

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported): August 14, 2025



P3 Health Partners Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-40033
(Commission File Number)

85-2992794
(I.R.S. Employer Identification No.)

2370 Corporate Circle Suite 300 Henderson, Nevada
(Address of principal executive offices)

89074
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|----------------------|--|
| Class A common stock, par value \$0.0001 per share | PIII | The Nasdaq Stock Market LLC |
| Warrants exercisable for one share of Class A common stock | PIIIW | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
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. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 14, 2025, P3 Health Partners Inc. (the “Company”) announced its financial results for the three and six months ended June 30, 2025. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the “Report”).

The information in this Item 2.02, including the information contained in Exhibit 99.1 of this Report, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description |
|----------------------|--|
| 99.1 | Press Release of the Company, dated August 14, 2025 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

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

P3 Health Partners Inc.

Date: August 14, 2025

By: /s/ Leif Pedersen
Leif Pedersen
Chief Financial Officer

P3 Health Partners Announces Second Quarter 2025 Results

Core Business Demonstrates Strength with Flat Medical Cost Trends Despite Industry Inflation

\$120-\$170 Million in Additional EBITDA Opportunities Identified for 2026

Adjusted Full Year Guidance Reflects Prior Period Headwinds

Management to Host Conference Call and Webcast August 14, 2025 at 4:30 PM ET

HENDERSON, NV—August 14, 2025—P3 Health Partners Inc. (“P3” or the “Company”) (NASDAQ: PIII), a patient-centered and physician-led population health management company, today announced its financial results for the second quarter ended June 30, 2025.

“Our core business continues to strengthen as we execute on our \$130 million EBITDA improvement plan,” said Aric Coffman, CEO of P3. “While we faced prior period headwinds, we’ve successfully managed medical cost trends to remain flat while improving funding across our membership on a per-member basis. With an additional \$120 to \$170 million in identified EBITDA opportunities and three of our four markets already EBITDA positive or breakeven, P3 is well-positioned to achieve sustained profitability in 2026 and beyond.”

Second Quarter 2025 Financial Results

- Average at-risk membership was approximately 115,000 members for the second quarter, a decrease of 9% compared to prior year. The decrease reflects previously disclosed network and payer rationalization.
- Total revenue was \$355.8 million, a decrease of 6% compared to the second quarter of the prior year, driven by the decline in membership. On a per-member basis, funding improved 10% from prior year, when adjusted for prior-period items.
- Medical margin⁽¹⁾ was \$30.6 million, or \$89 PMPM. Excluding prior-period adjustments, medical margin⁽¹⁾ was \$39.3 million, or \$114 PMPM.
- Adjusted EBITDA loss⁽¹⁾ was \$17.1 million, or \$50 PMPM. Excluding prior-period adjustments, Adjusted EBITDA loss⁽¹⁾ for the quarter was a loss of \$8.5 million, or \$25 PMPM.
- Adjusted full year guidance reflects impact from prior-period adjustments and underperformance of a single payer.

Revised Fiscal 2025 Guidance

| | Year Ended December 31, 2025 | |
|--|------------------------------|---------|
| | Low | High |
| At-risk Members ⁽²⁾ | 109,000 | 119,000 |
| Total Revenues (in millions) | \$1,350 | \$1,500 |
| Medical Margin ⁽¹⁾⁽³⁾ (in millions) | \$124 | \$154 |
| Medical Margin ⁽³⁾ PMPM | \$90 | \$111 |
| Adjusted EBITDA ⁽³⁾ (in millions) | \$(69) | \$(39) |

⁽¹⁾ Adjusted EBITDA, Adjusted EBITDA per member, per month (“PMPM”), medical margin, and medical margin PMPM are non-GAAP financial measures. For reconciliations of these measures to the most directly comparable GAAP measures, if applicable, and more information regarding the Company’s use of non-GAAP financial measures, please see the section titled “Non-GAAP Financial Measures.”

⁽²⁾ See “Key Performance Metrics” for additional information on how the Company defines “at-risk members.”

⁽³⁾ The Company is not able to provide a quantitative reconciliation of guidance for Adjusted EBITDA, medical margin and medical margin PMPM to net income (loss), gross profit and gross profit PMPM, the most directly comparable GAAP measures, respectively, and has not provided forward-looking guidance for net income (loss), because of the uncertainty around certain items that may impact net income (loss), gross profit (loss) or gross profit (loss) PMPM that are not within our control or cannot be reasonably predicted without unreasonable effort. For more information regarding the non-GAAP financial measures discussed in this press release, please see “Non-GAAP Financial Measures” below.

The foregoing 2025 outlook statement represents management's current estimate as of the date of this release. Actual results may differ materially depending on a number of factors. Investors are urged to read the “Cautionary Note Regarding Forward-Looking Statements” included in this release. Management does not assume any obligation to update these estimates.

Management to Host Conference Call and Webcast on August 14, 2025 at 4:30 PM ET

| | |
|---|--|
| Title & Webcast | P3 Health Second Quarter 2025 Earnings Conference Call |
| Date & Time | August 14, 2025, 4:30pm Eastern Time |
| Conference Call Details | Toll-Free 1-833-316-0546 (US) International 1-412-317-0692 Ask to be joined into the P3 Health Partners call |
| The conference call will also be webcast live in the “Events & Presentations” section of the Investor page of the P3 website (ir.p3hp.org). The Company’s press release will be available on the Investor page of P3’s website in advance of the conference call. An archived recording of the webcast will be available on the Investor page of P3’s website for a period of 90 days following the conference call. | |

About P3 Health Partners (NASDAQ: PIII):

P3 Health Partners Inc. is a leading population health management company committed to transforming healthcare by improving the lives of both patients and providers. Founded and led by physicians, P3 has an expansive network of more than 2,800 affiliated primary care providers across the country. Our local teams of health care professionals manage the care of thousands of patients in 24 counties across four states. P3 supports primary care providers with value-based care coordination and administrative services that improve patient outcomes and lower costs. Through partnerships with these local providers, the P3 care team creates an enhanced patient experience by navigating, coordinating, and integrating the patient’s care within the healthcare system. For more information, visit www.p3hp.org and follow us on LinkedIn and [Facebook.com/p3healthpartners](https://www.facebook.com/p3healthpartners).

Non-GAAP Financial Measures

In addition to the financial results prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”), this press release contains certain non-GAAP financial measures as defined by the SEC rules, including Adjusted EBITDA and Adjusted EBITDA PMPM, medical margin, medical margin PMPM, and adjusted operating expense. EBITDA is defined as GAAP net income (loss) before (i) interest, (ii) income taxes and (iii) depreciation and amortization. Adjusted EBITDA is defined as EBITDA, further adjusted to exclude the effect of certain supplemental adjustments, such as (i) mark-to-market warrant gain/loss, (ii) premium deficiency reserves, (iii) equity-based compensation expense, (iv) certain transaction and other related costs and (v) certain other items that we believe are not indicative of our core operating performances. Adjusted EBITDA PMPM is defined as Adjusted EBITDA divided by the number of at-risk Medicare members each month divided by the number of months in the period. We believe these non-GAAP financial measures provide an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with other similar companies. Medical margin represents the amount earned from capitation revenue after medical claims expenses are deducted and medical margin PMPM is defined as medical margin divided by the number of at-risk Medicare members each month divided by the number of months in the period. Medical claims expenses represent costs incurred for medical services provided to our members. As our platform grows and matures over time, we expect medical margin to increase in absolute dollars; however, medical margin PMPM may vary as the percentage of new members brought onto our platform fluctuates. New membership added to the platform is typically dilutive to medical margin PMPM. Adjusted operating expense is defined as total operating expense excluding depreciation and amortization and costs that management believes are non-core to the underlying operations of the Company, consisting of (i) medical expense, (ii) premium deficiency reserves, (iii) equity-based compensation, and (iv) certain other items that we believe are not indicative of our core operating performance. We do not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In addition, other companies

may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. The tables at the end of this press release present a reconciliation of Adjusted EBITDA to net income (loss), medical margin to gross profit, and adjusted operating expense to operating expense, which are the most directly comparable financial measures calculated in accordance with GAAP.

Key Performance Metrics

In addition to our GAAP and non-GAAP financial information, the Company also monitors “at-risk members” to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. At-risk membership represents the approximate number of Medicare members for whom we receive a fixed percentage of premium under capitation arrangements as of the end of a particular period.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "believe," "budget," "contemplate," "continue," "could," "envision," "estimate," "expect," "guidance," "indicate," "intend," "may," "might," "plan," "possibly," "potential," "predict," "probably," "pro-forma," "project," "seek," "should," "target," or "will," or the negative or other variations thereof, and similar words or phrases or comparable terminology, are intended to identify forward-looking statements. These forward-looking statements address various matters, including the Company's future expected growth strategy and operating performance; and the Company's ability to execute on its identified strategic improvement opportunities, all of which reflect the Company's expectations based upon currently available information and data. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected or estimated and you are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements.

Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in forward-looking statements include, among others, our ability to continue as a going concern; our potential need to raise additional capital to fund our existing operations or develop and commercialize new services or expand our operations; our ability to achieve or maintain profitability; our ability to maintain compliance with our debt covenants in the future, or obtain required waivers from our lenders if future operating performance were to fall below current projections, and if there are material changes to management's assumptions, we could be required to recognize non-cash charges to operating earnings for goodwill and/or other intangible asset impairment; our ability to identify and develop successful new geographies, physician partners, payors and patients; changes in market or industry conditions, regulatory environment, competitive conditions, and receptivity to our services; our ability to fund our growth and expand our operations; changes in laws and regulations applicable to our business; our ability to maintain our relationships with health plans and other key payors; the impact of fluctuations in risk adjustments; our ability to establish and maintain effective internal controls and the impact of material weaknesses we have identified; our ability to maintain the listing of our securities on Nasdaq; increased labor costs and medical expense; our ability to recruit and retain qualified team members and independent physicians; and the factors described under Part I, Item 1A. “Risk Factors” and Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 28, 2024, and in our subsequent filings with the SEC.

All information in this press release is as of the date hereof, and we undertake no duty to update or revise this information unless required by law. You are cautioned not to place undue reliance on any forward-looking statements contained in this press release.

Ryan Halsted
Investor Relations
Gilmartin Group
ir@p3hp.org

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

| | June 30, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 38,581 | \$ 38,816 |
| Restricted cash | 746 | 5,286 |
| Health plan receivable, net of allowance for credit losses of \$150 | 93,463 | 121,266 |
| Clinic fees, insurance and other receivable | 7,572 | 3,947 |
| Prepaid expenses and other current assets | 16,169 | 14,422 |
| Assets held for sale | — | 403 |
| TOTAL CURRENT ASSETS | 156,531 | 184,140 |
| Property and equipment, net | 4,687 | 5,734 |
| Intangible assets, net | 533,400 | 574,350 |
| Other long-term assets | 36,967 | 19,196 |
| TOTAL ASSETS ⁽¹⁾ | \$ 731,585 | \$ 783,420 |
| LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 14,395 | \$ 8,442 |
| Accrued expenses and other current liabilities | 29,716 | 29,416 |
| Accrued payroll | 1,162 | 2,722 |
| Health plan settlements payable | 41,871 | 55,565 |
| Claims payable | 256,037 | 255,089 |
| Premium deficiency reserve | 54,439 | 67,368 |
| Accrued interest | 26,923 | 12,460 |
| Current portion of long-term debt | 80,000 | 65,000 |
| Short-term debt | 455 | — |
| Liabilities held for sale | — | 353 |
| TOTAL CURRENT LIABILITIES | 504,998 | 496,415 |
| Operating lease liability | 10,308 | 11,339 |
| Warrant liabilities | 4,988 | 10,312 |
| Long-term debt, net | 101,956 | 89,824 |
| Other Long-Term Liabilities | 22,157 | 26,001 |
| TOTAL LIABILITIES ⁽¹⁾ | 644,407 | 633,891 |
| COMMITMENTS AND CONTINGENCIES | | |
| MEZZANINE EQUITY: | | |
| Redeemable non-controlling interest | 42,719 | 73,593 |
| STOCKHOLDERS' EQUITY: | | |
| Class A common stock, \$0.0001 par value; 800,000 shares authorized; 3,268 and 3,257 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively | — | — |
| Class V common stock, \$0.0001 par value; 205,000 shares authorized; 3,919 shares issued and outstanding as of June 30, 2025 and December 31, 2024 | — | — |
| Additional paid in capital | 588,494 | 579,129 |
| Accumulated deficit | (544,035) | (503,193) |
| TOTAL STOCKHOLDERS' EQUITY | 44,459 | 75,936 |
| TOTAL LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' EQUITY | \$ 731,585 | \$ 783,420 |

(1) The Company's condensed consolidated balance sheets include the assets and liabilities of its consolidated variable interest entities ("VIEs"). As discussed in Note 13 "Variable Interest Entities," P3 LLC is itself a VIE. P3 LLC represents substantially all the assets and liabilities of the Company. As a result, the language and amounts below refer only to VIEs held at the P3 LLC level. The condensed consolidated balance sheets include total assets that can be used only to settle obligations of P3 LLC's consolidated VIEs totaling \$10.0 million and \$9.3 million as of June 30, 2025 and December 31, 2024, respectively, and total liabilities of P3 LLC's consolidated VIEs for which creditors do not have recourse to the general credit of the Company totaled \$6.5 million and \$14.9 million as of June 30, 2025 and December 31, 2024, respectively. These VIE assets and liabilities do not include \$48.3 million and \$40.3 million of net amounts due to affiliates as of June 30, 2025 and December 31, 2024, respectively, as these are eliminated in consolidation and not presented within the condensed consolidated balance sheets.

All periods presented have been retroactively adjusted to reflect the 1-for-50 reverse stock split effected on April 11, 2025.

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-------------|---------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| OPERATING REVENUE: | | | | |
| Capitated revenue | \$ 351,724 | \$ 374,306 | \$ 721,241 | \$ 758,440 |
| Other patient service revenue | 4,064 | 4,851 | 7,772 | 9,205 |
| TOTAL OPERATING REVENUE | 355,788 | 379,157 | 729,013 | 767,645 |
| OPERATING EXPENSE: | | | | |
| Medical expense | 351,350 | 365,171 | 723,393 | 747,228 |
| Premium deficiency reserve | (5,967) | (3,397) | (12,929) | (2,397) |
| Corporate, general and administrative expense | 23,295 | 26,610 | 48,294 | 54,011 |
| Sales and marketing expense | 151 | 414 | 332 | 736 |
| Depreciation and amortization | 21,083 | 21,693 | 42,135 | 43,232 |
| TOTAL OPERATING EXPENSE | 389,912 | 410,491 | 801,225 | 842,810 |
| OPERATING LOSS | (34,124) | (31,334) | (72,212) | (75,165) |
| OTHER INCOME (EXPENSE): | | | | |
| Interest expense, net | (10,145) | (5,436) | (18,870) | (9,692) |
| Mark-to-market of stock warrants | 2,002 | 8,673 | 5,324 | 8,889 |
| Other | 583 | 291 | 901 | 628 |
| TOTAL OTHER (EXPENSE) INCOME | (7,560) | 3,528 | (12,645) | (175) |
| LOSS BEFORE INCOME TAXES | (41,684) | (27,806) | (84,857) | (75,340) |
| INCOME TAX PROVISION | (1,981) | (968) | (3,054) | (3,040) |
| NET LOSS | (43,665) | (28,774) | (87,911) | (78,380) |
| LESS: NET LOSS ATTRIBUTABLE TO REDEEMABLE NON-CONTROLLING INTEREST | (23,303) | (16,754) | (47,069) | (47,660) |
| NET LOSS ATTRIBUTABLE TO CONTROLLING INTEREST | \$ (20,362) | \$ (12,020) | \$ (40,842) | \$ (30,720) |
| NET LOSS PER SHARE: | | | | |
| Basic | \$ (6.23) | \$ (4.40) | \$ (12.52) | \$ (12.02) |
| Diluted | \$ (6.23) | \$ (7.37) | \$ (12.52) | \$ (15.19) |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: | | | | |
| Basic | 3,267 | 2,732 | 3,263 | 2,556 |
| Diluted | 3,267 | 2,822 | 3,263 | 2,601 |

All periods presented have been retroactively adjusted to reflect the 1-for-50 reverse stock split effected on April 11, 2025.

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | Six Months Ended June 30, | |
|--|---------------------------|-------------|
| | 2025 | 2024 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Net loss | \$ (87,911) | \$ (78,380) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 42,135 | 43,232 |
| Equity-based compensation | 3,271 | 3,073 |
| Amortization of original issue discount and debt issuance costs | 402 | (91) |
| Mark-to-market adjustment of stock warrants | (5,324) | (8,889) |
| Premium deficiency reserve | (12,929) | (2,397) |
| Changes in operating assets and liabilities: | | |
| Health plan receivable | 27,803 | (34,762) |
| Clinic fees, insurance, and other receivable | (3,625) | 775 |
| Prepaid expenses and other current assets | (1,747) | (4,865) |
| Other long-term assets | (14,464) | 60 |
| Accounts payable, accrued expenses, and other current liabilities | 6,200 | 30 |
| Accrued payroll | (1,560) | 238 |
| Health plan settlements payable | (13,694) | (12,141) |
| Claims payable | 948 | 55,752 |
| Accrued interest | 10,619 | 8,257 |
| Operating lease liability | (223) | (164) |
| Net cash used in operating activities | (50,099) | (30,272) |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | |
| Proceeds from asset sale | 50 | — |
| Net cash provided by investing activities | 50 | — |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u> | | |
| Proceeds from long-term debt, net of original issue discount | 45,000 | 25,000 |
| Payment of debt issuance costs | (181) | — |
| Proceeds from liability-classified warrants and private placement offering, net of offering costs paid | — | 42,234 |
| Proceeds from at-the-market sales, net of offering costs paid | — | 33 |
| Deferred offering costs paid | — | (455) |
| Payment of tax withholdings upon settlement of restricted stock unit awards | — | (103) |
| Repayment of short-term and long-term debt | (682) | (1,040) |
| Proceeds from short-term debt | 1,137 | 1,871 |
| Net cash provided by financing activities | 45,274 | 67,540 |
| Net change in cash and restricted cash | (4,775) | 37,268 |
| Cash and restricted cash, beginning of period | 44,102 | 40,934 |
| Cash and restricted cash, end of period | \$ 39,327 | \$ 78,202 |

RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA LOSS
(in thousands, except PMPM)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------------------|-----------------------------|-------------------|---------------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net loss | \$ (43,665) | \$ (28,774) | \$ (87,911) | \$ (78,380) |
| Interest expense, net | 10,145 | 5,436 | 18,870 | 9,692 |
| Depreciation and amortization | 21,083 | 21,693 | 42,135 | 43,232 |
| Income tax provision | 1,981 | 968 | 3,054 | 3,040 |
| Mark-to-market of stock warrants | (2,002) | (8,673) | (5,324) | (8,889) |
| Premium deficiency reserve | (5,967) | (3,397) | (12,929) | (2,397) |
| Equity-based compensation | 1,463 | 1,624 | 3,271 | 3,073 |
| Other ⁽¹⁾ | (148) | 2,276 | (466) | 2,012 |
| Adjusted EBITDA loss | <u>\$ (17,110)</u> | <u>\$ (8,847)</u> | <u>\$ (39,300)</u> | <u>\$ (28,617)</u> |
| Adjusted EBITDA loss PMPM | \$ (50) | \$ (23) | \$ (57) | \$ (38) |

(1) Other during the three and six months ended June 30, 2025 consisted of (i) interest income partially offset by (ii) severance expense in connection with reorganization of workforce and (iii) legal settlements and valuation allowance on our notes receivable. Other during the three and six months ended June 30, 2024 consisted of (i) interest income partially offset by (ii) severance and related expense in connection with our chief executive officer transition and (iii) legal settlements and valuation allowance on our notes receivable.

MEDICAL MARGIN
(in thousands, except PMPM)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|------------------------------|-----------------------------|------------------|---------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Capitated revenue | \$ 351,724 | \$ 374,306 | \$ 721,241 | \$ 758,440 |
| Less: medical claims expense | (321,109) | (333,217) | (673,426) | (680,799) |
| Medical margin | <u>\$ 30,615</u> | <u>\$ 41,089</u> | <u>\$ 47,815</u> | <u>\$ 77,641</u> |
| Medical margin PMPM | \$ 89 | \$ 107 | \$ 69 | \$ 102 |

RECONCILIATION OF GROSS PROFIT (LOSS) TO MEDICAL MARGIN
(in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------|-----------------------------|------------------|---------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Gross profit (loss) | \$ 4,438 | \$ 13,986 | \$ 5,620 | \$ 20,417 |
| Other patient service revenue | (4,064) | (4,851) | (7,772) | (9,205) |
| Other medical expense | 30,241 | 31,954 | 49,967 | 66,429 |
| Medical margin | <u>\$ 30,615</u> | <u>\$ 41,089</u> | <u>\$ 47,815</u> | <u>\$ 77,641</u> |

RECONCILIATION OF TOTAL OPERATING EXPENSE TO ADJUSTED OPERATING EXPENSE
(in thousands)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------|-----------------------------|------------------|---------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Total operating expense | \$ 389,912 | \$ 410,491 | \$ 801,225 | \$ 842,810 |
| Medical expense | (351,350) | (365,171) | (723,393) | (747,228) |
| Depreciation and amortization | (21,083) | (21,693) | (42,135) | (43,232) |
| Premium deficiency reserve | 5,967 | 3,397 | 12,929 | 2,397 |
| Equity-based compensation | (1,463) | (1,624) | (3,271) | (3,073) |
| Other | (244) | (2,541) | (182) | (2,593) |
| Adjusted operating expense | <u>\$ 21,739</u> | <u>\$ 22,859</u> | <u>\$ 45,173</u> | <u>\$ 49,081</u> |