as noted above, our ability to make such payments may be limited by restrictions on distributions that would either violate any contract or agreement to which we or P3 LLC are then a party, or any applicable law.

As a result of the foregoing, we would be required to make an immediate cash payment equal to the estimated present value (calculated based on a discount rate equal to 10%) of the anticipated future tax benefits that are the subject of the TRA based on certain assumptions, which payment may be made significantly in advance of the actual realization, if any, of those future tax benefits and, therefore, we could be required to make cash payments to the P3 Equityholders that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the TRA. In these situations, our obligations under the TRA could have a material adverse effect on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. We cannot assure that we will be able to finance our obligations under the TRA or that we will be able to make the immediate cash payment described above to the extent our or P3 LLC's ability to make such payment is restricted as described above.

Payments under the TRA are based on the tax reporting positions that we determine, and the IRS or another tax authority may challenge all or part of the Basis Adjustments, as well as other related tax positions we take, and a court could sustain any such challenge. If the outcome of any such challenge to any Basis Adjustments or the deduction of imputed interest deemed paid pursuant to the TRA would reasonably be expected to materially affect a recipient's payments under the TRA, then we will not be permitted to settle or to fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each P3 Equityholder, and any such restrictions will apply for as long as the TRA remains in effect. We will not be reimbursed for any cash payments previously made to the P3 Equityholders pursuant to the TRA if any tax benefits initially claimed by us are subsequently challenged by a taxing authority and ultimately disallowed. Instead, in such circumstances, any excess cash payments made by us to the P3 Equityholders will be netted against any future cash payments that we might otherwise be required to make under the terms of the TRA. However, we might not determine that we have effectively made an excess cash payment to the P3 Equityholders for a number of years following the initial time of such payment. As a result, it is possible that we could make cash payments under the TRA that are substantially greater than our actual cash tax savings.

Payments are generally due under the TRA within a specified period of time following the filing of our tax return for the taxable year with respect to which the payment obligation arises, although interest on such payments will begin to accrue at a rate of LIBOR *plus* 100 basis points from the due date (without extensions) of such tax return. Any late payments that may be made under the TRA will continue to accrue interest at LIBOR (or alternate replacement rate) *plus* 500 basis points until such payments are made, including any late payments that we may subsequently make because we did not have enough available cash to satisfy our payment obligations at the time at which they originally arose or were prohibited from making such payments under the terms governing certain of our indebtedness (although such payments are not considered late payments and therefore would accrue interest at the lower interest if we make such payments promptly after such limitations are removed). Subject to certain exceptions as noted above, our failure to make any payment required under the TRA (including any accrued and unpaid interest) within 90 calendar days of the date on which the payment is required to be made will constitute a material breach of a material obligation under the TRA under certain circumstances, in which case, the TRA will terminate and future payments thereunder will be accelerated, as noted above.

### **Registration Rights and Lock-Up Agreement**

At the Closing, the Sponsors, the Blocker Sellers, certain P3 Equityholders, Brian Gamache, John Svoboda and Robert Zimmerman (collectively, the "Holders") and Foresight entered into the Registration Rights and Lock-Up Agreement. The Registration Rights and Lock-Up Agreement (i) amends, restates and replaces the registration rights agreement entered into by Foresight with the Sponsors, Brian Gamache, John Svoboda and Robert Zimmerman on February 9, 2021, and (ii) provides registration rights to the Holders pursuant to which P3 will be required to file a shelf registration statement to register the resale shares of Class A common stock or any other equity security held by the Holders upon the Closing, including the shares of Class A common stock issuable upon the future redemption of P3 LLC Units and shares of Class V common stock by such Holders and the Private Placement Units (including the Foresight Warrants and Class A common stock included therein and the Class A common stock issuable upon exercise of the Foresight Warrants included therein), in each case held by them upon the Closing (collectively, "Registrable Securities"). Assuming all of the P3 LLC Units are redeemed for Class A common stock and all of the Private Placement

Warrants are exercised, the Registrable Securities consist of an aggregate of 239,866,497 shares of Class A common stock and 277,500 Private Placement Warrants.

In addition, subject to certain requirements and customary conditions, the Holders may demand, at any time or from time to time, that Foresight file a shelf registration statement on Form S-3, or if Form S-3 is not available, a Form S-1 to register the Registrable Securities held by such Holders. The Registration Rights and Lock-Up Agreement also provides the Holders with “piggy-back” registration rights, subject to certain requirements and customary conditions.

Subject to certain exceptions, the Registration Rights and Lock-Up Agreement further provides for the Class A common stock, the Class V common stock and the Class A common stock issuable upon the future exchange of P3 LLC Units and shares of Class V common stock held by the P3 Equityholders and the Blocker Sellers after the Closing to be locked-up for a period of six months following the Closing, while the Class A common stock received by the Sponsors upon conversion of the Class B common stock on the Closing Date will be locked-up for a period of one year following the Closing, subject to earlier release upon (i) the date on which the last reported sale price of the Class A common stock equals or exceeds \$12.00 per share for any 20 trading days within any 30-day trading period commencing at least 150 days after the Closing or (ii) the date on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction after the Closing that results in all of the Company’s stockholders having the right to exchange their shares of Class A common stock for cash, securities or other property.

Except as set forth in the Registration Rights and Lock-Up Agreement, P3 is required to bear all expenses incurred in connection with the filing of any such registration statements and any such offerings, other than underwriting discounts and commissions on the sale of Registrable Securities, brokerage fees, underwriter marketing costs and, except as specified in the Registration Rights and Lock-Up Agreement, the fees and expenses of counsel to holders of Registrable Securities. The Registration Rights and Lock-Up Agreement also includes customary provisions regarding indemnification and contribution.

#### **Escrow Agreement**

On December 3, 2021, we entered into an escrow agreement (the “Escrow Agreement”) with P3 Health Group Holdings, P3 LLC, Hudson Vegas Investment SPV, LLC (the “Class D Member”), Mary Tolan and Sherif Abdou (the “Unitholder Representatives”) and PNC Bank, N.A. (“Escrow Agent”). Pursuant to the Escrow Agreement, certain of the consideration for the Business Combinations was set aside in an escrow until resolution of the disputes described below.

At Closing, (i) cash, certain units of P3 LLC (“P3 LLC Units”) and shares of Class V common stock and Class A common stock were placed in escrow, to be allocated upon resolution of the dispute regarding the Class D purchase option described in the section titled “Business—Legal Proceedings—Class D Dispute” (the “Class D Dispute”), and (ii) certain members of P3 LLC (the “Contributing P3 Equityholders”) contributed cash, and Hudson contributed P3 LLC Units and shares of Class V common stock, into escrow, to be allocated upon resolution of a dispute regarding Hudson’s right to a preference on the cash portion of the Merger consideration (the “Cash Preference Dispute”). If the Class D Dispute is (i) resolved in favor of Hudson, Hudson will receive cash, the P3 LLC Units and shares of Class V common stock escrowed for the Class D Dispute and the shares of Class A common stock escrowed for the Class D Dispute will be retired or (ii) resolved in favor of the former members of P3 Health Group Holdings (other than Hudson), the former members of P3 Health Group Holdings (including Hudson) will receive cash, the P3 LLC Units and Class V common stock or shares of Class A common stock, as applicable, escrowed for the Class D Dispute. If the Cash Preference Dispute is (i) resolved in favor of Hudson, the Contributing P3 Equityholders will receive the P3 LLC Units and shares of Class V common stock escrowed for the Cash Preference Dispute or shares of Class A common stock, as applicable, and Hudson will receive cash, or (ii) resolved in favor of the former members of P3 Health Group Holdings (other than Hudson), Hudson will receive the P3 LLC Units and shares of Class V common stock escrowed for the Cash Preference Dispute and the Contributing P3 Equityholders will receive cash.

In the Escrow Agreement, the parties authorized the Unitholder Representatives to direct the voting power of any of the securities in escrow, as applicable, on any matter put to a vote of the applicable securityholders in accordance with the proportional vote totals that such matter received by all voting securities other than those in escrow.

## P3 Transactions

### *Atrio Health Plans*

In 2019, Chicago Pacific Founders, a P3 Equityholder, made an equity investment in Atrio Holding Company, LLC (“Atrio Holdings”). Atrio Health Plans, Inc. (“Atrio”) is a wholly owned subsidiary of Atrio Holdings. Two members of P3’s board of directors, Mary Tolan and Lawrence B. Leisure, serve as Managing Partners of Chicago Pacific Founders, and one member of P3’s board of directors, Greg Kazarian, serves as an Operating Partner of Chicago Pacific Founders. Beginning in 2020, P3 entered into a Full-Risk capitation agreement with Atrio pursuant to which P3 is delegated to perform services on behalf of Atrio’s members assigned to P3, including provider network credentialing, patient authorizations and medical management (care management, quality management and utilization management). In 2022, P3 earned capitation revenue from Atrio assigned members of \$158.9 million and management fees of \$2.3 million; and paid claims of \$178.3 million for Atrio assigned members. In 2021, P3 earned capitation revenue from Atrio assigned members of \$154.4 million and management fees of \$2.2 million; and paid claims of \$160.9 million for Atrio assigned members.

### *Unsecured Promissory Note and Warrant Issuance*

On December 13, 2022, P3 LLC entered into a financing transaction with VGS, consisting of the issuance of the VGS Promissory Note and the issuance of the VGS Warrants to purchase 429,180 shares of our Class A common stock. VGS is a Delaware limited liability company managed by Chicago Pacific Founders GP, L.P., an affiliate of one of our principal stockholders. The members of VGS include Greg Wasson and Mark Thierer, each of whom serves on our Board of Directors, Sherif Abdou, M.D., our Chief Executive Officer and director, and Amir Bacchus, M.D., our Chief Medical Officer and director. Mary Tolan, Lawrence Leisure and Greg Kazarian, each of whom serves on our Board of Directors, hold interests in Chicago Pacific Founders, GP, L.P. The entry into the VGS Promissory Note and the issuance of the VGS Warrants was approved by a committee of our independent, disinterested directors. For additional information on the VGS Promissory Note and Warrants, see Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” of the Original Filing.

### *March 2023 Private Placement*

On March 30, 2023, we entered into a Securities Purchase Agreement (the “Purchase Agreement”) with the purchasers named therein (the “Purchasers”) pursuant to which, on April 6, 2023, we issued 79,912,635 units (the “Units”) at a price of \$1.1180 per unit for institutional investors, and a purchase price of \$1.1938 per unit for employees and consultants. Each Unit consists of one share of Class A common stock, and 0.75 of a warrant to purchase one share of common stock at an exercise price of \$1.13. Certain institutional investors elected to receive pre-funded warrants to purchase Class A common stock in lieu of a portion of their Class A common stock. In total, we sold (i) an aggregate of 69,157,145 shares of Class A common stock (the “Shares”), (ii) warrants to purchase an aggregate of 59,934,479 shares of Class A common stock (the “Common Warrants”), and (iii) pre-funded warrants to purchase an aggregate of 10,755,490 shares of Class A common stock (the “Pre-Funded Warrants” and, together with the Common Warrants, the “Warrants”), to the Purchasers for aggregate gross proceeds of approximately \$89.5 million (collectively, the “March 2023 Private Placement”). Each Common Warrant has an exercise price per share of Common Stock equal to \$1.13 per share. Each Pre-Funded Warrant has an exercise price per share of Common Stock equal to \$0.0001 per share. The exercise price and the number of shares of Common Stock issuable upon exercise of each Warrant are subject to appropriate adjustments in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Common Stock.

Entities affiliated with Chicago Pacific Founders purchased an aggregate of 52,751,725 shares of Class A common stock, 10,755,490 Pre-Funded Warrants and 47,630,413 Warrants for aggregate gross proceeds of approximately \$71 million. Chicago Pacific Founders may not exercise any portion of any Warrant, which, upon giving effect to such exercise, would cause the aggregate number of shares of Class A common stock beneficially owned by Chicago Pacific Founders (together with its affiliates) to exceed 49.99% of the number of shares of Class A common stock and Class V common stock issued and outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Warrants. As a result, Chicago Pacific Founders’ ownership of shares does not represent more than 49.99% of the aggregate voting power of our Class A common stock and Class V common stock.

Amir Bacchus, M.D., our Chief Medical Officer and a director, and Charlee Co LLC, an entity of which Dr. Bacchus is the managing member, purchased 1,005,193 and 251,298 Units, respectively, in the March 2023 Private Placement at a purchase price of approximately \$1.1938 per Unit.

Two members of our board of directors, Mary Tolan and Lawrence B. Leisure, serve as Managing Partners of Chicago Pacific Founders, and one member of our board of directors, Greg Kazarian, serves as an Operating Partner of Chicago Pacific Founders. Entry into the Purchase Agreement was approved by a committee of our independent, disinterested directors.

### *March 2023 Registration Rights Agreement*

On April 6, 2023, in connection with the Purchase Agreement, we entered into a Registration Rights Agreement (the “March 2023 Registration Rights Agreement”) with the Purchasers pursuant to which we agreed to prepare and file a registration statement with the SEC within 30 days after the closing of the March 2023 Private Placement for purposes of registering the resale of the Shares and shares of Class A common stock issuable upon exercise of the Warrants. We agreed to use its reasonable best efforts to cause this registration statement to be declared effective by the SEC within 120 days after the date thereof. The March 2023 Registration Rights Agreement also contains certain shelf takedown and piggyback rights. We also agreed, among other things, to indemnify the Purchasers, their officers, directors, members, employees and agents, successors and assigns under the registration statement from

certain liabilities and to pay all fees and expenses incident to the Company's obligations under the March 2023 Registration Rights Agreement.

### March 2023 Letter Agreement

On April 6, 2023, in connection with the Purchase Agreement, we entered into a letter agreement (the "March 2023 Letter Agreement") with Chicago Pacific Founders GP, L.P., a Delaware limited partnership ("CPF GP I"), Chicago Pacific Founders GP III, L.P., a Delaware limited partnership ("CPF GP III") (on behalf of the funds of which CPF GP I is the general partner, certain funds of which CPF GP III is the general partner) and/or certain of their affiliated entities and funds (collectively, the "CPF Parties"). Pursuant to the March 2023 Letter Agreement, (i) for as long as the CPF Parties own 40% of the Company's outstanding Class A common stock, Chicago Pacific Founders will be entitled to designate one additional independent member our board of directors, who must be independent and satisfy all applicable requirements regarding service as a director under applicable law and SEC and stock exchange rules, (ii) for as long as the CPF Parties own 40% of our outstanding Class A common stock, Chicago Pacific Founders will be entitled to certain information rights and protective provisions, and (iii) subject to the terms of the March 2023 Letter Agreement, the CPF Parties agreed to a standstill restriction from the date of the closing of the March 2023 Private Placement to June 30, 2024 that limits the ownership of the CPF Parties to 49.99% of our Class A common stock and Class V common stock.

### Director Independence

Mark Thierer, Greg Wasson, Lawrence B. Leisure, Mary Tolan, Tom E. Price, M.D. and Jeffrey G. Park each qualify as "independent" in accordance with the listing requirements of Nasdaq. The Nasdaq independence definition includes a series of objective tests, including that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us. In addition, as required by Nasdaq rules, our board of directors has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management, including the beneficial ownership of our capital stock by each director. There are no family relationships among any of our directors or executive officers.

### Item 14. Principal Accountant Fees and Services.

The following table summarizes the fees billed to us by BDO USA, LLP ("BDO"), our independent registered public accounting firm, for services rendered in connection with the years ended December 31:

Fee Category	2022 <sup>(1)</sup>	2021 <sup>(2)</sup>
Audit Fees <sup>(3)</sup>	\$ 2,900,800	\$ 2,707,200
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
<b>Total Fees</b>	<b>\$ 2,900,800</b>	<b>\$ 2,707,200</b>

- (1) The amount of fees for 2022 is based on the fees billed and paid to date and on an estimate for the remaining services provided by BDO. The final amount of the fees for those services may vary from the estimate.
- (2) The amount of fees for 2021 was increased by \$411,700 from what was reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 to reflect the final fees related to the 2021 period.
- (3) Audit fees consist of fees associated with the audit of our annual consolidated financial statements included in our annual report on Form 10-K, review of our interim condensed consolidated financial statements included in our quarterly reports on Form 10-Q, and consents issued for registration statements.

### Audit Committee Pre-Approval Policy and Procedures

The Audit Committee has adopted a policy (the "Pre-Approval Policy") that sets forth the procedures and conditions pursuant to which audit and non-audit services proposed to be performed by the independent auditor may be pre-approved. The Pre-Approval Policy generally provides that we will not engage our independent auditor to render any audit, audit-related, tax or permissible non-audit service unless the service is either (i) explicitly approved by the Audit Committee ("specific pre-approval") or (ii) entered into pursuant to the pre-approval policies and procedures described in the Pre-Approval Policy ("general pre-approval"). Unless a type of service to be provided by our independent auditor has received general pre-approval under the Pre-Approval Policy, it requires specific pre-approval by the Audit Committee. The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve audit services, other than with respect to the annual audit of the Company's consolidated financial statements, and other services on behalf of the Audit Committee. To the extent that the Audit Committee pre-approves any services under its general pre-approval policy, pre-approved fee levels or budgeted amounts for all services to be provided by the independent auditor will be established annually by the Audit Committee. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval. For both types of pre-approval, the Audit Committee will consider whether such services are consistent with the SEC's rules on auditor independence. The Audit Committee will also consider whether the independent auditor is best positioned to provide the most effective and efficient service, for reasons such as its familiarity with the Company's business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the Company's ability to

manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily be determinative. On a periodic basis, the Audit Committee may review and generally pre-approve the services (and related fee levels or budgeted amounts) that may be provided by the independent auditor without first obtaining specific pre-approval from the Audit Committee. The Audit Committee may revise the list of general pre-approved services from time to time, based on subsequent determinations. The Audit Committee pre-approved all services performed since the Pre-Approval Policy was adopted.

**PART IV**

**Item 15. Exhibit and Financial Statement Schedules.**

(a)(1) Financial Statements.

No financial statements are filed with this Amendment No. 1.

(a)(2) Financial Statement Schedules.

None.

(a)(3) Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Amendment No. 1:

<b>Exhibit Number</b>	<b>Exhibit Description</b>	<b>Filed/Furnished Herewith</b>
31.1	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
31.2	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

\* Filed herewith.

**Item 16. Form 10-K Summary.**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**P3 Health Partners Inc.**

By: /s/ Sherif W. Abdou  
Name: Sherif W. Abdou, M.D.  
Title: Chief Executive Officer

Date: May 1, 2023



**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sherif W. Abdou, M.D., certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of P3 Health Partners Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: May 1, 2023

*/s/ Sherif W. Abdou*

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Sherif W. Abdou, M.D.

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Atul Kavthekar, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of P3 Health Partners Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: May 1, 2023

*/s/ Atul Kavthekar*

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Atul Kavthekar

Chief Financial Officer

(Principal Financial Officer)