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

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025
or

o **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
People. Passion. Purpose.

P3 Health Partners Inc.
(Exact name of registrant as specified in its charter)

Delaware	**85-2992794**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2370 Corporate Circle Suite 300 Henderson, Nevada	**89074**
(Address of principal executive offices)	(Zip Code)

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

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 (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 x No o

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 x No o

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	o	Accelerated filer	o	Non-accelerated filer	x	Smaller reporting company	x	Emerging growth company	o

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. o

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

As of August 1, 2025, the registrant had 3,268,218 shares of Class A common stock, par value $0.0001 and 3,919,124 shares of Class V common stock, par value $0.0001 outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (the "Form 10-Q") 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 (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Form 10-Q, including statements regarding our future results of operations and financial position, business and growth strategy, prospective products, research and development costs, future revenue, market opportunity, timing and likelihood of success, plans and objectives of management for future operations, our ability to raise additional capital and continue as a going concern, the anticipated closing of the asset sale discussed herein, future results of anticipated products and prospects, and our ability to maintain compliance with the Nasdaq listing rules, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," "would" or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words.

The forward-looking statements in this Form 10-Q are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Form 10-Q and are subject to a number of known and unknown risks, uncertainties and assumptions, and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, without limitation, the following:

- Our ability to continue as a going concern.
- Our need to raise additional capital to fund our existing operations or develop and commercialize new services or expand our operations.
- We have a history of net losses. We expect to continue to incur losses for the foreseeable future and we may never achieve or maintain profitability.
- We may not be able to maintain compliance with our debt covenants in the future, which could result in an event of default.
- Our relatively limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.
- A significant portion of our assets consists of other intangible assets, the value of which may be reduced if we determine that those assets are impaired.
- We rely on our management team and key employees and our business, financial condition, cash flows and results of operations could be harmed if we are unable to retain qualified personnel.
- Our growth depends in part on our ability to identify and develop successful new geographies, physician partners, payors and patients. If we are not able to successfully execute upon our growth strategies, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.
- If growth in the number of patients and physician partners on our platform decreases, or the number of services that we are able to provide to physician partners and members decreases, due to legal, economic or business developments, our business, financial condition and results of operations will be harmed.
- We primarily depend on capitation payments from third-party payors, as well as payments by individuals, which could lead to delays, uncertainties and disagreements regarding the timing and process of payments, including any changes or reductions in Medicare reimbursement rates or rules.

- The termination or non-renewal of the Medicare Advantage (“MA”) contracts held by the health plans with which we contract, or the termination or nonrenewal of our contracts with those plans, could have a material adverse effect on our revenue and our operations.
- We are dependent on our affiliated professional entities and other physician partners and other providers to effectively manage the quality and cost of care and perform obligations under payor contracts.
- Reductions in the quality ratings of the health plans we serve could have a material adverse effect on our business, results of operations, financial condition and cash flows.
- Developments affecting spending by the healthcare industry could adversely affect our business.
- Our business and operations would suffer in the event of information technology system failures, security breaches, cyberattacks or other deficiencies in cybersecurity.
- Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, financial condition and results of operations.
- We conduct business in a heavily regulated industry and if we fail to adhere to all of the complex government laws and regulations that apply to our business, we could incur fines or penalties or be required to make changes to our operations or experience adverse publicity, any or all of which could have a material adverse effect on our business, results of operations, financial condition, cash flows, and reputation.
- If our arrangements with our affiliated professional entities and other physician partners are found to constitute the improper rendering of medical services or fee splitting under applicable state laws, our business, financial condition and our ability to operate in those states could be adversely impacted.
- We face inspections, reviews, audits and investigations under federal and state government programs and contracts. These audits could have adverse findings that may negatively affect our business, including our results of operations, liquidity, financial condition and reputation.
- The impact on us of recent healthcare legislation and other changes in the healthcare industry and in healthcare spending is currently unknown, but may adversely affect our business, financial condition and results of operations.
- Our only significant asset is the ownership of a minority of the economic interest in P3 LLC, and such ownership may not be sufficient to generate the funds necessary to meet our financial obligations or to pay any dividends on our Class A common stock, par value $0.0001 per share (the “Class A common stock”).
- We will be required to make payments under the Tax Receivable Agreement, dated as of December 3, 2021, by and among P3 LLC and the members of P3 LLC from time to time party thereto (the “Tax Receivable Agreement”) for certain tax benefits we may claim, and the amounts of such payments could be significant.
- Foresight Sponsor Group, LLC (the “Sponsor”) and its affiliates and representatives, non-employee directors and other non-employee stockholders are not limited in their ability to compete with us, and the corporate opportunity provisions in our certificate of incorporation could enable such persons to benefit from corporate opportunities that might otherwise be available to us, which presents potential conflicts of interest.
- Our failure to meet the continued listing requirements of The Nasdaq Capital Market could result in a delisting of our securities.
- Failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, financial condition, results of operations, and stock price and may adversely affect

investor confidence in our company and, as a result, the value of our Class A common stock and your investment.

- 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 Securities and Exchange Commission (the “SEC”) on March 28, 2025 (the “2024 Form 10-K”), in Part II, Item 1A. “Risk Factors” and Part I, Item 2. “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” in this Form 10-Q and in our subsequent filings with the SEC.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

You should read this Form 10-Q and the documents that we reference in this Form 10-Q and have filed as exhibits hereto completely and with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Unless the context otherwise requires, “we,” “us,” “our,” “P3” and the “Company” refer to P3 Health Partners Inc. and its subsidiaries. “P3 LLC” refers to the surviving entity after the consummation of a series of business combinations in December 2021 with Foresight Acquisition Corp. (the “Business Combinations”), which was renamed P3 Health Group, LLC.

PART I—FINANCIAL INFORMATION.

Item 1. Financial Statements.

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. See Note 3 "Significant Accounting Policies" for further information.

See accompanying notes to condensed consolidated financial statements.

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 INCOME (EXPENSE)	(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 (Note 9):				
Basic	$ (6.23)	$ (4.40)	$ (12.52)	$ (12.02)
Diluted	$ (6.23)	$ (7.37)	$ (12.52)	$ (15.19)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (Note 9):				
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. See Note 3 “Significant Accounting Policies” for further information.

See accompanying notes to condensed consolidated financial statements.

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND MEZZANINE EQUITY
(in thousands)
(unaudited)

	Redeemable Non-controlling Interest	Class A Common Stock		Class V Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
		Shares	Amount	Shares	Amount			
STOCKHOLDERS' EQUITY, December 31, 2023	$ 291,532	2,331	$ —	3,932	$ —	$ 509,474	$ (367,344)	$ 142,130
Exchanges of redeemable non-controlling interest for Class A common stock	—	2	—	(2)	—	—	—	—
Issuance of Class A common stock upon settlement of restricted stock units, net of shares withheld for tax	—	55	—	—	—	(73)	—	(73)
Equity-based compensation	—	—	—	—	—	1,449	—	1,449
Fair value adjustment to redeemable non-controlling interest	(20,579)	—	—	—	—	20,579	—	20,579
Remeasurement adjustment to redeemable non-controlling interest resulting from ownership changes	(1,211)	—	—	—	—	1,211	—	1,211
Net loss	(30,906)	—	—	—	—	—	(18,700)	(18,700)
STOCKHOLDERS' EQUITY, March 31, 2024	$ 238,836	2,388	$ —	3,930	$ —	$ 532,640	$ (386,044)	$ 146,596
Exchanges of redeemable non-controlling interest for Class A common stock	—	11	—	(11)	—	—	—	—
Issuance of Class A common stock upon settlement of restricted stock units, net of shares withheld for tax	—	4	—	—	—	(30)	—	(30)
Equity-based compensation	—	—	—	—	—	1,624	—	1,624
Remeasurement adjustment to redeemable non-controlling interest resulting from ownership changes	(24,095)	—	—	—	—	24,095	—	24,095
Private placement, net of offering costs	—	832	—	—	—	6,575	—	6,575
Net loss	(16,754)	—	—	—	—	—	(12,020)	(12,020)
STOCKHOLDERS' EQUITY, June 30, 2024	197,987	3,235	$ —	3,919	$ —	$ 564,904	$ (398,064)	$ 166,840

	Redeemable Non-controlling Interest	Class A Common Stock		Class V Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
		Shares	Amount	Shares	Amount			
STOCKHOLDERS' EQUITY, December 31, 2024	$ 73,593	3,257	$ —	3,919	$ —	$ 579,129	$ (503,193)	$ 75,936
Issuance of Class A common stock upon settlement of restricted stock units, net of shares withheld for tax	—	6	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	1,808	—	1,808
Remeasurement adjustment to redeemable non-controlling interest from material ownership changes	8,002	—	—	—	—	(8,002)	—	(8,002)
Class A common stock warrants issued	—	—	—	—	—	13,988	—	13,988
Net loss	(23,766)	—	—	—	—	—	(20,480)	(20,480)
STOCKHOLDERS' EQUITY, March 31, 2025	$ 57,829	3,263	$ —	3,919	$ —	$ 586,923	$ (523,673)	$ 63,250
Issuance of Class A common stock upon settlement of restricted stock units, net of shares withheld for tax	—	5	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	1,463	—	1,463
Remeasurement adjustment to redeemable non-controlling interest from material ownership changes	8,193	—	—	—	—	(8,193)	—	(8,193)
Class A common stock warrants issued	—	—	—	—	—	8,301	—	8,301
Net loss	(23,303)	—	—	—	—	—	(20,362)	(20,362)
STOCKHOLDERS' EQUITY, June 30, 2025	$ 42,719	3,268	$ —	3,919	$ —	$ 588,494	$ (544,035)	$ 44,459

All periods presented have been retroactively adjusted to reflect the 1-for-50 reverse stock split effected on April 11, 2025. See Note 3 "Significant Accounting Policies" for further information.

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
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)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from asset sale	50	—
Net cash provided by investing activities	50	—
CASH FLOWS FROM FINANCING ACTIVITIES:		
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

See accompanying notes to condensed consolidated financial statements.

P3 HEALTH PARTNERS INC. and SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Organization

P3 Health Partners Inc. ("P3") is a patient-centered and physician-led population health management company and, for accounting purposes, the successor to P3 Health Group Holdings, LLC and its subsidiaries (collectively, "P3 LLC," and together with P3, the "Company") after the consummation of a series of business combinations in December 2021 with Foresight Acquisition Corp. (the "Business Combinations"). As the sole manager of P3 LLC, P3 operates and controls all of the business and affairs of P3 LLC and P3's only assets are equity interests in P3 LLC.

P3 LLC was founded on April 12, 2017 and began commercial operations on April 20, 2017 to provide population health management services on an at-risk basis to insurance plans offering medical coverage to Medicare beneficiaries under Medicare Advantage programs. Medicare Advantage ("MA") programs are insurance products created solely for Medicare beneficiaries. Insurance plans contract directly with the Centers for Medicare and Medicaid Services ("CMS") to offer Medicare beneficiaries benefits that replace traditional Medicare fee-for-service ("FFS") coverage.

The Company's contracts with health plans are based on an at-risk shared savings model. Under this model, the Company is financially responsible for the cost of all contractually-covered services provided to members assigned to the Company by health plans in exchange for a fixed monthly "capitation" payment, which is generally a percentage of the payment health plans receive from CMS. Under this arrangement, Medicare beneficiaries generally receive all their healthcare coverage through the Company's network of employed and affiliated physicians and specialists.

The services provided to health plans' members vary by contract. These may include utilization management, care management, disease education, and maintenance of a quality improvement and quality management program for members assigned to the Company. The Company is also responsible for the credentialing of its providers, processing and payment of claims, and the establishment of a provider network for certain health plans.

In addition to the Company's contracts with health plans, the Company provides primary healthcare services through its employed physician clinic locations. These primary care clinics are reimbursed for services provided under FFS contracts with various payers and through capitated – per member, per month ("PMPM") arrangements.

Note 2: Going Concern and Liquidity

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has experienced losses since its inception and had net losses of $43.7 million and $28.8 million for the three months ended June 30, 2025 and 2024, respectively, and $87.9 million and $78.4 million for the six months ended June 30, 2025 and 2024, respectively. Such losses were primarily the result of adverse claims experience, partly driven by general market conditions for MA plans.

As of June 30, 2025 and December 31, 2024, the Company had $38.6 million and $38.8 million, respectively, in unrestricted cash and cash equivalents available to fund future operations. The Company has a working capital deficit of $348.5 million as of June 30, 2025. The Company's capital requirements will depend on many factors, including the pace of the Company's growth, ability to manage medical costs, the maturity of its members, and its ability to raise capital. The Company continues to explore raising additional capital through a combination of debt financing and equity issuances. When the Company pursues additional debt and/or equity financing, there can be no assurance that such financing will be available on terms commercially acceptable to the Company or at all. If the Company is unable to raise additional capital or generate cash flows necessary to fund its operations or refinance its indebtedness, it will need to curtail planned activities, discontinue certain operations, or sell certain assets, which could materially and adversely affect its business, financial condition, results of operations, and prospects. As a result of these matters, substantial doubt exists about the Company's ability to continue as a going concern within one year after the date the financial statements are issued. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Note 3: Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of the U.S. Securities and Exchange Commission ("SEC") Regulation S-X. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2024. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to SEC rules and regulations dealing with interim financial statements.

Management believes the accompanying unaudited condensed consolidated financial statements reflect all adjustments of a normal recurring nature necessary for a fair presentation of periods presented. The condensed consolidated operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025, or for any other future annual or interim period.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and all significant intercompany transactions and balances have been eliminated.

The Company periodically evaluates entities for consolidation either through ownership of a majority voting interest, or through means other than voting interest, in accordance with the Variable Interest Entity ("VIE") accounting model. This evaluation includes a qualitative review of the design of the entity, its organizational structure, including decision making ability and financial agreements, as well as a quantitative review. The Company consolidates a VIE when it has a variable interest that provides it with a controlling financial interest in the VIE, referred to as the primary beneficiary of the VIE.

As the sole managing member of P3 LLC, P3 has the right to direct the most significant activities of P3 LLC and the obligation to absorb losses and receive benefits. The rights of the non-managing members of P3 LLC are limited and protective in nature and do not give substantive participation rights over the sole managing member. Accordingly, P3 identifies itself as the primary beneficiary of P3 LLC and began consolidating P3 LLC as of December 3, 2021, the closing date of the Business Combinations (the "Closing Date"), resulting in a non-controlling interest related to the common units of P3 LLC ("Common Units") held by members other than P3. Additionally, as more fully described in Note 13 "Variable Interest Entities," P3 LLC is the primary beneficiary of the following physician practices (collectively, the "Network VIEs"):

- Kahan, Wakefield, Abdou, PLLC
- Bacchus, Wakefield, Kahan, PC
- P3 Health Partners Professional Services, P.C.
- P3 Medical Group, P.C.
- P3 Health Partners California, P.C. (f/k/a Omni IPA Medical Group, Inc.)

Comprehensive Loss

Comprehensive loss includes net loss to common stockholders as well as other changes in equity that result from transactions and economic events other than those with stockholders. There was no difference between comprehensive loss and net loss to common stockholders for the periods presented.

Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to allowance for credit losses, revenue recognition, the liability for unpaid claims, equity-based compensation, premium deficiency reserves ("PDR"), fair value and impairment recognition of long-lived assets (including intangibles), fair value of liability classified instruments, and judgments related to deferred income taxes. The Company bases its estimates on the best information available at the time, its experiences, and various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Significant Accounting Policies

A description of the Company's significant accounting policies is included in the audited consolidated financial statements within its Annual Report on Form 10-K for the year ended December 31, 2024. No changes to significant accounting policies have occurred since December 31, 2024.

Revenue Recognition

The Company categorizes revenue based on various factors, such as the nature of contracts, as follows:

Revenue Type	Three Months Ended June 30, 2025	% of Total	Three Months Ended June 30, 2024	% of Total
	(dollars in thousands)			
Capitated revenue	$ 351,724	98.9 %	$ 374,306	98.7 %
Other patient service revenue:				
Clinical fees & insurance revenue	808	0.2	1,107	0.3
Care coordination / management fees	2,667	0.7	3,603	1.0
Incentive fees	589	0.2	141	0.0
Total other patient service revenue	4,064	1.1	4,851	1.3
Total revenue	$ 355,788	100.0 %	$ 379,157	100.0 %

Revenue Type	Six Months Ended June 30, 2025	% of Total	Six Months Ended June 30, 2024	% of Total
	(dollars in thousands)			
Capitated revenue	$ 721,241	98.9 %	$ 758,440	98.8 %
Other patient service revenue:				
Clinical fees & insurance revenue	1,800	0.3	3,052	0.4
Care coordination / management fees	5,362	0.7	5,993	0.8
Incentive fees	610	0.1	160	0.0
Total other patient service revenue	7,772	1.1	9,205	1.2
Total revenue	$ 729,013	100.0 %	$ 767,645	100.0 %

During each of the three months ended June 30, 2025 and 2024, four health plan customers each accounted for 10% or more of total revenue and collectively comprised 66% and 59% of the Company's total revenue, respectively. During each of the six months ended June 30, 2025 and 2024, five and four health plan customers, respectively, each accounted for 10% or more of total revenue and collectively comprised 75% and 60% of the Company's total revenue, respectively. Five and three health plan customers, respectively, each accounted for 10% or more of total health plan receivable as of June 30, 2025 and December 31, 2024, respectively.

Reverse Stock Split

On April 11, 2025, the Company effected a 1-for-50 reverse stock split of its Class A common stock and Class V common stock, $0.0001 par value. All common stock amounts and references have been retroactively adjusted for all figures presented to reflect this split unless specifically stated otherwise. See Note 12 "Capitalization" included in this Form 10-Q for additional information related to the reverse stock split.

Note 4: Recent Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03")

ASU 2024-03 enhances transparency and decision-usefulness of expense disclosures in response to investors' requests for more detailed, disaggregated expense information, enabling a clearer understanding of a public business entity's performance and cost structure. The amendments improve disclosure requirements in financial statement notes for specific expense categories, including inventory purchases, employee compensation, depreciation, amortization, and depletion, as well as qualitative descriptions of other expenses. The amendments are effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted and can be applied prospectively or retrospectively at the option of the Company. The Company is evaluating the effect ASU 2024-03 will have on its consolidated financial statements and related disclosures.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09")

ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures, in response to investors' feedback, indicating the need for improved information to assess an entity's operations, tax risks, and planning opportunities, particularly in understanding exposure to jurisdictional tax changes and their impact on cash flows. The amendments address these concerns by improving income tax disclosures, primarily related to the rate reconciliation and income taxes paid information. The amendments in this update are effective for annual periods beginning after December 15, 2024 and should be applied prospectively. Retrospective application is permitted. The Company is evaluating the effect ASU 2023-09 will have on its consolidated financial statements and related disclosures.

ASU 2023-06, Disclosure Improvements: Codification Amendments In Response to the SEC's Disclosure Update and Simplification Initiative ("ASU 2023-06")

ASU 2023-06 clarifies or improves disclosure and presentation requirements on a variety of topics and aligns the requirements in the Codification with the SEC's regulations. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in this update should be applied prospectively. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The Company is evaluating the effect ASU 2023-06 will have on its consolidated financial statements and related disclosures.

Note 5: Fair Value Measurements and Hierarchy

Information about the Company's financial liabilities measured at fair value on a recurring basis is presented below:

	Level 1	Level 2	Level 3	Total
		(in thousands)		
Warrant liability as of June 30, 2025	$ 118	$ —	$ 4,870	$ 4,988
Warrant liability as of December 31, 2024	$ 127	$ —	$ 10,185	$ 10,312

The key Level 3 weighted average inputs into the option pricing model related to the private placement warrants to purchase Class A common stock were as follows:

	June 30, 2025	December 31, 2024
Volatility	94.9 %	91.7 %
Risk-free interest rate	3.8 %	4.4 %
Exercise price	$ 25.45	$ 25.00
Expected term	5.8 Years	6.2 years

The exercise price for December 31, 2024 presented in the table above has been retroactively adjusted to reflect the 1-for-50 reverse stock split effected on April 11, 2025. See Note 3 "Significant Accounting Policies" for further information.

Generally, an increase in the market price of the Company's shares of common stock, an increase in the volatility of the Company's shares of common stock, and an increase in the remaining term of the warrants would each result in a directionally similar change in the estimated fair value of the Company's warrant liabilities. Such changes would increase the associated liability while decreases in these assumptions would decrease the associated liability. An increase in the risk-free interest rate would result in a decrease in the estimated fair value measurement and thus a decrease in the associated liability. The Company has not declared, and does not plan to declare, dividends on its common stock and, as such, there is no change in the estimated fair value of the warrant liabilities due to the dividend assumption.

The following table sets forth a summary of changes in the fair value of the Company's private placement warrants to purchase Class A common stock, which are considered to be Level 3 fair value measurements:

	Six Months Ended June 30,	
	2025	2024
	(in thousands)	
Beginning balance	$ 10,185	$ 29
Issuance of common warrants	—	33,259
Mark-to-market adjustment of stock warrants	(5,315)	(8,783)
Ending balance	$ 4,870	$ 24,505

The Company recorded gains of $2.0 million and $8.7 million from changes in the fair value of stock warrants for the three months ended June 30, 2025 and 2024, respectively, and gains of $5.3 million and $8.9 million from changes in the fair value of stock warrants for the six months ended June 30, 2025 and 2024, respectively.

The book value of cash; clinic fees, insurance receivables, and other receivables; accounts payable; and accrued expenses and other current liabilities approximate fair value because of the short maturity and high liquidity of these instruments.

Note 6: Property and Equipment

The Company's property and equipment balances consisted of the following:

	June 30, 2025	December 31, 2024
	(in thousands)	
Leasehold improvements	$ 2,375	$ 2,332
Furniture & fixtures	964	1,106
Computer equipment & software	7,054	7,060
Medical equipment	1,027	1,082
Software (development in process)	343	343
Vehicles	632	659
	12,395	12,582
Less: accumulated depreciation	(7,708)	(6,848)
Property and equipment, net	$ 4,687	$ 5,734

Total depreciation of property and equipment recognized on the condensed consolidated statements of operations was $0.6 million for each of the three months ended June 30, 2025 and 2024, respectively, and $1.2 million and $1.1 million for the six months ended June 30, 2025 and 2024, respectively.

Assets Held for Sale

On November 30, 2024, the Company and certain of its subsidiaries (the “Sellers”) entered into an asset purchase agreement with certain entities affiliated with an entity in which Chicago Pacific Founders (“CPF”), the Company’s principal stockholder, has an ownership interest (the “Buyers”), which was amended on December 30, 2024, effective as of December 5, 2024 (as amended, the “Florida Asset Purchase Agreement”). Pursuant to the Florida Asset Purchase Agreement, the Sellers sold to the Buyers all of the assets, clinical and non-clinical, exclusively or primarily used by the Company’s MA-related business operated out of Eagle Park, Florida (the “Florida Assets”). On May 1, 2025, the Company’s subsidiary, P3 Health Partners-Florida, LLC (“P3 Florida”), entered into an asset purchase agreement with Invictus Equity Group, LLC (“Invictus”) for the purchase of the remaining assets previously held for sale. Pursuant to the asset purchase agreement, P3 Florida sold to Invictus the assets, clinical and non-clinical, exclusively or primarily used by the MA-related businesses operated out of Apollo Beach and Clearwater, Florida, for a purchase price of approximately $0.1 million. An immaterial loss on disposal was recognized and is included in other income (expenses) in the Company’s condensed consolidated statements of operations.

Net assets classified as held for sale for the Company’s remaining Florida operations are summarized as follows:

	June 30, 2025	December 31, 2024
	(in thousands)	
Assets:		
Property and equipment, net	$ —	$ 571
Intangible assets, net	—	7,576
Other long-term assets	—	314
Accumulated impairment	—	(8,058)
Total assets	$ —	$ 403
Liabilities:		
Accrued expenses and other current liabilities	$ —	$ 56
Operating lease liability	—	297
Total liabilities	$ —	$ 353
Net assets	$ —	$ 50

Note 7: Intangible Assets

Intangible assets, net consisted of the following:

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in thousands)					
Indefinite lived intangible assets:						
Medical licenses	$ 700	$ —	$ 700	$ 700	$ —	$ 700
Definite lived intangible assets:						
Customer relationships	671,819	(240,156)	431,663	671,819	(206,951)	464,868
Trademarks	148,635	(53,703)	94,932	148,635	(46,427)	102,208
Payor contracts	4,700	(1,645)	3,055	4,700	(1,410)	3,290
Provider network	4,734	(1,684)	3,050	4,734	(1,450)	3,284
Total	$ 830,588	$ (297,188)	$ 533,400	$ 830,588	$ (256,238)	$ 574,350

Amortization of intangible assets was $20.5 million and $21.0 million during the three months ended June 30, 2025 and 2024, respectively, and $40.9 million and $42.1 million during the six months ended June 30, 2025 and 2024, respectively.

Note 8: Debt

Long-term Debt

Long-term debt consisted of the following:

	June 30, 2025	December 31, 2024
	(in thousands)	
Repurchase promissory note, interest paid at 11.0%, due June 2026	$ 15,000	$ 15,000
Term loan facility, interest paid at 12.0%, due December 2025	65,000	65,000
VGS 1 promissory note, interest paid at 13.5%, due June 2028	38,057	38,057
VGS 2 promissory note, interest paid at 17.5%, due September 2027	25,375	25,375
VGS 3 promissory note, interest paid at 19.5%, due June 2028	25,375	25,375
VGS 4 promissory note, interest paid at 19.5%, due August 2028	30,450	—
VGS 5 promissory note, interest paid at 19.5%, due August 2028	16,050	—
Long-term debt, gross	215,307	168,807
Less: unamortized debt issuance costs and original issue discount	(33,351)	(13,983)
	181,956	154,824
Less: current portion of long-term debt	(80,000)	(65,000)
Long-term debt, net	$ 101,956	$ 89,824

VGS 4 Promissory Note

On February 13, 2025, P3 LLC entered into a related party financing transaction with VBC Growth SPV 4, LLC (“VGS 4”), consisting of the issuance by P3 LLC of (i) an unsecured promissory note (the “VGS 4 Promissory Note”) to VGS 4 and (ii) a warrant to purchase 1.4 million shares of the Company’s Class A common stock at an exercise price of $10.34 per share to VGS 4, as adjusted for the reverse stock split. The VGS 4 Promissory Note provides for funding of up to $30.0 million, available for draw by P3 LLC in two tranches, as follows: (i) a first tranche of $15.0 million which was drawn on February 18, 2025, and (ii) a second tranche of $15.0 million which was drawn on March 14, 2025. The VGS 4 Promissory Note matures on August 13, 2028. Interest is payable at 19.5% per annum on a quarterly cycle (in arrears) beginning March 31, 2025. P3 LLC may elect to pay either (1) 8.0% cash interest and 11.5% paid in-kind (“PIK”) interest, or (2) 19.5% PIK interest, provided that payment of cash interest will be permitted only to the extent permitted by the Term Loan Agreement (entered into in November 2020 with CRG Servicing, LLC (as amended, the “Term Loan Agreement”) providing for funding of up to $100.0 million (the “Term Loan Facility”)) and the VGS 4 Subordination Agreement (defined below), and if not so permitted, such interest shall accrue as PIK interest. Accrued PIK interest is included in other long-term liabilities in the Company’s condensed consolidated balance sheets. The VGS 4 Promissory Note provides for mandatory prepayments with the proceeds of certain asset sales, and VGS 4 has the right to demand payment in full upon (i) a change of control of the Company and (ii) certain qualified financings (as defined in the VGS 4 Promissory Note).

The VGS 4 Promissory Note restricts P3 LLC’s ability and the ability of its subsidiaries to, among other things, incur indebtedness and liens, and make investments and restricted payments. The maturity date may be accelerated as a remedy under certain default provisions in the agreement, or in the event a mandatory prepayment event occurs. P3 LLC paid VGS 4 an up-front fee of 1.5% of the aggregate principal amount of the loan in-kind. In addition, P3 LLC will pay VGS 4 a back-end fee at the time the VGS 4 Promissory Note is redeemed as follows: (i) if paid prior to March 31, 2025, 2.25%; (ii) if paid after March 31, 2025 and on or before June 30, 2025, 4.50%; (iii) if paid after June 30, 2025 and on or before September 30, 2025, 6.75% and (iv) if paid after September 30, 2025, 9.00%. Total debt issuance costs and original issue discount incurred as part of this financing was $14.5 million, which included $14.0 million related to the fair value of the warrant. As of June 30, 2025, unamortized debt issuance costs and original issue discount of $14.4 million related to this financing.

VGS 4 Subordination Agreement

In connection with the transactions described above, P3 LLC entered into a subordination agreement, dated as of February 13, 2025 (the “VGS 4 Subordination Agreement”), by and among the Company, CRG Servicing LLC (“CRG”), as administrative agent under the Term Loan Facility, and VGS 4. Pursuant to the VGS 4 Subordination Agreement, VGS

4 agreed to subordinate its right of payment under the VGS 4 Promissory Note to the right of payment and security interests of the lenders under the Term Loan Facility. The terms of the VGS 4 Subordination Agreement will effectively require P3 LLC to pay all interest under the VGS 4 Promissory Note in-kind.

Amendment to Term Loan Agreement and Consent

In connection with the transactions described above, P3 LLC entered into (1) the Seventh Amendment to Term Loan Agreement (the "Seventh Amendment"), dated as of February 13, 2025, by and among P3 LLC, as borrower, the subsidiary guarantors party thereto, the lenders from time to time party thereto and CRG, as administrative agent and collateral agent and (2) the Consent (the "Consent"), dated as of February 13, 2025, by and between P3 LLC, as borrower, and VBC Growth SPV, LLC ("VGS"), as holder. The Seventh Amendment and Consent collectively permit the issuance of the VGS 4 Promissory Note and the entry into the VGS 4 Subordination Agreement by P3 LLC.

VGS 5 Promissory Note

On May 29, 2025, P3 LLC entered into a related party financing transaction with VBC Growth SPV 5, LLC ("VGS 5"), consisting of the issuance by P3 LLC of (i) an unsecured promissory note (the "VGS 5 Promissory Note") to VGS 5 and (ii) a warrant to purchase 1.4 million shares of the Company's Class A common stock at an exercise price of $7.39 per share to VGS 5. The VGS 5 Promissory Note provides for funding of up to $70.0 million, available for draw by P3 LLC in three tranches, as follows: (i) a first tranche of $15.0 million which was drawn on May 29, 2025, (ii) a second tranche of up to $15.0 million available at the Company's sole option in a single draw, on or prior to June 22, 2025, and (iii) a third tranche of $40.0 million available upon mutual agreement of P3 LLC and VGS 5 in one or more draws no later than December 31, 2025. The VGS 5 Promissory Note matures on August 13, 2028. Interest is payable at 19.5% per annum on a quarterly cycle (in arrears) beginning June 30, 2025. P3 LLC may elect to pay either (1) 8.0% cash interest and 11.5% PIK interest, or (2) 19.5% PIK interest, provided that payment of cash interest will be permitted only to the extent permitted by the Term Loan Agreement and the VGS 5 Subordination Agreement (defined below), and if not so permitted, such interest shall accrue as PIK interest. Accrued PIK interest is included in other long-term liabilities in the Company's condensed consolidated balance sheets. The VGS 5 Promissory Note provides for mandatory prepayments with the proceeds of certain asset sales, and VGS 5 has the right to demand payment in full upon (i) a change of control of the Company and (ii) certain qualified financings (as defined in the VGS 5 Promissory Note).

On June 21, 2025, the Company delivered a request to VGS 5 for $15.0 million in funding related to the second tranche, in July 2025 VGS 5 funded $8.5 million with the additional $6.5 million funded on August 12, 2025.

The VGS 5 Promissory Note restricts P3 LLC's ability and the ability of its subsidiaries to, among other things, incur indebtedness and liens, and make investments and restricted payments. The maturity date may be accelerated as a remedy under certain default provisions in the agreement, or in the event a mandatory prepayment event occurs. P3 LLC paid VGS 5 an up-front fee of 1.5% of the aggregate principal amount of the loan in-kind. In addition, P3 LLC will pay VGS 5 a back-end fee at the time the VGS 5 Promissory Note is redeemed as follows: (i) if paid prior to June 30, 2025, 2.25%; (ii) if repaid from July 1, 2025 through September 30, 2025, 4.50%; (iii) if paid after October 1, 2025 through December 31, 2025, 6.75% and (iv) if paid after December 31, 2025, 9.00%. Total debt issuance costs and original issue discount incurred as part of this financing was $9.4 million, which included $8.3 million related to the fair value of the warrant. As of June 30, 2025, unamortized debt issuance costs and original issue discount of $9.4 million related to this financing.

VGS 5 Subordination Agreement

In connection with the transactions described above, P3 LLC entered into a subordination agreement, dated as of May 29, 2025 (the "VGS 5 Subordination Agreement"), with CRG as administrative agent under the Term Loan Facility, and VGS 5. Pursuant to the VGS 5 Subordination Agreement, VGS 5 agreed to subordinate its right of payment under the VGS 5 Promissory Note to the right of payment and security interests of the lenders under the Term Loan Facility. The terms of the VGS 5 Subordination Agreement will effectively require P3 LLC to pay all interest under the VGS 5 Promissory Note in-kind.

Amendment to Term Loan Agreement and Consent

In connection with the transactions described above, on May 29, 2025, P3 LLC entered into the Ninth Amendment to the Term Loan Agreement (the "Ninth Amendment"), by and among P3 LLC, as borrower, the subsidiary guarantors party thereto, the lenders from time to time party thereto and CRG, as administrative agent and collateral agent. The Ninth Amendment permits the issuance of the VGS 5 Promissory Note and the entry into the VGS 5 Subordination Agreement.

Note 9: Net Loss per Share

The following table provides the computation of basic and diluted net loss per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands, except per share data)			
Numerator–basic:				
Net loss attributable to Class A common stockholders–basic	$ (20,362)	$ (12,020)	$ (40,842)	$ (30,720)
Numerator–diluted:				
Net loss attributable to Class A common stockholders–basic	$ (20,362)	$ (12,020)	$ (40,842)	$ (30,720)
Effective of dilutive securities:				
Liability-classified warrants	—	(8,779)	—	(8,779)
Net loss attributable to Class A common stockholders–diluted	$ (20,362)	$ (20,799)	$ (40,842)	$ (39,499)
Denominator–basic:				
Weighted average Class A common shares outstanding–basic	3,267	2,732	3,263	2,556
Net loss per share attributable to Class A common stockholders–basic	$ (6.23)	$ (4.40)	$ (12.52)	$ (12.02)
Denominator–diluted:				
Weighted average Class A common shares outstanding–basic	3,267	2,732	3,263	2,556
Weighted average effect of dilutive securities:				
Liability-classified warrants	—	90	—	45
Weighted average shares outstanding–diluted	3,267	2,822	3,263	2,601
Net loss per share attributable to Class A common stockholders–diluted	$ (6.23)	$ (7.37)	$ (12.52)	$ (15.19)

All periods presented in the table above have been retroactively adjusted to reflect the 1-for-50 reverse stock split effected on April 11, 2025. See Note 3 "Significant Accounting Policies" for further information.

Shares of Class V common stock do not share in the earnings or losses of P3 and are therefore not participating securities. As such, separate presentation of basic and diluted net loss per share for Class V common stock under the two-class method is not required. The following table presents potentially dilutive securities excluded from the computation of diluted net loss per share for the periods presented because their effect would have been anti-dilutive, adjusted for the reverse stock split as noted above.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Stock warrants (1)	7,789	2,154	7,789	2,154
Stock options (1)	430	430	430	430
Restricted stock units (1)	141	178	141	178
Shares of Class V common stock (2)	3,919	3,919	3,919	3,919
Total	12,279	6,681	12,279	6,681

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(1) Represents the number of instruments outstanding at the end of the period. Application of the treasury stock method would reduce this amount if they had a dilutive effect and were included in the computation of diluted net loss per share.

(2) Shares of Class V common stock at the end of the period are considered antidilutive shares of Class A common stock under application of the if-converted method in 2024 and 2025.

Note 10: Redeemable Non-controlling Interest

Non-controlling interest represents the portion of P3 LLC that the Company controls and consolidates but does not own (i.e., the Common Units held directly by equity holders other than the Company).

The ownership of the Common Units is summarized as follows:

	June 30, 2025		December 31, 2024	
	Units (in thousands)	Ownership %	Units (in thousands)	Ownership %
P3 Health Partners Inc.'s ownership of Common Units	3,268	45.5 %	3,257	45.4 %
Non-controlling interest holders' ownership of Common Units	3,919	54.5	3,919	54.6
Total Common Units	7,187	100.0 %	7,176	100.0 %

All periods presented in the table above have been retroactively adjusted to reflect the 1-for-50 reverse stock split effected on April 11, 2025. See Note 3 “Significant Accounting Policies” for further information.

During the six months ended June 30, 2024, the Company issued an aggregate of 12,247 shares of Class A common stock to P3 LLC members, as adjusted for the reverse stock split, in connection with such members’ redemptions of an equivalent number of Common Units and corresponding cancellation and retirement of an equivalent number of Class V common stock. Such retired shares of Class V common stock may not be reissued. The redemptions occurred pursuant to the terms of the P3 LLC Amended and Restated Limited Liability Company Agreement (the “P3 LLC A&R LLC Agreement”). No similar exchanges or redemptions occurred during the six months ended June 30, 2025.

As of June 30, 2025 and 2024, there was no fair value adjustment to redeemable non-controlling interest recorded as the fair value of redeemable non-controlling interest was greater than the carrying value.

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Note 11: Segment Reporting

The Company's operations are organized under one reportable segment. The following tables present information about the Company's reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Operating revenue	$ 355,788	$ 379,157	$ 729,013	$ 767,645
Less:				
Medical claims expense	(321,109)	(333,217)	(673,426)	(680,799)
Other medical expense[1]	(30,241)	(31,954)	(49,967)	(66,429)
Depreciation and amortization	(21,083)	(21,693)	(42,135)	(43,232)
Other segment items[2]	(15,352)	(15,095)	(30,252)	(43,656)
Interest expense, net	(10,145)	(5,436)	(18,870)	(9,692)
Interest income	458	432	780	823
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)

	June 30, 2025	December 31, 2024
	(in thousands)	
Segment assets	$ 93,463	$ 121,266

(1) Other medical expense includes subcapitation expense, affiliate provider compensation expense, and other non-claim costs.
(2) Other segment items include premium deficiency reserve, corporate, general and administrative expense, sales and marketing expense, and miscellaneous income and expense.

Note 12: Capitalization

Reverse Stock Split

On April 11, 2025, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the "Charter Amendment") with the Secretary of State of Delaware to effect a 1-for-50 reverse stock split (the "Reverse Stock Split") of the Company's outstanding Class A common stock, $0.0001 par value per share, and Class V common stock, $0.0001 par value per share, as of that date.

The Reverse Stock Split resulted in 163,159,548 shares of Class A common stock being converted to 3,263,093 shares of Class A common stock and 195,956,984 shares of Class V common stock being converted to 3,919,124 shares of Class V common stock. The Board of Directors of the Company approved the Charter Amendment to meet the share bid price requirements of the Nasdaq Capital Market. The Company's stockholders approved the Charter Amendment at a special meeting held on March 31, 2025.

No fractional shares were issued as a result of the Reverse Stock Split. Each stockholder was entitled to receive a cash payment equal to the fraction of a share to which such stockholder would otherwise have been entitled multiplied by the closing price per share of the Class A common stock as reported by The Nasdaq Capital Market (as adjusted to give effect to the Reverse Stock Split) on the effective date of the Reverse Stock Split. Proportional adjustments were made to the number of shares of Class A common stock underlying the Company's outstanding equity awards and warrants, as well as the exercise or conversion price, as applicable, and to the number of shares issuable under the Company's equity incentive plans and other existing agreements. All options and restricted stock awards of the Company outstanding immediately prior to the split have been adjusted in accordance with the terms of the plans, agreements or arrangements governing such options and restricted stock awards.

Each stockholder's percentage ownership interest in the Company and proportional voting power remained unchanged by the split, except for minor changes and adjustments that resulted from the treatment of fractional shares. The rights and privileges of the holders of shares of the Company's common stock were substantially unaffected. Unless otherwise noted, all references in the condensed consolidated financial statements and notes to condensed consolidated financial statements to the number of shares, per share data, restricted stock and stock option data have been retroactively adjusted to give effect to the Reverse Stock Split.

Note 13: Variable Interest Entities

P3 LLC has Management Services Agreements ("MSAs") and deficit funding agreements with the Network VIEs. The MSAs provide that P3 LLC will furnish administrative personnel, office supplies and equipment, general business services, contract negotiation, and billing and collection services to the Network VIEs. Fees for these services are the excess of the Network VIEs' revenue over expenses. Per the deficit funding agreements, P3 LLC is obligated to advance funds, as needed, to support the Network VIEs' working capital needs to the extent operating expenses exceed gross revenue. These advances accrue interest at a rate of prime plus 2%. Net advances made to the Network VIEs and accrued interest on those advances are presented within due to consolidated entities of P3 in the table below. Additionally, P3 LLC entered into stock transfer restriction agreements with the practice shareholders of the Network VIEs, which, by way of a call option, unequivocally permit P3 LLC to appoint successor physicians if a practice shareholder vacates their ownership position. Accordingly, P3 LLC identifies itself as the primary beneficiary of the Network VIEs. Practice shareholders, who are employees of P3 LLC, retain equity ownership in the Network VIEs, which represents nominal non-controlling interests; however, the non-controlling interests do not participate in the profit or loss of the Network VIEs.

P3 LLC, directly or indirectly via its wholly owned subsidiaries, may not use or access any net assets of the Network VIEs to settle its obligations or the obligations of its wholly owned subsidiaries. Additionally, the creditors of the Network VIEs do not have recourse to the net assets of P3 LLC.

Since P3 LLC represents substantially all the assets and liabilities of the Company, the following tables provide a summary of the assets, liabilities, and operating performance of only VIEs held at the P3 LLC level.

	June 30, 2025	December 31, 2024
	(in thousands)	
ASSETS		
Cash	$ 4,561	$ 5,216
Clinic fees, insurance and other receivable	2,851	2,440
Prepaid expenses and other current assets	468	447
Property and equipment, net	32	37
Other long-term assets	2,069	1,116
TOTAL ASSETS	$ 9,981	$ 9,256
LIABILITIES AND MEMBERS' DEFICIT		
Accounts payable	$ 311	$ 4,521
Accrued expenses and other current liabilities	1,074	677
Accrued payroll	564	3,795
Claims payable	3,691	5,004
Other long-term liabilities	835	919
Due to consolidated entities of P3	48,265	40,264
TOTAL LIABILITIES	54,740	55,180
MEMBERS' DEFICIT	(44,759)	(45,924)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 9,981	$ 9,256

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
	(in thousands)			
Revenue	$ 5,395	$ 9,354	$ 13,554	$ 19,118
Expense	4,525	9,803	12,679	19,700
Net income (loss)	$ 870	$ (449)	$ 875	$ (582)

Note 14: Related Parties

Chicago Pacific Founders (“CPF”), a principal equity holder of the Company, has an equity investment in Allymar Health Solutions ("Allymar") and Nevada Behavioral Health Systems ("NBHS").

Allymar Health Solutions

The Company has a master services agreement in place with Allymar whereby Allymar provides support services and tools for the Company and its contracted providers in arranging for or delivering services to its members. The Company recorded Allymar service expenses of $0.7 million for the three months ended June 30, 2025 and $1.4 million for the six months ended June 30, 2025, which are included in medical expenses in the condensed consolidated statements of operations. There were no service expenses for the same periods in 2024. The Company recorded accrued expenses of $4.1 million and $2.7 million as of June 30, 2025 and December 31, 2024, respectively. There was no accounts payable as of June 30, 2025 and December 31, 2024.

Nevada Behavioral Health Systems

The Company has a managed behavioral health agreement in place with NBHS whereby NBHS is delegated to provide or arrange for the provision of all behavioral health services needed for the Company’s fully delegated members in the Nevada market. The Company recorded NBHS service expense of $0.1 million and $0.3 million for the three and six months ended June 30, 2024, respectively, which are included in medical expenses in the condensed consolidated statements of operations. An immaterial amount of service expense was recorded for the three and six months ended June 30, 2025. There were no accounts payable or accrued expenses recorded as of June 30, 2025 and December 31, 2024.

Note 15: Income Taxes

The Company’s tax rate is affected primarily by the recognition of a valuation allowance and the portion of income and expense allocated to the non-controlling interest. It is also affected by discrete items that may occur in any given year such as benefits from changes in the fair value of private placement and public warrants. During the three and six months ended June 30, 2025, the Company’s tax rate was impacted by the valuation allowance placed on deferred tax assets in prior periods and state taxes.

Note 16: Subsequent Events

In connection with the VGS 5 Promissory Note, the second tranche was fully funded as of August 14, 2025. Refer to Note 8 “Debt” for additional information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis is intended to provide the reader with an understanding of our business, including an overview of our results of operations and liquidity and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q, as well as our audited financial statements and related notes and in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2024 Form 10-K. This discussion contains forward-looking statements and involves numerous risks and uncertainties. Our actual results may differ materially from those anticipated in any forward-looking statements as a result of many factors, including those set forth under "Cautionary Statement Regarding Forward-Looking Statements," in Part II, Item 1. "Legal Proceedings." in Part II, Item 1A, "Risk Factors." and elsewhere in this Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any periods in the future.

Overview

P3 is a patient-centered and physician-led population health management company. We strive to offer superior care to all those in need. We believe that the misaligned incentives in the fee-for-service ("FFS") healthcare payment model and the fragmentation between physicians and care teams has led to sub-optimal clinical outcomes, limited access, high spending and unnecessary variability in the quality of care. We believe that a platform such as ours, which helps to realign incentives and focuses on treating the full patient, is uniquely positioned to address these healthcare challenges.

We have leveraged the expertise of our management team's more than 20 years of experience in population health management, to build our "P3 Care Model." The key attributes that differentiate P3 include: 1) patient-focused model, 2) physician-led model, and 3) our broad delegated model. Our model operates by entering into arrangements with payors providing for monthly payments to manage the total healthcare needs of members attributed to our primary care physicians. In tandem, we enter into arrangements directly with existing physician groups or independent physicians in the community to join our value-based care ("VBC") network. In our model, physicians are able to retain their independence and entrepreneurial spirit, while gaining access to the tools, teams and technologies that are key to success in a VBC model, all while sharing in the savings from successfully improving the quality of patient care and reducing costs.

We operate in the $1,030 billion Medicare market, which covers more than 69 million eligible lives as of April 2025. Our core focus is the MA market, which makes up approximately 54% of the overall Medicare market, or nearly 33 million Medicare eligible lives in 2024. Medicare beneficiaries may enroll in an MA plan, under which payors contract with the Centers for Medicare and Medicaid Services ("CMS") to provide a defined range of healthcare services that are comparable to Medicare FFS (which is also referred to as "traditional Medicare").

We predominantly enter into capitated contracts with the nation's largest health plans to provide holistic, comprehensive healthcare to MA members. Under the typical capitation arrangement, we are entitled to per member per month ("PMPM") fees from payors to provide a defined range of healthcare services for MA health plan members attributed to our primary care physicians ("PCPs"). These PMPM fees comprise our capitated revenue and are determined as a percent of the premium ("POP") payors receive from CMS for these members. Our contracted recurring revenue model offers us highly predictable revenue and rewards us for providing high-quality care rather than driving a high volume of services. In this capitated arrangement, our goals are well-aligned with payors and patients alike—the more we improve health outcomes, the more profitable we will be over time.

Under this capitated contract structure, we are generally responsible for all members' medical costs across the care continuum, including, but not limited to emergency room and hospital visits, post-acute care admissions, prescription drugs, specialist physician spend, and primary care spend. Keeping members healthy is our primary objective. When they need medical care, delivery of the right care in the right setting can greatly impact outcomes. When our members need care outside of our network of PCPs, we utilize a number of tools including network management, utilization management, and claims processing to ensure that the appropriate quality care is provided.

Our company was formed in 2017 and our first at-risk contract became effective on January 1, 2018. We have demonstrated an ability to rapidly scale, primarily entering markets with our affiliate physician model, and expanding to a PCP network of approximately 2,800 physicians, in 24 markets (counties) across four states in over eight full years of operations as of June 30, 2025. As of June 30, 2025, our PCP network served approximately 114,100 at-risk members.

Reverse Stock Split

On April 11, 2025, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the "Charter Amendment") with the Secretary of State of Delaware to effect a 1-for-50 reverse stock split (the "Reverse Stock Split") of the Company's outstanding Class A common stock, $0.0001 par value per share, and Class V common stock, $0.0001 par value per share, as of that date.

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No fractional shares were issued as a result of the Reverse Stock Split. Each stockholder was entitled to receive a cash payment equal to the fraction of a share to which such stockholder would otherwise have been entitled multiplied by the closing price per share of the Class A common stock as reported by The Nasdaq Capital Market (as adjusted to give effect to the Reverse Stock Split) on the effective date of the Reverse Stock Split. Proportional adjustments were made to the number of shares of Class A common stock underlying the Company's outstanding equity awards and warrants, as well as the exercise or conversion price, as applicable, and to the number of shares issuable under the Company's equity incentive plans and other existing agreements. All options and restricted stock awards of the Company outstanding immediately prior to the split have been adjusted in accordance with the terms of the plans, agreements or arrangements governing such options and restricted stock awards.

Each stockholder's percentage ownership interest in the Company and proportional voting power remained unchanged by the split, except for minor changes and adjustments that resulted from the treatment of fractional shares. The rights and privileges of the holders of shares of the Company's common stock were substantially unaffected. Unless otherwise noted, all references in the condensed consolidated financial statements and notes to condensed consolidated financial statements to the number of shares, per share data, restricted stock and stock option data have been retroactively adjusted to give effect to the Reverse Stock Split.

Key Factors Affecting our Performance

Growing Medicare Advantage Membership on Our Platform

Membership and revenue are tied to the number of members attributed to our physician network by our payors. We believe we have multiple avenues to serve additional members, including through:

- Growth in membership under our existing contracts and existing markets:
  - Patients who are attributed to our physician network who (a) age into Medicare and elect to enroll in MA or (b) elect to convert from Medicare FFS to MA.
- Adding new contracts (either payor contracts or physician contracts) in existing markets.
- Adding new contracts (either payor contracts or physician contracts) in adjacent and new markets.

Growing Existing Contract Membership

As new patients age-in to Medicare and enroll in MA through our payors, they become attributed to our network of physicians with little incremental cost to us.

In addition to age-ins, Medicare eligible patients can change their enrollment selections during select periods throughout the year. Our sales and marketing teams actively work with local community partners to connect with Medicare eligible patients and make them aware of their healthcare choices and the services that we offer with our VBC model, including greater access to their physicians and customized care plans catered to their needs. The ultimate effect of our marketing efforts is increased awareness of P3 and additional patients choosing us as their primary care provider. We believe that our marketing efforts also help to grow our payor partners' membership base as we grow our own patient base and help educate patients about their choices on Medicare, further aligning our model with that of healthcare payors.

Growing Membership in Adjacent and New Markets

Our affiliate model allows us to quickly and efficiently enter into new and adjacent markets in two ways: (1) partnering with payors and (2) partnering with providers. Because our model honors the existing patient-provider relationship, we are able to deploy our care model around existing physicians in a given market. By utilizing the local healthcare infrastructure, we can quickly build a network of PCPs to serve the healthcare needs of contracted members.

We maintain an active pipeline of new partnership opportunities for both providers and payors. These potential opportunities are developed through significant inbound interest and the deep relationships our team has developed with their more than 20 years of experience in the VBC space and our proactive assessment of expansion markets. When choosing a market to enter, we make our decision on a county-by-county basis across the United States. We look at various factors including: (i) population size, (ii) payor participants and concentration, (iii) health system participants and concentration, and (iv) competitive landscape.

When entering a new market, we supplement the existing physician network with local market leadership teams and support infrastructure to drive the improvement in medical cost and quality. When entering an adjacent market, we are able to leverage the investments we previously made to have a faster impact on our expanded footprint.

Growing Membership in Existing Markets

Once established in a market, we have an opportunity to efficiently expand both our provider and payor contracts. Given the benefits PCPs experience from joining our P3 Care Model, which offers providers the teams, tools and technologies to better support their patient base, we often experience growth in our affiliate network after entering a market. Because of the benefits, we have also historically experienced high retention with our affiliate providers. From 2018 through June 30, 2025, we experienced a 92% physician retention rate in our affiliate provider network. By expanding our affiliate provider network and adding new physicians to the P3 network, we can quickly increase the number of contracted at-risk members under our existing health plan arrangements.

Additionally, by expanding the number of contracted payors, we can leverage our existing infrastructure to quickly increase our share of patients within our physician network. However, we have and intend to continue to conduct periodic strategic reviews of our provider and payor contracts, as a result of which we may elect to periodically exit underperforming provider and payor contracts from our network.

Growing Capitated Revenue Per Member

Medicare pays capitation using a risk adjusted model, which compensates payors based on the health status, or acuity, of each individual member. Payors with higher acuity members receive a higher payment and those with lower acuity members receive a lower payment. Moreover, some of our capitated revenue also includes adjustments for performance incentives or penalties based on the achievement of certain clinical quality metrics as contracted with payors. Given the prevalence of FFS arrangements, our patients often have historically not participated in a VBC model, and therefore their health conditions are poorly documented. Through the P3 Care Model, we determine and assess the health needs of our patients and create an individualized care plan consistent with those needs. We capture and document health conditions as a part of this process. We expect that our PMPM revenue will continue to improve the longer members participate in our care model as we better understand and assess their health status (acuity) and coordinate their medical care.

Effectively Managing Member Medical Expense

Our medical expense is our largest expense category, representing 90% of our total operating expense for the six months ended June 30, 2025. We manage our medical costs by improving our members’ access to healthcare. Our care model focuses on maintaining health and leveraging the primary care setting as a means of avoiding costly downstream healthcare costs, such as emergency department visits and acute hospital inpatient admissions.

Achieving Operating Efficiencies

As a result of our affiliate model and ability to leverage our existing local and national infrastructure, we aim to generate operating efficiencies at both the market and enterprise level. Our local corporate, general and administrative expense, which includes our local leadership, care management teams and other operating costs to support our markets, is expected to decrease over time as a percentage of revenue as we add members to our existing contracts, grow membership with new payor and physician contracts, and our revenue subsequently increases. Our corporate general and administrative expenses at the enterprise level include resources and technology to support payor contracting, quality, data management, delegated services, finance and legal functions. While we expect our absolute investment in our enterprise resources to increase over time, we expect our investment will decrease as a percentage of revenue when we are able to leverage our infrastructure across a broader group of at-risk members. We expect our corporate, general and administrative expenses to increase in absolute dollars in the future as we continue to invest to support growth of our business, as well as due to the costs required to operate as a public company, including insurance coverage, investments in internal audit, investor relations and financial reporting functions, fees paid to the Nasdaq Stock Market, and increased legal and audit fees.

Impact of Seasonality

Our operational and financial results reflect some variability depending upon the time of year in which they are measured. This variability is most notable in the following areas:

At-Risk Member Growth. While new members are attributed to our platform throughout the year, we experience the largest portion of our at-risk member growth during the first quarter. Contracts with new payors typically begin on January 1, at which time new members become attributed to our network of physicians. Additionally, new members are attributed to our network on January 1, when plan enrollment selections made during the prior Annual Enrollment Period from October 15 through December 7 of the prior year take effect.

Revenue Per Member. Our revenue is based on percentage of premium we have negotiated with our payors as well as our ability to accurately and appropriately document the acuity of a member’s health status. We experience some seasonality with respect to our per member revenue as it will generally decline over the course of the year. In January of each year, CMS revises the risk adjustment factor for each patient based upon health conditions documented in the prior year, leading to an overall increase in per-patient revenue. As the year progresses, our per-patient revenue declines as new patients join us typically with less complete or accurate documentation (and therefore lower risk-adjustment scores) and patients with more severe acuity profiles (and, therefore, higher per member revenue rates) expire.

Medical Costs. Medical expense is driven by utilization of healthcare services by our attributed membership. Medical expense will vary seasonally depending on a number of factors, including the weather and the number of business days. Certain illnesses, such as the influenza virus, are far more prevalent during colder months of the year, which will result in an increase in medical expenses during these time periods. We would therefore expect to see higher levels of per-member medical expense in the first and fourth quarters. Business days can also create year-over-year comparability issues if one year has a different number of business days compared to another.

Non-GAAP Financial Measures and Key Performance Metrics

We use certain financial measures, which are not calculated in accordance with accounting principles generally accepted in the U.S. (“GAAP”), as well as key performance metrics, to supplement our condensed consolidated financial statements. The measures set forth below should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures and key performance metrics as used by us may not be comparable to similarly titled measures used by other companies. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. The presentation of non-GAAP financial measures and key performance metrics provides additional information to investors regarding our results of operations that our management believes is useful for identifying trends, analyzing and benchmarking the performance of our business.

Non-GAAP Financial Measures

Adjusted EBITDA

The key non-GAAP metric we utilize to measure our profitability and performance is Adjusted EBITDA. We present Adjusted EBITDA because we believe it helps investors understand underlying trends in our business and facilitates an understanding of our operating performance from period to period because it facilitates a comparison of our recurring core business operating results.

By definition, EBITDA consists of net income (loss) before interest, income taxes, depreciation, and amortization. We define Adjusted EBITDA as EBITDA, further adjusted to exclude the effect of certain supplemental adjustments, such as mark-to-market warrant gain/loss, premium deficiency reserves, equity-based compensation expense, and certain other items that we believe are not indicative of our core operating performance. Our definition of Adjusted EBITDA may not be the same as the definitions used in any of our debt agreements.

Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP. It is unaudited and should not be considered an alternative to, or more meaningful than, net income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in Adjusted EBITDA include capital expenditures, interest payments, debt principal repayments, and other expenses defined above, which can be significant. As a result, Adjusted EBITDA should not be considered as a measure of our liquidity.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA on a supplemental basis. You should review the reconciliation of net loss to Adjusted EBITDA set forth below and not rely on any single financial measure to evaluate our business.

The following table sets forth a reconciliation of our net loss, the most directly comparable GAAP metric, to Adjusted EBITDA loss:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
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	$ (17,110)	$ (8,847)	$ (39,300)	$ (28,617)

(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

Medical margin is a non-GAAP financial metric. We present medical margin because we believe it helps investors understand underlying trends in our business and facilitates an understanding of our operating performance from period to period by facilitating a comparison of our recurring core business operating results.

Medical margin represents the amount earned from capitated revenue after medical claims expenses are deducted. 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.

Medical margin should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using medical margin on a supplemental basis. You should review the reconciliation of gross profit to medical margin set forth below and not rely on any single financial measure to evaluate our business.

The following table presents our medical margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Capitated revenue	$ 351,724	$ 374,306	$ 721,241	$ 758,440
Less: medical claims expense	(321,109)	(333,217)	(673,426)	(680,799)
Medical margin	$ 30,615	$ 41,089	$ 47,815	$ 77,641

The following table sets forth a reconciliation of our gross profit, the most directly comparable GAAP metric, to medical margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Gross profit	$ 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	$ 30,615	$ 41,089	$ 47,815	$ 77,641

Key Performance Metrics

We monitor the following operating metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions.

Gross Profit

Gross profit represents the amount earned from total operating revenue less the sum of: (i) medical claims expenses and (ii) other medical expenses including physician compensation expense related to surplus sharing and bonuses and other direct medical expenses incurred to improve care for our members. We believe this metric provides insight into the economics of the P3 Care Model, as it includes all medical claims expense associated with our members' care as well as partner compensation and additional medical costs we incur as part of our aligned partnership model. Other medical expenses are largely variable and proportionate to the level of surplus in each respective market, among other cost factors.

The following table presents our gross profit:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Total operating revenue	$ 355,788	$ 379,157	$ 729,013	$ 767,645
Less: medical claims expense	(321,109)	(333,217)	(673,426)	(680,799)
Less: other medical expense	(30,241)	(31,954)	(49,967)	(66,429)
Gross profit	$ 4,438	$ 13,986	$ 5,620	$ 20,417

At-Risk Membership

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 the reporting period. We had 114,100 and 128,100 at-risk members as of June 30, 2025 and 2024, respectively.

Affiliate Primary Care Physicians

Affiliate primary care physicians represent the approximate number of primary care physicians included in our affiliate network, with whom members may be attributed under our capitation arrangements, as of the end of the reporting period. We had 2,800 and 2,900 primary care physicians as of June 30, 2025 and 2024, respectively.

Platform Support Costs

Our platform support costs, which include regionally based support personnel and other operating costs to support our markets, are expected to decrease over time as a percentage of revenue as our physician partners add members and our revenue grows. Our operating expenses at the enterprise level include resources and technology to support payor contracting, clinical program development, quality, data management, finance, and legal functions. We exclude costs related to the operations of our owned medical clinics and wellness centers.

The table below represents costs to support our markets and enterprise functions, which are included in corporate, general and administrative expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(dollars in thousands)			
Platform support costs	$ 18,034	$ 20,188	$ 37,055	$ 41,460
% of total operating revenue	5.1 %	5.3 %	5.1 %	5.4 %

Key Components of Results of Operations

Revenue

Capitated revenue. We contract with health plans using an at-risk model. Under the at-risk model, we are responsible for the cost of all covered health care services provided to members assigned by the health plans to the Company in exchange for a fixed payment, which generally is a POP based on health plans' premiums received from CMS. Through this capitation arrangement, we stand ready to provide assigned MA members all their medical care via our directly employed and affiliated physician/specialist network.

The premiums that health plans receive are determined via a competitive bidding process with CMS and are based on the costs of care in local markets and the average utilization of services by enrolled patients. Medicare pays capitation using a "risk adjustment model," which compensates providers based on the health status (acuity) of each individual patient. MA plans with higher acuity patients receive higher premiums. Conversely, MA plans with lower acuity patients receive lesser premiums. Under the risk adjustment model, capitation is paid on an interim basis based on enrollee data submitted for the preceding year and is adjusted in subsequent periods after final data is compiled. As premiums are adjusted via this risk adjustment model (using a Risk Adjustment Factor, "RAF"), our PMPM payments change commensurately with how our contracted Medicare Advantage plans' premiums change with CMS.

The transaction price for these contracts is variable as it primarily includes PMPM fees, which can fluctuate throughout the course of the year based on the acuity of each individual enrollee. In certain contracts, PMPM fees also include adjustments for items such as performance incentives or penalties based on the achievement of certain clinical quality metrics as contracted with payors. Capitated revenue is recognized based on a PMPM transaction price to transfer the service for a distinct increment of the series and is recognized net of projected acuity adjustments and performance incentives or penalties. We recognize revenue in the month in which attributed members are entitled to receive healthcare benefits during the contract term. The capitation amount is subject to possible retroactive premium risk adjustments based on the member's individual acuity.

Other patient service revenue. Other patient service revenue is comprised primarily of encounter-related fees to treat patients outside of our at-risk arrangements at company owned clinics. Other patient service revenue also includes ancillary fees earned under contracts with certain payors for the provision of certain care coordination and other care management services. These services are provided to patients covered by these payors regardless of whether those patients receive their care from our directly employed or affiliated medical groups.

Operating Expense

Medical expense. Medical expenses primarily include costs of all covered services provided to members by non-P3 employed providers. This also includes an estimate of the cost of services that have been incurred, but not yet reported (“IBNR”). IBNR is recorded as claims payable on the accompanying condensed consolidated balance sheets. Estimates for incurred claims are based on historical enrollment and cost trends while also taking into consideration operational changes. Future and actual results typically differ from estimates. Differences could result from an overall change in medical expenses per member, changes in member mix or simply due to the addition of new members. IBNR estimates are made on an accrual basis and adjusted in future periods as required. To the extent we revise our estimates of incurred but not reported claims for prior periods up or down, there would be a correspondingly favorable or unfavorable effect on our current period results that may or may not reflect changes in long term trends in our performance.

Premium deficiency reserve. Premium deficiency reserves (“PDR”) are recognized when it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and stop-loss insurance recoveries on those contracts. PDR represents the advance recognition of a probable future loss in the current period’s financial statements.

Corporate, general and administrative expense. Corporate, general and administrative expenses include employee-related expenses, including salaries and related costs and equity-based compensation for our executive, technology infrastructure, operations, clinical and quality support, finance, legal, and human resources departments. In addition, general and administrative expenses include all corporate technology and occupancy costs.

Sales and marketing expense. Sales and marketing expenses consist of costs related to patient and provider marketing and community outreach. These expenses capture all costs for both our local and enterprise sales and marketing efforts.

Depreciation and amortization expense. Depreciation expense is associated with our property and equipment, including leasehold improvements, computer equipment and software, furniture and fixtures, medical equipment, and internally developed software. Amortization expense is associated with definite lived intangible assets, including trademarks and tradenames, customer contracts, provider network agreements, and payor contracts.

Other Income (Expense)

Interest expense, net. Interest expense primarily consists of interest on our Term Loan Facility (as defined below) and unsecured promissory notes and amortization of debt issuance costs and original issue discount.

Mark-to-market of stock warrants. Mark-to-market of stock warrants consists of the change in the fair value on the revaluation of warrant liabilities associated with our public and private placement Class A common stock warrants.

Other. Other consists of gains and losses resulting from other transactions.

Income Taxes

P3 LLC is treated as a partnership for U.S. federal and most applicable state and local income tax jurisdictions. As a partnership, P3 LLC is generally not subject to taxes, other than entity level state income taxes, such as the Oregon corporate activity tax, a quasi-gross receipts tax that is levied on our Oregon sourced revenue. Any taxable income or loss generated by P3 LLC is passed through to and included within the taxable income or loss of its members, including us, on a pro rata basis. We are subject to U.S. federal income taxes, in addition to state and local income taxes with respect to our allocable share of any taxable income or loss generated by P3 LLC.

Non-controlling Interest

We consolidate the financial results of P3 LLC and report a non-controlling interest on our condensed consolidated statements of operations, representing the portion of net income or loss attributable to the non-controlling interest. The weighted average ownership percentages during the period are used to calculate the net income or loss attributable to P3 Health Partners Inc. and the non-controlling interest.

Results of Operations

The following tables set forth our consolidated statements of operations data for the periods indicated. Amounts may not sum due to rounding.

	Three Months Ended June 30, 2025	% of Revenue	Three Months Ended June 30, 2024	% of Revenue
	(dollars in thousands)			
Operating revenue:				
Capitated revenue	$ 351,724	99 %	$ 374,306	99 %
Other patient service revenue	4,064	1	4,851	1
Total operating revenue	355,788	100	379,157	100
Operating expense:				
Medical expense	351,350	99	365,171	96
Premium deficiency reserve	(5,967)	(2)	(3,397)	(1)
Corporate, general and administrative expense	23,295	7	26,610	7
Sales and marketing expense	151	0	414	0
Depreciation and amortization	21,083	6	21,693	6
Total operating expense	389,912	110	410,491	108
Operating loss	(34,124)	(10)	(31,334)	(8)
Other (expense) income:				
Interest expense, net	(10,145)	(3)	(5,436)	(1)
Mark-to-market of stock warrants	2,002	1	8,673	2
Other	583	0	291	—
Total other income (expense)	(7,560)	(2)	3,528	1
Loss before income taxes	(41,684)	(12)	(27,806)	(7)
Income tax provision	(1,981)	(1)	(968)	—
Net loss	(43,665)	(13)	(28,774)	(7)
Net loss attributable to redeemable non-controlling interest	(23,303)	(7)	(16,754)	(4)
Net loss attributable to controlling interest	$ (20,362)	(6)%	$ (12,020)	(3)%

Results of Operations

The following tables set forth our condensed consolidated statements of operations data for the periods indicated. Amounts may not sum due to rounding.

	Six Months Ended June 30, 2025	% of Revenue	Six Months Ended June 30, 2024	% of Revenue
	(dollars in thousands)			
Operating revenue:				
Capitated revenue	$ 721,241	99 %	$ 758,440	99 %
Other patient service revenue	7,772	1	9,205	1
Total operating revenue	729,013	100	767,645	100
Operating expense:				
Medical expense	723,393	99	747,228	97
Premium deficiency reserve	(12,929)	(2)	(2,397)	0
Corporate, general and administrative expense	48,294	7	54,011	7
Sales and marketing expense	332	0	736	0
Depreciation and amortization	42,135	6	43,232	6
Total operating expense	801,225	110	842,810	110
Operating loss	(72,212)	(10)	(75,165)	(10)
Other (expense) income:				
Interest expense, net	(18,870)	(3)	(9,692)	(1)
Mark-to-market of stock warrants	5,324	1	8,889	1
Other	901	0	628	0
Total other income (expense)	(12,645)	(2)	(175)	—
Loss before income taxes	(84,857)	(12)	(75,340)	(10)
Income tax provision	(3,054)	(0)	(3,040)	(0)
Net loss	(87,911)	(12)	(78,380)	(10)
Net loss attributable to redeemable non-controlling interest	(47,069)	(6)	(47,660)	(6)
Net loss attributable to controlling interest	$ (40,842)	(6)%	$ (30,720)	(4)%

Comparison of the Three Months Ended June 30, 2025 and 2024

Revenue

	Three Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Capitated revenue	$ 351,724	$ 374,306	$ (22,582)	(6)%
Other patient service revenue	4,064	4,851	(787)	(16)%
Total operating revenue	$ 355,788	$ 379,157	$ (23,369)	(6)%

Capitated revenue was $351.7 million for the three months ended June 30, 2025, a decrease of $22.6 million, or 6%, compared to $374.3 million for the three months ended June 30, 2024. This decrease was primarily driven by a 11% decrease in the total number of at-risk members from 128,100 at June 30, 2024 to 114,100 at June 30, 2025 driven by the strategic termination of underperforming payor contracts and affiliate providers in the current year. Capitated revenue was approximately 99% of total operating revenue for each of the three months ended June 30, 2025 and 2024.

Other patient service revenue was $4.1 million for the three months ended June 30, 2025, a decrease of $0.8 million, or 16%, compared to $4.9 million for the three months ended June 30, 2024. Other patient service revenue was approximately 1% of total operating revenue for each of the three months ended June 30, 2025 and 2024.

Medical Expense

	Three Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Medical expense	$ 351,350	$ 365,171	$ (13,821)	(4)%

Medical expense was $351.4 million for the three months ended June 30, 2025, a decrease of $13.8 million, or 4%, compared to $365.2 million for the three months ended June 30, 2024. The decrease was driven primarily by a decrease in the total number of at-risk members year-over-year resulting in part from termination of two health plans.

Premium Deficiency Reserve

	Three Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Premium deficiency reserve	$ (5,967)	$ (3,397)	$ (2,570)	76 %

Premium deficiency reserve was a benefit of $6.0 million for the three months ended June 30, 2025, an increase of $2.6 million, or 76%, compared to a benefit of $3.4 million for the three months ended June 30, 2024. The change was due to management's assessment of the profitability of contracts, wherein increased medical expense is expected to increase our future losses.

Corporate, General and Administrative Expense

	Three Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Corporate, general and administrative expense	$ 23,295	$ 26,610	$ (3,315)	(12)%

Corporate, general and administrative expense was $23.3 million for the three months ended June 30, 2025, a decrease of $3.3 million, or 12%, compared to $26.6 million for the three months ended June 30, 2024. The decrease was primarily driven by a decrease in salary and related expense resulting from a reduction in head count and sale of the Company's Florida operations.

Comparison of the Six Months Ended June 30, 2025 to the Six Months Ended June 30, 2024

Revenue

	Six Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Capitated revenue	$ 721,241	$ 758,440	$ (37,199)	(5)%
Other patient service revenue	7,772	9,205	(1,433)	(16)%
Total operating revenue	$ 729,013	$ 767,645	$ (38,632)	(5)%

Capitated revenue was $721.2 million for the six months ended June 30, 2025, a decrease of $37.2 million, or 5%, compared to $758.4 million for the six months ended June 30, 2024. This decrease was primarily driven by an 11% decrease in the total number of at-risk members from 128,100 at June 30, 2024 to 114,100 at June 30, 2025, which was primarily due to the strategic termination of underperforming payor contracts and affiliate providers in the current year. Capitated revenue was approximately 99% of total operating revenue for each of the six months ended June 30, 2025 and 2024.

Other patient service revenue was $7.8 million for the six months ended June 30, 2025, a decrease of $1.4 million, or 16%, compared to $9.2 million for the six months ended June 30, 2024. Other patient service revenue was approximately 1% of total operating revenue for each of the six months ended June 30, 2025 and 2024.

Medical Expense

	Six Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Medical expense	$ 723,393	$ 747,228	$ (23,835)	(3)%

Medical expense was $723.4 million for the six months ended June 30, 2025, a decrease of $23.8 million, or 3%, compared to $747.2 million for the six months ended June 30, 2024. The decrease was driven by a decrease in the total number of at-risk members year-over-year resulting in part from termination of two health plans.

Premium Deficiency Reserve

	Six Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Premium deficiency reserve	$ (12,929)	$ (2,397)	$ (10,532)	439 %

Premium deficiency reserve was a benefit of $12.9 million for the six months ended June 30, 2025, an increase of $10.5 million, or 439%, compared to a benefit of $2.4 million for the six months ended June 30, 2024. The change was due to management's assessment of the profitability of contracts, wherein increased medical expense is expected to increase our future losses.

Corporate, General and Administrative Expense

	Six Months Ended June 30,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Corporate, general and administrative expense	$ 48,294	$ 54,011	$ (5,717)	(11)%

Corporate, general and administrative expense was $48.3 million for the six months ended June 30, 2025, a decrease of $5.7 million, or 11%, compared to $54.0 million for the six months ended June 30, 2024. The decrease was primarily driven by a decrease in salary and related expense resulting from a reduction in head count and sale of the Company's Florida operations.

Liquidity and Capital Resources

P3 Health Partners Inc. is a holding company and has no material assets other than its ownership of equity interests in P3 LLC. As such, we have no independent means of generating revenue or cash flow, and our ability to pay taxes, make payments under the Tax Receivable Agreement ("TRA"), and to pay dividends will depend on the financial results and cash flows of P3 LLC and the distributions received from P3 LLC. Deterioration in the financial condition, earnings or cash flow of P3 LLC for any reason could limit or impair P3 LLC's ability to pay such distributions. Additionally, to the extent that we need funds and P3 LLC is restricted from making such distributions under applicable law or regulation or under the terms of any financing arrangements, or P3 LLC is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition. It is anticipated that the distributions we will receive from P3 LLC may, in certain periods, exceed the actual tax liabilities and obligations to make payments under the TRA.

Cash Sources

To date, we have financed our operations principally through the cash we obtained as a result of the Business Combinations, private placements of our equity securities, payments from our payors, issuances of promissory notes, and borrowings under the Term Loan Facility. We generate cash from our operations, generally from our contracts with payors. As of June 30, 2025, we had $38.6 million of unrestricted cash and cash equivalents available to fund future operations.

We have experienced losses since our inception, and net losses of $43.7 million and $87.9 million for the three and six months ended June 30, 2025, respectively. Our future capital requirements will depend on many factors, including the pace of our growth, ability to manage medical costs, the maturity of our members, and our ability to raise capital and refinance our indebtedness as it matures. We may need to raise additional capital through a combination of debt and/or equity financing and to the extent we are unsuccessful at doing so, we may need to curtail planned activities, discontinue certain operations, or sell certain assets, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

VGS 4 Promissory Note

On February 13, 2025, we entered into a financing transaction with VBC Growth SPV 4, LLC ("VGS 4"), consisting of the issuance by P3 LLC of an unsecured promissory note (the "VGS 4 Promissory Note") to VGS 4 and the entry into a warrant agreement and the VGS 4 Subordination Agreement (defined below). The VGS 4 Promissory Note provides for funding of up to $30.0 million, available for us to draw in (i) a first tranche of $15.0 million, which was drawn on February 18, 2025, and (ii) a second tranche of up to $15.0 million which was drawn on March 14, 2025. In addition, we paid VGS 4 an up-front fee of 1.5% of $30.0 million, the maximum draw amount, in-kind. The VGS 4 Promissory Note matures on August 13, 2028. Interest on the VGS 4 Promissory Note is payable at 19.5% per annum on a quarterly cycle (in arrears) beginning March 31, 2025. We may elect to pay interest 11.5% in-kind and 8.0% in cash, but if the terms of the VGS 4 Subordination Agreement do not permit us to pay interest in cash, interest will be paid entirely in-kind.

The VGS 4 Promissory Note may be prepaid, at our option, either in whole or in part, without penalty or premium, at any time and from time to time, subject to the payment of the back-end fee described below; provided that prepayments must be in increments of at least $1.5 million. The VGS 4 Promissory Note provides for mandatory prepayments with the proceeds of certain asset sales, and VGS 4 has the right to demand payment in full upon (i) a change of control of the Company and (ii) certain qualified financings (as defined in the VGS 4 Promissory Note).

The VGS 4 Promissory Note restricts our ability to, among other things, incur indebtedness and liens, and make investments and restricted payments. The maturity date may be accelerated as a remedy under the certain default provisions in the agreement, or in the event a mandatory prepayment event occurs.

In addition, we will pay VBC 4 a back-end fee at the time the loans issued under the VGS 4 Promissory Note are repaid as follows: (i) if repaid prior to March 31, 2025, 2.25% of the aggregate principal amount of the loans advanced to us on or prior to such date; (ii) if repaid from April 1, 2025 through June 30, 2025, 4.5% of the aggregate principal amount of the loans advanced to us on or prior to such date; (iii) if repaid from July 1, 2025 through September 30, 2025, 6.75% of the aggregate principal amount of the loans advanced to us on or prior to such date; and (iv) if repaid on October 1, 2025 or later, 9.0% of the aggregate principal amount of the loans advanced to us on or prior to such date.

In connection with the issuance of the VGS 4 Promissory Note, we also entered into a subordination agreement, dated as of February 13, 2025 (the "VGS 4 Subordination Agreement"), with VGS 4 which subordinates VGS 4's right of payment under the VGS 4 Promissory Note to the right of payment and security interests of the lenders under the Term Loan and Security Agreement with CRG Servicing, LLC (the "Term Loan Facility"). Under the terms of the VGS 4 Subordination Agreement, we will be effectively required to pay all interest under the VGS 4 Promissory Note in-kind.

VGS 5 Promissory Note

On May 29, 2025, we entered into a financing transaction with VBC Growth SPV 5, LLC ("VGS 5"), consisting of the issuance by P3 LLC of an unsecured promissory note (the "VGS 5 Promissory Note") to VGS 5 and the entry into a warrant agreement and the VGS 5 Subordination Agreement (defined below). The VGS 5 Promissory Note provides for funding of up to $70.0 million, available for us to draw in three tranches, as follows: (i) a first tranche of $15.0 million which was drawn on May 29, 2025, (ii) a second tranche of up to $15.0 million available at the Company's sole option in a single draw, on or prior to June 22, 2025, and (iii) a third tranche of $40.0 million available upon mutual agreement of P3 LLC and VGS 5 in one or more draws no later than December 31, 2025. The VGS 5 Promissory Note matures on August 13, 2028. Interest on the VGS 5 Promissory Note is payable at 19.5% per annum on a quarterly cycle (in arrears) beginning June 30, 2025. We may elect to pay interest 11.5% in-kind and 8.0% in cash, but if the terms of the VGS 5 Subordination Agreement do not permit us to pay interest in cash, interest will be paid entirely in-kind.

On June 21, 2025, we delivered a request to VGS 5 for $15.0 million in funding related to the second tranche, in July 2025 VGS 5 funded $8.5 million with the additional $6.5 million funded on August 12, 2025.

The VGS 5 Promissory Note may be prepaid, at our option, either in whole or in part, without penalty or premium, at any time and from time to time, subject to the payment of the back-end fee described below; provided that prepayments must be in increments of at least $3.5 million. The VGS 5 Promissory Note provides for mandatory prepayments with the proceeds of certain asset sales, and VGS 5 has the right to demand payment in full upon (i) a change of control of the Company and (ii) certain qualified financings (as defined in the VGS 5 Promissory Note).

The VGS 5 Promissory Note restricts P3 LLC's ability and the ability of its subsidiaries to, among other things, incur indebtedness and liens, and make investments and restricted payments. The maturity date may be accelerated as a remedy under certain default provisions in the agreement, or in the event a mandatory prepayment event occurs.

In addition, we will pay VGS 5 a back-end fee at the time the VGS 5 Promissory Note is redeemed as follows: (i) if paid prior to June 30, 2025, 2.25%; (ii) if repaid from July 1, 2025 through September 30, 2025, 4.50%; (iii) if paid after October 1, 2025 through December 31, 2025, 6.75% and (iv) if paid after December 31, 2025, 9.00%.

In connection with the issuance of the VGS 5 Promissory Note, we entered into a subordination agreement, dated as of May 29, 2025 (the "VGS 5 Subordination Agreement"), with VGS 5 which subordinates VGS 5's right of payment under the VGS 5 Promissory Note to the right of payment and security interests of the lenders under the Term Loan Facility. Under the terms of the VGS 5 Subordination Agreement, we will be effectively required to pay all interest under the VGS 5 Promissory Note in-kind.

As of June 30, 2025, we were in material compliance with the covenants under our Term Loan Facility, VBC Growth SPV LLC promissory note ("VGS Promissory Note"), VBC Growth SPV 2, LLC unsecured promissory note ("VGS 2 Promissory Note"), VBC Growth SPV 3 LLC unsecured promissory note ("VGS 3 Promissory Note"), VGS 4 Promissory Note, and VGS 5 Promissory Note; however, there can be no assurance that we will be able to maintain compliance with these covenants in the future or that the lenders under the Term Loan Facility and unsecured promissory notes or the lenders of any future indebtedness we may incur will grant any waiver or forbearance with respect to such covenants that we may request in the future.

Asset sale

On May 1, 2025, our subsidiary, P3 Health Partners-Florida, LLC ("P3 Florida"), entered into an asset purchase agreement with Invictus Equity Group, LLC ("Invictus") for the purchase of the remaining assets previously held for sale. Pursuant to the asset purchase agreement, P3 Florida sold to Invictus the assets, clinical and non-clinical, exclusively or primarily used by our MA-related businesses operated out of Apollo Beach and Clearwater, Florida, for a purchase price of approximately $0.1 million.

Cash Uses

Our primary uses of cash include payments for medical expenses, administrative expenses, cost associated with our care model, and debt service. Final reconciliation and receipts of amounts due from payors are typically settled in arrears.

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.

In connection with the Business Combinations, we entered into a TRA that provides for the payment by us of 85% of the amount of any tax benefits that we actually realize, or in some cases are deemed to realize, as a result of (i) increases in our share of the tax basis in the net assets of P3 LLC resulting from any redemptions or exchanges of P3 LLC, (ii) tax basis increases attributable to payments made under the TRA, and (iii) deductions attributable to imputed interest pursuant to the TRA (the "TRA Payments"). We expect to benefit from the remaining 15% of any tax benefits that we may actually realize.

The estimation of a liability under the TRA is, by its nature, imprecise and subject to significant assumptions regarding a number of factors, including (but not limited to) the amount and timing of taxable income generated by the Company each year as well as the tax rate then applicable. The TRA liability is estimated to be $11.5 million as of June 30, 2025. Due to the Company’s history of losses, the Company has not recorded tax benefits associated with the increase in tax basis as a result of the Business Combinations. As a result, the Company determined that payments to TRA holders are not probable and no TRA liability has been recorded as of June 30, 2025.

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.

Outside of the aforementioned, and any routine transactions made in the ordinary course of business, there have been no material changes to our primary short-term and long-term requirements for liquidity and capital as disclosed in Part II, Item 7, “Management's Discussion and Analysis of Financial Condition and Results of Operations” of our 2024 Form 10-K.

Liquidity and Going Concern

As of the date of this Form 10-Q, we believe that our existing cash resources are not sufficient to support planned operations for at least the next year from the issuance of the unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q. As a result, we have concluded that there is substantial doubt about our ability to continue as a going concern within one year after the date the unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q are issued. In evaluating our ability to continue as a going concern and meet our obligations, we considered our current projections of future cash flows, current financial condition, sources of liquidity, and debt obligations for at least one year from the date of issuance of this Form 10-Q. This evaluation of our cash resources available over the next year from the date of issuance of the unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q does not take into consideration the potential mitigating effect of our ongoing efforts to raise capital or our plans that have not been fully implemented or the many factors that determine our capital requirements, including the pace of our growth, ability to manage medical costs and the maturity of our members. We continue to explore raising additional capital through a combination of debt financing and equity issuances. If we raise funds by issuing debt securities or preferred stock, or by incurring loans, these forms of financing would have rights, preferences, and privileges senior to those of holders of our common stock. If we raise capital through the issuance of additional equity, such sales and issuance would dilute the ownership interests of the existing holders of our Class A common stock. The availability and the terms under which we may be able to raise additional capital could be disadvantageous, and the terms of debt financing or other non-dilutive financing may involve restrictive covenants and dilutive financing instruments, which could place significant restrictions on our operations. Macroeconomic conditions and credit markets could also impact the availability and cost of potential future debt financing. There can be no assurances that any additional debt, other non-dilutive and/or equity financing would be available to us on favorable terms, or potentially at all. We expect to continue to incur net losses, comprehensive losses, and negative cash flows from operating activities in accordance with our operating plan. If we are unable to obtain additional funding when needed, we will need to curtail planned activities, divest certain operations, sell certain assets or reduce our costs, which will likely have an unfavorable effect on our ability to execute on our business plan, and have an adverse effect on our business, results of operations, and future prospects.

The unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q have been prepared assuming we will continue as a going concern and do not include any adjustments that might result from the outcome of these uncertainties.

Cash Flows

The following table summarizes our cash flows:

	Six Months Ended June 30,	
	2025	2024
	(in thousands)	
Net cash used in operating activities	$ (50,099)	$ (30,272)
Net cash provided by investing activities	50	—
Net cash provided by financing activities	45,274	67,540
Net change in cash and restricted cash	$ (4,775)	$ 37,268

Operating Activities

Net cash used in operating activities was $50.1 million for the six months ended June 30, 2025, compared to net cash used in operating activities of $30.3 million for the six months ended June 30, 2024. Significant changes impacting net cash used in operating activities during the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 were primarily due to changes in working capital and an increase in net loss.

Investing Activities

Net cash provided by investing activities was $0.1 million for the six months ended June 30, 2025, consisting of proceeds from the sale of the remaining Florida assets. Net cash used in investing activities was zero for the six months ended June 30, 2024.

Financing Activities

Net cash provided by financing activities was $45.3 million for the six months ended June 30, 2025, primarily consisting of proceeds from the borrowings on the VGS 4 Promissory Note, VGS 5 Promissory Note, and short-term financing agreements for the funding of certain insurance policies. Net cash provided by financing activities was $67.5 million for the six months ended June 30, 2024, consisting of proceeds from the sale of Class A common stock and warrants in May 2024 (the “May 2024 Private Placement”) with aggregate proceeds of $39.8 million, net of $2.4 million in offering costs, borrowings on the VGS 2 Promissory Note and short-term financing agreements for the funding of certain insurance policies.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires management to use judgment in the application of accounting policies, including making estimates and assumptions that could affect assets and liabilities, revenue and expenses and related disclosures of contingent assets and liabilities. Management bases its estimates on the best information available at the time, its experiences and various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. On an ongoing basis, we evaluate the continued appropriateness of our accounting estimates to make adjustments we consider appropriate under the facts and circumstances. There have been no significant changes to our critical accounting estimates as disclosed in our 2024 Form 10-K.

Recent Accounting Pronouncements

See Note 4 “Recent Accounting Pronouncements” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for a description of recent accounting standards issued and the anticipated effects on our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required for Smaller Reporting Companies.

Item 4. Controls and Procedures.

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2025, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

The Company is a party to various claims, legal and regulatory proceedings, lawsuits and administrative actions arising in the ordinary course of business. The Company carries general and professional liability insurance coverage to mitigate the Company's risk of potential loss in such cases. An accrual is established when a specific contingency is probable and estimable. The Company also faces contingencies that are reasonably possible to occur that cannot currently be estimated. The Company believes that disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, net loss, or cash flows. It is the Company's policy to expense costs associated with loss contingencies, including any related legal fees, as they are incurred.

Civil Investigative Demand

In June 2024, we received a civil investigative demand ("CID") from the United States Department of Justice ("DOJ") pursuant to the False Claims Act in the course of the government's investigation concerning our arrangements with insurance agents and brokers. The CID requests documentation and information relating to the marketing of our broker programs and our arrangements with, and remuneration paid to, MA brokers, agents and agencies, as well as our arrangements with third parties relating to these programs. We are cooperating with the investigation and providing the requested information. No assurance can be given as to the timing or outcome of the government's investigation. See "— We conduct business in a heavily regulated industry and if we fail to adhere to all of the complex government laws and regulations that apply to our business, we could incur fines or penalties or be required to make changes to our operations or experience adverse publicity, any or all of which could have a material adverse effect on our business, results of operations, financial condition, cash flows, and reputation." in Part I, Item 1A, "Risk Factors" in our 2024 Form 10-K.

Item 1A. Risk Factors.

You should carefully consider the risk factors included below and discussed in our 2024 Form 10-K, which could materially affect our business, financial condition or future results. Except as described below, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A., "Risk Factors" of our 2024 Form 10-K

If our affiliated physician groups and Restricted Knox-Keene licensed health plans are not able to satisfy California regulations related to financial solvency and operational performance, they could become subject to sanctions, and their ability to do business in California could be limited or terminated.

The California Department of Managed Health Care ("DMHC") has instituted regulations intended to provide a formal mechanism for monitoring the financial solvency and operational performance of risk bearing organizations (including capitated physician groups) and Restricted Knox-Keene licensed health plans in California. Under current DMHC regulations, our affiliated physician groups, as applicable, are required to, among other things:

- Maintain, at all times, a minimum "cash-to-claims ratio" (which means the organization's cash, marketable securities, and certain qualified receivables, divided by the organization's total unpaid claims liability) of 0.75; and

- Submit periodic reports to the DMHC containing various data and attestations regarding their performance and financial solvency, including IBNR calculations, documentation, and attestations as to whether or not the organization (i) was in compliance with the "Knox-Keene Act" requirements related to claims payment timeliness, and (ii) had maintained compliance with minimum "cash-to-claims ratio," tangible net equity, and positive working capital requirements.

In the event that a physician group is not in compliance with any of the above criteria, it would be required to describe in a report submitted to the DMHC the reasons for non-compliance and actions to be taken to bring it into compliance. Under such regulations, the DMHC can also make some of the information in the reports public, including, but not limited to, whether or not a particular physician organization met each criteria.

Our failure to meet the continued listing requirements of The Nasdaq Capital Market could result in a delisting of our securities.

We are required to meet the continued listing requirements of the Nasdaq Capital Market and if we fail to satisfy such continued listing requirements, Nasdaq may delist our securities. On May 15, 2024, we received a deficiency letter (the "Deficiency Letter") from the listing qualifications department of Nasdaq indicating that, for the prior thirty-one consecutive business days, the bid price for our Class A common stock had closed below the minimum $1.00 per share requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule"). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were granted an initial period of 180 calendar days, or until November 11, 2024, to regain compliance with the Bid Price Rule. We did not regain compliance with the Bid Price Rule prior to this time.

On November 12, 2024, Nasdaq granted us an additional 180 calendar day period to regain compliance with the Bid Price Rule. On March 31, 2025, our stockholders approved an amendment to our certificate of incorporation to effect a reverse stock split at a special meeting of stockholders. We effected a 1-for-50 reverse stock split (the "Reverse Stock Split") of our outstanding Class A common stock, $0.0001 par value per share, and Class V common stock, $0.0001 par value per share, that became effective on April 11, 2025. On April 29, 2025, we received a letter from the listing qualifications department of Nasdaq stating that we have regained compliance with the Bid Price Rule. However, there can be no assurance that the Reverse Stock Split will result in a sustained increase in the market price of our Class A common stock. In addition, it is possible that the reduced number of issued shares of Class A common stock resulting from the Reverse Stock Split could adversely affect the liquidity of our Class A common stock. There can also be no assurance that any actions that we take will be successful in preventing future non-compliance with the Bid Price Rule. There is also no assurance that we will maintain compliance with the other listing requirements of The Nasdaq Capital Market or that we will be successful in appealing any delisting determination.

Delisting from the Nasdaq Capital Market would cause us to pursue eligibility for trading of our securities on other markets or exchanges, or on the "pink sheets." In such case, our stockholders' ability to trade, or obtain quotations of the market value of our Class A common stock would be severely limited because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask prices of our Class A common stock. There can be no assurance that our securities, if delisted from the Nasdaq Capital Market in the future, would be listed on a national securities exchange, a national quotation service, the over-the-counter markets or the pink sheets. Delisting from the Nasdaq Capital Market, or even the issuance of a notice of potential delisting, would also result in negative publicity, make it more difficult for us to raise additional capital, adversely affect the market liquidity of our securities, decrease securities analysts' coverage of us or diminish investor confidence. There is no assurance that we will maintain compliance with the other listing requirements of The Nasdaq Capital Market.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no unregistered sales of our equity securities during the quarter ended June 30, 2025, that were not otherwise disclosed in a Current Report on Form 8-K.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) None.

(c) *Insider Trading Arrangements and Policies.*

During the quarter ended June 30, 2025, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number		Description	Incorporated by Reference			
			Form	File No.	Exhibit	Filing Date
2.1		Agreement and Plan of Merger, dated as of May 25, 2021, by and between Foresight Acquisition Corp., P3 Health Group Holdings, LLC and FAC Merger Sub LLC.	8-K	001-40033	2.1	6/1/2021
2.2		Transaction and Combination Agreement, dated as of May 25, 2021, by and among Foresight Acquisition Corp., the Merger Corps, the Blockers, Splitter and the Blocker Sellers.	8-K	001-40033	2.2	6/1/2021
2.3		First Amendment to Merger Agreement, dated as of November 21, 2021, by and among Foresight Acquisition Corp., FAC Merger Sub LLC and P3 Health Group Holdings, LLC.	8-K	001-40033	2.1	11/22/2021
2.4		Second Amendment, dated as of December 3, 2021, to the Agreement and Plan of Merger, dated as of May 25, 2021, by and among Foresight Acquisition Corp., FAC Merger Sub LLC and P3 Health Group Holdings, LLC.	8-K	001-40033	2.4	12/9/2021
2.5		The First Amendment to the Transaction and Combination Agreement between Foresight Acquisition Corp., the Merger Corps, the Blockers, Splitter and the Blocker Sellers.	8-K	001-40033	2.5	12/9/2021
3.1		Amended and Restated Certificate of Incorporation of the Company.	8-K	001-40033	3.1	12/9/2021
3.2		Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company.	8-K	001-40033	3.1	4/17/2025
3.3		Amended and Restated Bylaws of the Company.	8-K	001-40033	3.1	3/12/2024
10.1		Unsecured Promissory Note, dated May 29, 2025, by and between P3 Health Group, LLC and VBC Growth SPV 5, LLC.	8-K	001-40033	10.1	6/3/2025
10.2		Warrant Agreement, dated May 29, 2025, by and among P3 Health Group, LLC, P3 Health Partners Inc. and VBC Growth SPV 5, LLC.	8-K	001-40033	10.2	6/3/2025
10.3		Subordination Agreement, dated May 29, 2025, by and among P3 Health Group, LLC, CRG Servicing LLC and VBC Growth SPV 5, LLC.	8-K	001-40033	10.3	6/3/2025
10.4		Ninth Amendment to Term Loan Agreement, dated as of May 29, 2025, by and among P3 Health Group, LLC, as borrower, the Subsidiary Guarantors party thereto, the Lenders party thereto and CRG Servicing LLC, as administrative agent and collateral agent.	8-K	001-40033	10.4	6/3/2025
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.				
32.1	**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				

Exhibit Number		Description	Incorporated by Reference			
			Form	File No.	Exhibit	Filing Date
32.2	**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	*	Inline XBRL Instance Document				
101.SCH	*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	*	Inline XBRL Taxonomy Extension Presentation Document				
104	*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith
** Furnished herewith
† Indicates management contract or compensatory plan

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 thereunto duly authorized.

Date: August 14, 2025

P3 Health Partners Inc.

By: /s/ Leif Pedersen

Leif Pedersen
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Aric Coffman, M.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of P3 Health Partners Inc.;

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;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Aric Coffman, M.D.

Aric Coffman, M.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Leif Pedersen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of P3 Health Partners Inc.;

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;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 14, 2025

/s/ Leif Pedersen

Leif Pedersen
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of P3 Health Partners Inc. (the “Company”) for the quarterly period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Aric Coffman, M.D., Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 14, 2025

/s/ Aric Coffman, M.D.
Aric Coffman, M.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of P3 Health Partners Inc. (the "Company") for the quarterly period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leif Pedersen, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 14, 2025

/s/ Leif Pedersen
Leif Pedersen
Chief Financial Officer
(Principal Financial Officer)